Interim Report & Quarterly Report

ABN AMRO Bank N.V.

Second quarter 2022

About this report

Introduction

This Quarterly Report presents ABN AMRO's results for the second quarter of 2022, the interim report for 2022 and the Condensed consolidated Interim Financial Statements for 2022. The report provides a quarterly business and financial review as well as risk, funding, liquidity and capital disclosures.

Presentation of information

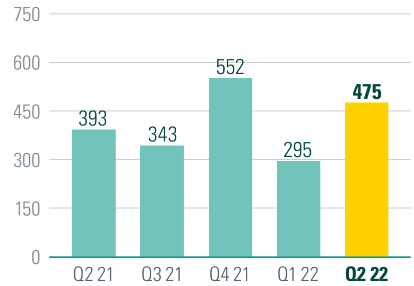
The Condensed consolidated Interim Financial Statements in this report have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (EU) and have been reviewed by our external auditor. Some disclosures in the Risk, funding & capital section of this report are part of the Condensed consolidated Interim Financial Statements and are labelled as 'Reviewed' in the respective tables or headings.

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.

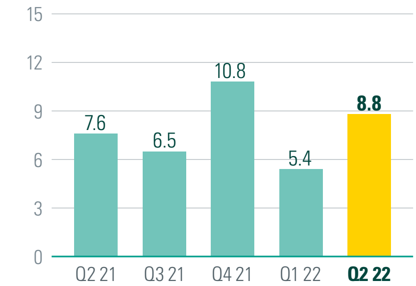
To download this report or to obtain more information, please visit us at abnamro.com/ir or contact us at investorrelations@nl.abnamro.com. In addition to this report, ABN AMRO provides an analyst and investor call presentation, an investor presentation and a factsheet regarding the second-quarter 2022 results.

Figures at a glance

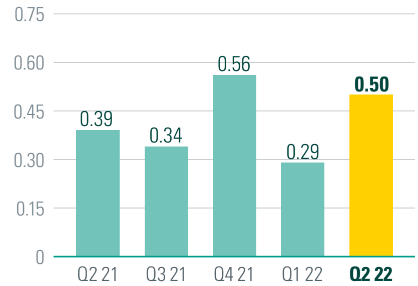
Net profit/(loss)
(in millions)



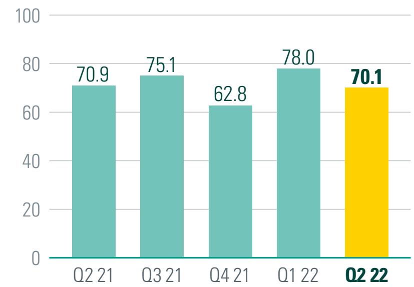
Return on equity
(in %) Target is 8%



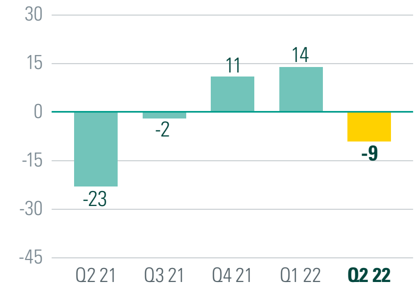
Earnings per share
(in EUR)



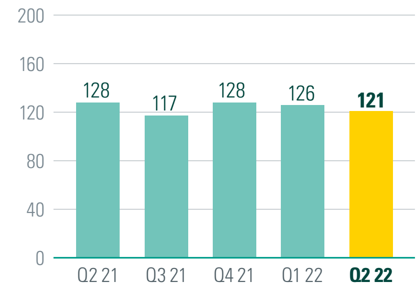
Cost/income ratio
(in %)



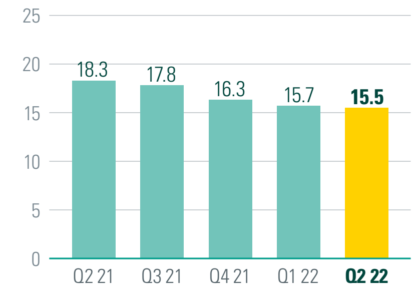
Cost of risk
(in bps) Through-the-cycle around 20bps



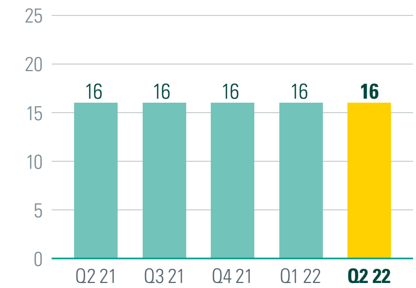
Net interest margin
(in bps)



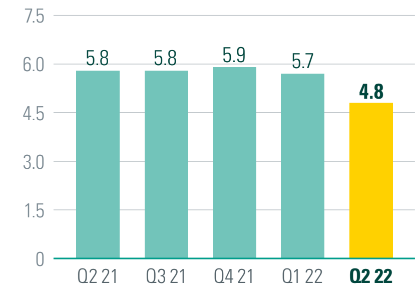
CET1 ratio (Basel III)
(end-of-period, in %)



CET1 ratio (Basel IV)
(end-of-period, in %) Target is 13%



Leverage ratio (CRR2)
(end-of-period, in %)



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.

Highlights of the quarter and **message from the CEO**

Highlights of the quarter

- Good quarter, with a net profit of EUR 475 million and return on equity (ROE) of 8.8%. Continued progress towards our financial and non-financial targets for 2024.
- Continued growth in mortgage and corporate loan books. Market leader in mortgages with a market share of 17.5% in Q2.
- Deposit margins benefit from higher interest rates; net interest income (NII) is expected to bottom out in the second half of this year and to end around EUR 5.2 billion for the full year.
- Fee income increased by 12% compared with Q2 2021, driven by higher transaction volumes in payments and strong results at Clearing.
- Full-year costs expected to total around EUR 5.3 billion, excluding incidentals, as cost savings are partially offset by higher investments and regulatory levies.
- Impairment release of EUR 62 million, reflecting continued good credit quality and improvements in non-performing loans. Cost of risk for H2 2022 expected to remain below the through-the-cycle cost of risk of 20 basis points. Prudent buffers in place against uncertainties in economic outlook.
- Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.5% and a Basel IV CET1 ratio of around 16%. Interim dividend has been set at EUR 0.32 per share.
- Approval from the ECB for a EUR 250 million share buyback, conditional on a potential NLFI sell-down, demonstrating our commitment to capital return.

Message from the CEO

The second quarter continued to be dominated by the war in Ukraine, first and foremost a humanitarian tragedy. The war is also causing high inflation and lower consumer confidence, and in combination with further lockdowns in China and supply chain disruptions, the economic outlook has weakened. The weakened outlook is not yet reflected in economic activity and we delivered a good performance this past quarter. I am pleased that now the ECB has increased its interest rate, we can stop charging our clients negative rates on their savings as from October. In these challenging circumstances, we are well placed to stand by our clients, while we continue to transform the bank towards a more client-focused and simplified organisation.

In the second quarter of 2022, we delivered a net profit of EUR 475 million and an ROE of 8.8%, a good result. NII was EUR 1,273 million, mainly due to lower prepayment penalties on mortgages and higher hedging costs. We expect NII to bottom out in the second half of the year, as deposit margins benefit from the improved interest rate environment, and to be around EUR 5.2 billion for the full year. We have seen continued growth of our mortgage and corporate loan books. Our market share for mortgages improved to 17.5% in Q2 and we are now market leader in the Netherlands. Client demand for corporate loans also remained strong. We continue to see pressure on margins for mortgages and corporate loans. Fee income increased by 12% compared with Q2 2021, driven by higher transaction volumes in payments and strong results at Clearing. Net new assets at Wealth Management were EUR 1.1 billion higher.

Operating expenses totalled EUR 1,321 million as AML remediation costs as well as investments relating to regulatory changes and expansion of our digital and data capabilities were higher than expected. We are making progress in our AML remediation programmes, but more effort is required than expected and the programmes will continue in 2023. We now expect full-year costs to be around EUR 5.3 billion, excluding incidentals, as cost savings are partially offset by higher investments and regulatory levies. We have further tightened our cost discipline, partly in anticipation of the current inflationary environment. We remain committed to our cost target of below EUR 4.7 billion in 2024, as AML and Corporate Banking non-core costs will come down and we will deliver on our cost-saving programmes.

Credit quality is good and impairments showed a release of EUR 62 million, reflecting improvements in non-performing loans. We see no sign of deterioration of the credit environment yet and expect the cost of risk for 2022 to remain below the through-the-cycle cost of risk of around 20 basis points. We continue to closely monitor the direct and indirect impacts of the war in Ukraine on the bank and our clients. Prudent buffers are in place against uncertainties in the economic outlook.

Risk-weighted assets increased by EUR 2.3 billion, mainly due to business developments and model reviews. Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.5% and a Basel IV CET1 ratio of around 16%. The interim dividend for the first half of 2022 has been set at EUR 0.32 per share, which amounts to EUR 287 million. We have received approval from the ECB for a EUR 250 million share buyback, conditional on a potential NLFI sell-down, demonstrating our commitment to capital return.

We are a personal bank in the digital age, with our strategic pillars – customer experience, sustainability and future-proof bank – as our guiding principles. Undeterred by these challenging times, we remain fully focused on the execution of our strategy and are progressing on our financial and non-financial targets. To improve the customer experience, we continually develop new propositions for our clients. Together with a partner, we now offer a solution for restaurants that lets their customers order contactless and pay with Tikkie, giving restaurant staff more time to serve their customers. We continue to broaden our product offering in private markets, now also by giving our wealth clients the opportunity to invest in an infrastructure fund.

Sustainability is core to our purpose and strategy. We have introduced a sustainability dashboard for our wealthy clients, giving them insight into the GHG emissions and ESG risks of companies in their portfolios. Our Sustainable Impact Fund has invested in an energy market trading platform that contributes to a more efficient use of the power grid. We have also invested in an online coffee company that shortens the supply chain from farmer to consumer. We are updating our climate strategy and will present it at the end of this year.

We are building a future-proof bank, digital by design. We recently launched the Savings Lock, offering our clients extra protection by preventing them from acting on impulse and falling victim to scams. Chatbot Anna now also allows SME clients to check the status of their request to open an account. And our business clients can now sign their credit and guarantee documentation digitally with ZealID, a provider of qualified electronic signatures and a partner of ABN AMRO.

I would like to extend my gratitude to all my colleagues for their strong commitment and drive. And I would like to thank all of our clients for placing their trust in us. In the current environment, many of our clients are facing a challenging situation. We will continue to support them, true to our commitment to fostering long-term relationships, while creating value for all our stakeholders.

Robert Swaak
CEO of ABN AMRO Bank N.V.

Strategic **KPIs**

We are focused on executing our strategy to become a personal bank in the digital age, the outcome of our comprehensive strategy review announced in November 2020. Our strategic pillars – customer experience, sustainability and future-proof bank – remain our guiding principles in acting on our purpose ‘Banking for better, for generations to come’. Delivering on our strategy means delivering on our bank-wide strategic KPIs for 2024.

Customer experience

We focus on attractive segments in the Netherlands and Northwest Europe where we can grow profitably and will further develop our leading positions in mortgages and SMEs with new propositions. Our goals are to achieve positive NPS scores and to increase our market share to above 20% in both segments.

ABN AMRO’s market share in new mortgage production grew to 17% in H1, reflecting strong operational capabilities. Market share for SMEs was lower in a highly competitive market, as we are focusing on improving new client take-on processes and cross-buying opportunities.

As we increasingly become a personal bank in the digital age, the digital experience remains the most valued element of our service for our clients, while they clearly also appreciate our expertise through personal contact. Our relational NPS scores for both mortgages and SMEs are influenced by the general sentiment around the closing of branches and particularly the fee increases announced in April. Our NPS for mortgages remained stable. Our NPS for SMEs is lower, as clients are critical of time-consuming KYC processes for which we now also charge costs and some customer journeys are not yet fully digital. We aim to continue to improve our NPS by being more proactive and further improving the accessibility of our call centres. It takes some time before operational improvements affect NPS scores.

Sustainability

Our clients increasingly need expertise to support them in the sustainability shift. We aim to increase the asset volume of sustainable client loans (including mortgages and corporate loans) and ESG and impact investments as part of the bank’s outstanding mortgage loan book, corporate loan book and relevant client asset volume from around one-fifth to one-third in 2024. We are making good progress, with a score of 28% at the end of H1.

The Sustainability Acceleration Standard (SAS) KPI for our corporate loans increased from 14% to 18%: a strong increase, especially in our Commercial Real Estate portfolio; but also in other sectors, client loans increasingly qualify as sustainable. Our mortgage portfolio is showing a steady improvement, with a SAS KPI of 27%; the properties of 62% of our clients now have an A, B or C energy label. At present 39% of our client assets are ESG or impact investments, as the number of ESG contracts with clients continues to grow.

To live up to our purpose and achieve our strategic goals, we need to have the right talent on board and continually invest in diversity and inclusion. A key factor is fostering an inclusive climate for both our people and our clients – an environment in which the diversity of our society is reflected. ABN AMRO is committed to creating a diverse workforce. This is important for employee engagement and a pleasant working environment and, we believe, makes for better decision-making. The percentage of women in the subtop was stable at 30%.

Future-proof bank

We are building a future-proof bank. In the digital age, personal is often digitally enabled, combined with expertise as our main differentiator. Clients expect easy digital delivery in apps, fully digital services and seamless self-service. For all high-volume processes, our focus is on end-to-end digitalisation – to enable the digital-first customer experience, but also to increase efficiency. At the end of H1 2022, 63% of our high-volume product and service processes were end-to-end digitalised, mainly in products such as savings, lending, mortgages and payments.

We are targeting costs lower than EUR 4.7 billion in 2024, reflecting further cost savings of EUR 700 million compared to 2020. In 2022 we are focusing on the implementation of our new client service model. The wind-down of the CB non-core portfolio has been largely completed, improving our risk profile. The recalibrated through-the-cycle cost of risk is around 20 basis points.

We target an ROE of around 8% by 2024, when the cost of risk is expected to have normalised, cost-saving programmes will have been completed and growth initiatives will be delivering results. Our ROE ambition remains 10%. We have set out our capital framework as we are committed to capital return. We pay dividend at a payout ratio of 50% of net profit, after deduction of AT1 coupon payments and minority interests. Basel IV is our primary capital metric, with a CET1 target of 13%. Progress on our financial targets is addressed in the relevant sections of this report.

Strategic pillars	Metric	2024 targets	First half 2022	2021 results
Customer experience				
	Relational NPS[1]			
	Mortgages	> 0	1	-1
	SMEs (incl. self-employed)[2]	> 0	-40	-33
	Market share growth in focus segments			
	New production mortgages	20%	17%	16%
	SMEs[3]	20%	17%	18%
Sustainability				
	Supporting clients' transition to sustainability			
	Percentage sustainability (acceleration) asset volume[4]	36%	28%	27%
	Diversity & Inclusion			
	Percentage of women at subtop	34%	30%	30%
Future-proof bank				
	Digitalisation			
	Straight-through-processing rate of high volume service and product processes[5]	90%	63%	n/a
	Financial targets			
	Absolute cost base (in EUR billions)[6]	<4.7	2.7	5.3
	Through-the-cycle cost of risk (in bps)	20	2	-7
	Return on equity (ambition with normalised interest rates)	8% (10%)	7%	6%
	CET1 ratio (Basel IV)[7]	13%	16%	16%

1 Net Promoter Score is calculated as the percentage of promoters minus the percentage of detractors.
2 Relational NPS SME scope has been revised to business clients with EUR 100,000 - EUR 25 million revenue, due to new top structure and refined priorities. The comparative figures have not been adjusted.
3 Market share SMEs is based on previous year-end results.
4 For definition of sustainability (acceleration) asset volume, see Operational sustainability KPIs table.
5 High volume service and product processes in scope are considered to be generic service, transaction banking and (home and other) financing solutions processes key to serving Personal & Business Banking clients (i.e. the client segment with the highest client volumes) with the highest annual transaction volumes (i.e. annual transaction volumes of >30.000).
6 Excluding incidentals.
7 CET1 ratio (Basel IV) is rounded to the nearest whole percent. For more information about CET1 ratio Basel IV, please refer to the Capital section in the Risk, funding & capital chapter.

Operational sustainability KPIs

Our key strategic target on the volume of sustainable client loans and investment is based on underlying operational targets per relevant portfolio. Due to the new simplified organisational structure implemented in 2022, the bank's four business lines were replaced by three client units: Personal & Business Banking, Wealth Management and Corporate Banking. These three client units are included in the new line item Corporate loans to clients.

Where previously only Corporate loans in the Commercial Banking and Corporate & Institutional Banking segments were considered for sustainability (acceleration) asset volume, we have expanded this in the past half-year to include all corporate loans to the three above-mentioned client units, except the non-core Corporate Banking loans. The new organisational structure and the scope increase do not affect our target percentage on group level.

	Targets			Results	
	2024	2023	2022	First half 2022	2021
Percentage sustainability (acceleration) asset volume[1]					
- ESG + impact investments[2]	42%	40%	38%	39%	38%
- Residential mortgages	34%	31%	28%	27%	25%
- Corporate loans to clients[3]	27%	21%	16%	18%	14%
Total	**36%**	**32%**	**29%**	**28%**	**27%**
External rating					
S&P Global ESG Dow Jones Sustainability Index	top 5%	top 5%	top 5%	-[4]	top 15%

1 The definition of sustainability (acceleration) asset volume is based on ABN AMRO's Sustainability Acceleration Standards. These standards contain clear definitions with regard to clients' sustainability policies, practice and governance. The overall target for sustainability (acceleration) asset volume is calculated as the sum of sustainability (acceleration) asset volume (mortgages and corporate loans) and sustainability (acceleration) client asset volume, divided by the sum of the outstanding mortgage loan book, corporate loan book and relevant client asset volume.
2 We have aligned our definition of sustainable client assets with the definitions set in the EU SFDR regulation.
3 Compared to 31 December 2021, the inclusion of P&BB and WM segments resulted in a net negative impact on sustainability (acceleration) asset volume in the corporate loans to clients and on total level of approximately 1%. The P&BB segment loans include smaller corporations based on their SBI codes without further sustainability assessment.
4 This index is measured on an annual basis and is therefore not available per first half 2022.

Financial review

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

Results

Operating results

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	1,273	1,306	-3%	1,310	-3%	2,583	2,669	-3%
Net fee and commission income	448	399	12%	447		895	805	11%
Other operating income	163	27		176	-7%	339	105	
Operating income	**1,884**	**1,732**	**9%**	**1,933**	**-3%**	**3,817**	**3,579**	**7%**
Personnel expenses	619	600	3%	600	3%	1,219	1,179	3%
Other expenses	702	628	12%	908	-23%	1,610	1,892	-15%
Operating expenses	**1,321**	**1,228**	**8%**	**1,508**	**-12%**	**2,829**	**3,071**	**-8%**
Operating result	**563**	**504**	**12%**	**425**	**32%**	**988**	**508**	**95%**
Impairment charges on financial instruments	-62	-79	21%	62			-156	100%
Profit/(loss) before taxation	**626**	**583**	**7%**	**363**	**72%**	**989**	**664**	**49%**
Income tax expense	151	190	-21%	68	122%	219	325	-33%
Profit/(loss) for the period	**475**	**393**	**21%**	**295**	**61%**	**770**	**339**	**127%**
Attributable to:								
Owners of the parent company	475	390	22%	295	61%	770	337	129%
Non-controlling interests		2					2	
Other indicators								
Net interest margin (NIM) (in bps)	121	128		126		123	131	
Cost/income ratio	70.1%	70.9%		78.0%		74.1%	85.8%	
Cost of risk (in bps)[1]	-9	-23		14		2	-18	
Return on average equity[2]	8.8%	7.6%		5.4%		7.1%	3.0%	
Dividend per share (in EUR)[3]	0.32					0.32		
Earnings per share (in EUR)[4,5]	0.50	0.39		0.29		0.79	0.31	
Client assets (end of period, in billions)	297.2	304.9		304.7				
Risk-weighted assets (end of period, in billions)	126.7	107.2		124.3				
Number of employees (end of period, in FTEs)	20,079	19,639		20,086				
Number of non-employees (end of period, in FTEs)	5,933	5,954		6,438				

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 Interim/final dividend per share over the relevant period as declared/proposed by the company, subject to approval at the annual general meeting (AGM).
4 Annualised 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.
5 For HY 2022, the average number of outstanding shares amounted to 917,893,496.

Large incidentals

Q1 & Q2 2022
Additional TLTRO discount

Q2 2022 included EUR 41 million in net interest income for an additional TLTRO discount (Q1 2022: EUR 44 million, Q4 2021: EUR 93 million). This benefit is being entirely passed on to our clients.

Provision for AML remediation programmes

Other expenses in Q2 2022 included a EUR 34 million addition to the provisions for the AML remediation programmes, recorded mainly at Group Functions and for a small part at Personal & Business Banking. The scope of the provision was further updated to incorporate additional requirements agreed with the Dutch central bank (DNB) and, after a review, more AML remediation related activities were added to the provision.

Q1 2022 included a EUR 50 million addition to the provision for AML remediation programmes, recorded mainly at Group Functions.

Q2 2021
Provision for repayment of German dividend withholding tax credits and accrued interest

Q2 2021 included a EUR 79 million net negative impact, of which EUR 30 million was recorded in net interest income and EUR 49 million in other operating income, both at Group Functions. This mainly related to a repayment of German dividend withholding tax credits and accrued interest. The amounts have been repaid in anticipation of a decision by the German tax authorities.

CB non-core wind-down

Q2 2021 included a EUR 121 million discount to book value on a loan disposal as part of the wind-down of the CB non-core portfolio, recorded in other operating income. This related to the sale of a portfolio of energy loans which effectively ended ABN AMRO's exposure to the oil & gas industry in the USA.

Revaluation equity stake Tink

Q2 2021 included a EUR 41 million revaluation gain on ABN AMRO's equity stake in Tink (via ABN AMRO Ventures), recorded in other operating income at Group Functions.

Second-quarter 2022 results

Net interest income amounted to EUR 1,273 million in Q2 2022 (Q2 2021: EUR 1,306 million). Excluding large incidentals, net interest income came down by EUR 104 million, mainly due to higher steering costs at Treasury, a decrease in mortgage prepayment penalties and the ongoing wind-down of the Corporate Banking non-core portfolio. This was partly mitigated by effectively passing on negative interest rates to our clients.

The net interest margin came to 121bps in Q2 2022 (Q2 2021: 128bps), predominantly impacted by lower net interest income and, to a lesser extent, a larger average amount of total assets in the balance sheet.

In comparison with Q1 2022, net interest income declined by EUR 37 million. This decline was mainly attributable to higher steering costs at Treasury and lower mortgage prepayment penalties, which were partly offset by higher deposit margins as we started to benefit from rising interest rates.

Net fee and commission income increased to EUR 448 million in Q2 2022 (Q2 2021: EUR 399 million), mainly driven by higher income from payment services at Personal & Business Banking and higher transaction volumes at Clearing resulting from increased market volatility. Compared to Q1 2022, net fee and commission income remained stable.

Other operating income was EUR 163 million in Q2 2022 (Q2 2021: EUR 27 million). Excluding large incidentals, other operating income was EUR 7 million higher than in Q2 2021, mainly due to volatile items. These included higher asset and liability management results at Treasury (EUR 64 million in Q2 2022 versus EUR 26 million in Q2 2021) and CVA/DVA/FVA[1] results (EUR 18 million in Q2 2022 versus EUR 7 million in Q2 2021), partly offset by lower equity participation results (EUR 19 million in Q2 2022 versus EUR 46 million in Q2 2021).

Personnel expenses totalled EUR 619 million in Q2 2022 (Q2 2021 and Q1 2022: EUR 600 million). The increase by EUR 19 million versus both Q2 2021 and Q1 2022 largely reflected collective labour agreement (CLA) related one-offs.

Employee FTEs went up by 440 on Q2 2021, totalling 20,079 in Q2 2022. The increase is largely explained by additional internal resources related to AML activities. Compared with Q1, the number of FTEs remained stable.

Other expenses amounted to EUR 702 million in Q2 2022 (Q2 2021: EUR 628 million). Excluding large incidentals, other expenses came out EUR 40 million higher than in the previous year, largely due to higher regulatory expenses (a contribution to the Single Resolution Fund (SRF) was required in this quarter as well) and higher external staffing costs related to AML activities.

Compared with Q1 2022, excluding large incidentals, the decline in other expenses was mainly attributable to lower regulatory levies which are seasonally high in Q1 (SRF contribution).

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

Impairment charges included a release of EUR 62 million (Q2 2021: EUR 79 million release). This amount can largely be explained by better performance of the existing stage 3 loans, driven by higher repayments, better than expected recoveries, sales with lower than anticipated losses as well as outflow to the performing portfolio. These developments were partly offset by worsening macroeconomic scenarios and an increase of management overlays to capture risks in our residential mortgage portfolio.

Income tax expenses came to EUR 151 million in Q2 2022 (Q2 2021: EUR 190 million) while profit before tax amounted to EUR 626 million, resulting in an effective tax rate of 24%. This is slightly lower than the Dutch corporate income tax rate of 25.8% and is explained by gains on participations, which were tax exempt.

Profit attributable to owners of the parent company, excluding coupons attributable to AT1 capital securities, amounted to EUR 452 million in Q2 2022, largely supported by our robust operational performance and impairment releases.

RWA increased to EUR 126.7 billion (31 March 2022: EUR 124.3 billion), reflecting increases in credit risk RWA and market risk RWA. Credit risk RWA rose predominantly as a result of a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB and Standardised Approach, as well as business developments, partly offset by lower add-ons and improved asset quality. Market risk RWA increased due to higher Value-at-Risk, driven mainly by position changes and to a lesser extent model changes.

First half-year results

ABN AMRO recorded a **net profit** of EUR 770 million in H1 2022 (H1 2021: EUR 339 million). The increase was attributable to the EUR 480 million AML settlement in H1 2021, which was partly offset by higher expenses and loan loss provisions in H1 2022.

Return on Equity for H1 2022 was 7.1%, compared with 3.0% in H1 2021.

Net interest income was EUR 2,583 million (H1 2021: EUR 2,669 million). Excluding incidentals, net interest income declined by EUR 201 million, mainly as a result of higher steering costs at Treasury, good progress made in the wind-down of the Corporate Banking non-core portfolio and a decrease in mortgage prepayment penalties. This was partly offset by higher interest income at Corporate Banking core, resulting from an increase in average corporate loans.

Net fee and commission income amounted to EUR 895 million, an increase of EUR 90 million compared with H1 2021. This increase was attributable to higher income from payment services and improved credit card usage at Personal & Business Banking as well as higher assets under management and related fees at Wealth Management.

Other operating income increased by EUR 234 million to EUR 339 million (H1 2021: EUR 105 million), as H1 2021 included a discount to book value on the disposal of a portfolio of energy loans (EUR 121 million) as part of the Corporate Banking non-core wind-down, while H1 2022 included more favourable volatile items.

Personnel expenses increased by EUR 40 million to EUR 1,219 million (H1 2021: EUR 1,179 million), reflecting CLA related one-offs and a rise in FTEs for AML activities and strategy execution (IT related).

Other expenses, excluding for large incidentals, increased by EUR 114 million and included a EUR 39 million rise in regulatory levies. The increase was largely attributable to higher IT costs and higher external staffing costs related to AML activities.

Impairment charges were nil in the first half of 2022 (H1 2021: a EUR 156 million release), mainly reflecting releases as a result of improved credit quality of existing stage 3 loans, outflow to the performing portfolio and repayments and recoveries/sales with lower than anticipated losses, offset by impairment charges recorded for modelled provisions in stage 1 and 2 that were caused by the deteriorated macroeconomic outlook and increased weight of the negative scenario.

Income tax expense amounted to EUR 219 million in H1 2022 (H1 2021: EUR 325 million), resulting in an effective tax rate of 22%. This is slightly lower than the Dutch corporate income tax rate of 25.8% and is explained by gains on participations, which were tax exempt.
The effective tax rate in H1 2021 was higher largely due to the EUR 480 million AML settlement in H1 2021, which was treated as a non-deductible for tax purposes.

Balance sheet

Condensed consolidated statement of financial position

(in millions)	30 June 2022	31 March 2022	31 December 2021
Cash and balances at central banks	69,784	74,309	66,865
Financial assets held for trading	2,421	2,063	1,155
Derivatives	5,096	3,655	3,785
Financial investments	40,762	41,633	43,165
Securities financing	27,647	27,036	16,138
Loans and advances banks	3,766	3,642	2,801
Loans and advances customers	259,641	258,685	258,251
Other	12,387	10,472	6,955
Total assets	**421,504**	**421,495**	**399,113**
Financial liabilities held for trading	1,394	884	687
Derivatives	3,799	3,786	4,344
Securities financing	18,643	18,872	9,494
Due to banks	40,168	40,969	38,076
Due to customers	265,191	261,980	251,218
Issued debt	53,431	56,414	59,688
Subordinated liabilities	7,658	7,416	7,549
Other	8,693	8,840	6,059
Total liabilities	**398,977**	**399,161**	**377,114**
Equity attributable to the owners of the parent company	22,523	22,328	21,994
Equity attributable to non-controlling interests	5	5	5
Total equity	**22,528**	**22,333**	**21,999**
Total liabilities and equity	**421,504**	**421,495**	**399,113**
Committed credit facilities	55,464	53,582	54,642
Guarantees and other commitments	7,567	7,532	7,598

Main developments in total assets compared with 31 March 2022

Total assets remained stable at EUR 421.5 billion as the increase in loans and advances to customers and other assets was largely offset by a decrease in cash and balances at central banks.

Loans and advances customers increased by EUR 1.0 billion, totalling EUR 259.6 billion at 30 June 2022. The increase was largely attributable to higher client loans and loans to professional counterparties, largely offset by fair value adjustments from hedge accounting, as a result of the sharp increase in long-term interest rates this quarter.

Client loans increased by EUR 2.6 billion to EUR 239.6 billion at 30 June 2022. The increase was mainly attributable to an increase in residential mortgages, reflecting strong operational capabilities, and corporate loans.

Other assets went up by EUR 1.9 billion to EUR 12.4 billion at 30 June 2022, mainly as a result of unsettled securities transactions.

Main developments in total assets compared with 31 December 2021

Total assets increased by EUR 22.4 billion to EUR 421.5 billion as at 30 June 2022. This was mainly driven by an increase in securities financing assets, other assets, cash and balances at central banks and loans and advances to customers.

Securities financing assets went up by EUR 11.5 billion to EUR 27.6 billion at 30 June 2022, reflecting a seasonal pattern.

Loans and advances customers increased by EUR 1.4 billion, totalling EUR 259.6 billion. This increase was mainly driven by a rise in client and professional loans, which was largely offset by negative fair value adjustments from hedge accounting as a result of the sharp increase in long-term interest rates this quarter.

Client loans increased by EUR 4.5 billion to EUR 239.6 billion at 30 June 2022. The increase was mainly attributable to an increase in residential mortgages and corporate loans.

Loans and advances customers

(in millions)	30 June 2022	31 March 2022	31 December 2021
Residential mortgages	148,773	147,101	146,351
Consumer loans	10,603	10,704	10,794
Corporate loans to clients[1]	80,223	79,169	77,965
- of which Personal & Business Banking	*9,433*	*9,863*	*9,920*
- of which Corporate Banking	*64,842*	*63,483*	*62,230*
- of which Corporate Banking - core	*63,117*	*61,621*	*60,269*
- of which Corporate Banking - non-core	*1,725*	*1,862*	*1,961*
Total client loans[2]	**239,598**	**236,974**	**235,110**
Loans to professional counterparties and other loans[2,3]	28,098	25,692	23,605
Total loans and advances customers, gross[2]	**267,696**	**262,666**	**258,715**
Fair value adjustments from hedge accounting	-5,665	-1,534	1,951
Total loans and advances customers, gross	**262,031**	**261,132**	**260,666**
Loan impairment allowances	2,390	2,448	2,416
- of which Corporate Banking - non-core	*421*	*425*	*443*
Total loans and advances customers	**259,641**	**258,685**	**258,251**

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 March 2022

Total liabilities remained broadly flat, totalling EUR 399.0 billion at 30 June 2022. The increase in due to customers was largely offset by lower issued debt securities.

Due to customers increased by EUR 3.2 billion, totalling EUR 265.2 billion at 30 June 2022. This increase was largely caused by a rise in client deposits at Personal & Business Banking (as a result of the pay-out of holiday allowances).

Issued debt securities declined by EUR 3.0 billion to EUR 53.4 billion at 30 June 2022. The decline was driven by matured long-term funding and negative fair value effects as a result of rising interest rates, partly offset by the issuance of EUR 1.6 billion senior non-preferred funding. At 30 June 2022, issued debt included EUR 26.9 billion in covered bonds, EUR 9.3 billion in senior preferred funding, EUR 7.8 billion in senior non-preferred funding and EUR 9.4 billion in commercial paper and certificates of deposit. EUR 2.7 billion in outstanding long-term funding and EUR 9.4 billion in outstanding short-term funding will mature within 12 months.

Total equity increased by EUR 0.2 billion to EUR 22.5 billion at 30 June 2022. This increase was mainly attributable to the inclusion of profit for the period and an increase in accumulated other comprehensive income, which was offset by payment of final dividend for 2021 in May 2022.

Equity attributable to owners of the parent company, excluding AT1 securities, increased by EUR 0.2 billion to EUR 20.5 billion at 30 June 2022, resulting in a book value of EUR 22.88 per share based on 897,521,916 outstanding shares (31 March 2022: 933,384,775 outstanding shares).

Main developments in total liabilities and equity compared with 31 December 2021

Total liabilities went up by EUR 21.9 billion to EUR 399.0 billion at 30 June 2022, mainly driven by an increase in due to customers and securities financing liabilities.

Due to customers rose EUR 14.0 billion, totaling EUR 265.2 billion at 30 June 2022. This increase was largely caused by seasonally higher professional deposits (as clients brought down their positions before the year-end).

Securities financing liabilities increased by EUR 9.2 billion to EUR 18.6 billion, reflecting a seasonally lower amount at year-end.

Issued debt securities declined by EUR 6.3 billion to EUR 53.4 billion at 30 June 2022, mainly due to matured long-term funding and negative fair value effects as a result of rising interest rates, partly offset by the issuance of EUR 1.4 billion covered bonds and EUR 2.6 billion senior non-preferred funding. At 30 June 2022, issued debt included EUR 26.9 billion in covered bonds, EUR 9.3 billion in senior preferred funding, EUR 7.8 billion in senior non-preferred funding and EUR 9.4 billion in commercial paper and certificates of deposit. EUR 2.7 billion in outstanding long-term funding and EUR 9.4 billion in outstanding short-term funding matures within 12 months.

Total equity increased by EUR 0.5 billion to EUR 22.5 billion at 30 June 2022, largely due to an increase in accumulated other comprehensive income, partly offset by payment of final dividend 2021 and finalisation of the share buyback programme in May 2022.

Results **by segment**

Personal & Business Banking

Highlights

- Net interest income was slightly lower than in Q2 2021, driven mainly by lower margins on residential mortgages amid severe market competition and redemptions on mortgages with relatively high margins.
- Mortgage volumes increased in Q2 2022 despite rising interest rates. Our market share in new residential mortgage production was 17.5% in Q2 2022 (Q2 2021: 15.7%, Q1 2022: 16.7%), reflecting our market leadership and strong operational capabilities in a competitive market.
- Net fee and commission income increased in Q2 2022 (Q2 2021: EUR 99 million), largely due to higher income from payment services and rising credit card payments at ICS following the recovery from Covid-19.
- Operating expenses increased compared to Q2 2021 due to higher additions to AML remediation programmes and higher regulatory levies.
- Sustainability continues to be core to our strategy. This quarter we established a partnership to support and boost the installation of solar panels by SME clients.

Operating results

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	669	680	-2%	652	3%	1,321	1,411	-6%
Net fee and commission income	131	99	32%	120	9%	251	202	25%
Other operating income	2	15	-87%	5	-63%	7	24	-70%
Operating income	**803**	**795**	**1%**	**777**	**3%**	**1,580**	**1,637**	**-3%**
Personnel expenses	122	117	4%	115	6%	236	233	1%
Other expenses	539	501	7%	541		1,080	1,049	3%
Operating expenses	**660**	**618**	**7%**	**656**	**1%**	**1,316**	**1,282**	**3%**
Operating result	**142**	**177**	**-19%**	**122**	**17%**	**264**	**354**	**-26%**
Impairment charges on financial instruments	28	-27		-4		24	-57	
Profit/(loss) before taxation	**114**	**204**	**-44%**	**126**	**-9%**	**239**	**411**	**-42%**
Income tax expense	29	49	-42%	31	-9%	60	98	-39%
Profit/(loss) for the period	**85**	**155**	**-45%**	**94**	**-10%**	**179**	**314**	**-43%**
Cost/income ratio	82.3%	77.8%		84.4%		83.3%	78.3%	
Cost of risk (in bps)[1]	7	-7		1		4	-9	
Other indicators								
Loans and advances customers (end of period, in billions)	156.8	156.9		156.0				
-of which Client loans (end of period, in billions)[2]	*157.5*	*157.7*		*156.6*				
Due to customers (end of period, in billions)	120.8	118.0		117.9				
Risk-weighted assets (end of period, in billions)	39.2	33.8		39.5				
Number of employees (end of period, in FTEs)	4,492	4,693		4,603				
Total client assets (end of period, in billions)	98.5	101.7		97.0				
- of which Cash	*87.8*	*89.9*		*85.3*				
- of which Securities	*10.7*	*11.8*		*11.7*				

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 increased in comparison with Q2 2021, mainly reflecting higher income from deposits as the threshold for charging negative interest rates was lowered to EUR 100,000 as from January 2022.
- Net fee and commission income was broadly flat compared with Q2 2021.
- Operating expenses remained stable this quarter compared with Q2 2021. Compared with Q1 2022, expenses were slightly lower, largely due to higher regulatory levies last quarter.
- Client assets declined versus Q2 2021, mainly as a result of the decreased value of securities due to negative stock market developments, partly offset by positive net new assets amounting to EUR 1.1 billion.
- Introduced a sustainability dashboard for our clients, giving them insight into the GHG emissions and ESG risks of companies in their portfolios.

Operating results

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	172	159	8%	158	8%	330	320	3%
Net fee and commission income	149	145	2%	162	-8%	311	286	8%
Other operating income	10	11	-4%	10	9%	20	21	-3%
Operating income	**331**	**315**	**5%**	**330**		**661**	**627**	**5%**
Personnel expenses	90	100	-10%	97	-7%	187	193	-3%
Other expenses	149	139	8%	154	-3%	304	287	6%
Operating expenses	**239**	**239**		**251**	**-5%**	**491**	**480**	**2%**
Operating result	**91**	**76**	**20%**	**79**	**16%**	**170**	**147**	**15%**
Impairment charges on financial instruments	5	5	-2%			5	-1	
Profit/(loss) before taxation	**86**	**71**	**22%**	**78**	**10%**	**164**	**148**	**11%**
Income tax expense	23	19	23%	23	1%	45	42	8%
Profit/(loss) for the period	**63**	**52**	**21%**	**55**	**14%**	**119**	**106**	**12%**
Cost/income ratio	72.4%	75.9%		76.2%		74.3%	76.5%	
Cost of risk (in bps)[1]	12	13		2		7	-2	
Other indicators								
Loans and advances customers (end of period, in billions)	16.6	14.9		16.2				
-of which Client loans (end of period, in billions)[2]	*16.7*	*15.1*		*16.3*				
Due to customers (end of period, in billions)	62.5	59.7		62.5				
Risk-weighted assets (end of period, in billions)	10.5	9.7		10.1				
Number of employees (end of period, in FTEs)	2,899	2,871		2,893				
Total client assets (end of period, in billions)	198.7	203.2		207.7				
- of which Cash	*62.5*	*59.8*		*62.5*				
- of which Securities	*136.2*	*143.3*		*145.2*				
Net new assets (for the period, in billions)	1.1	-2.9		1.7		2.8	-2.6	

[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 was higher than in the previous quarter, mainly as a result of business growth in corporate loan volumes and income on deposits.
- Net fee and commission income improved compared to Q2 2021, mainly due to higher income at Clearing resulting from increased market volatility.
- Operating expenses remained stable this quarter compared with Q2 2021. Compared with Q1 2022, expenses were slightly lower, mainly due to seasonally high regulatory levies last quarter.
- Impairment charges were EUR 99 million negative and EUR 41 million lower than in Q2 2021, largely reflecting improved credit quality of existing stage 3 loans.
- Sustainable Impact Fund invested in energy market trading platform that contributes to a more efficient use of the power grid.

Operating results

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	515	445	16%	494	4%	1,010	928	9%
Net fee and commission income	174	160	9%	172	1%	346	328	6%
Other operating income	86	-23		102	-15%	188	23	
Operating income	**775**	**581**	**33%**	**768**	**1%**	**1,544**	**1,279**	**21%**
Personnel expenses	152	153	-1%	150	1%	302	308	-2%
Other expenses	249	247	1%	336	-26%	585	565	4%
Operating expenses	**402**	**400**		**486**	**-17%**	**887**	**872**	**2%**
Operating result	**374**	**182**	**106%**	**282**	**32%**	**656**	**407**	**61%**
Impairment charges on financial instruments	-99	-58	-72%	65		-33	-98	66%
Profit/(loss) before taxation	**473**	**239**	**97%**	**217**	**118%**	**690**	**505**	**37%**
Income tax expense	114	78	46%	45		158	145	9%
Profit/(loss) for the period	**359**	**162**	**122%**	**172**	**108%**	**531**	**359**	**48%**
Cost/income ratio	51.8%	68.7%		63.2%		57.5%	68.2%	
Cost of risk (in bps)[1]	-44	-62		37		-4	-40	
Other indicators								
Loans and advances customers (end of period, in billions)	90.8	71.0		87.3				
-of which Client loans (end of period, in billions)[2]	*65.4*	*55.8*		*64.0*				
Due to customers (end of period, in billions)	68.4	53.8		68.3				
Risk-weighted assets (end of period, in billions)	72.2	59.5		65.0				
Number of employees (end of period, in FTEs)	3,799	3,870		3,830				

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.

Core

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	498	430	16%	476	5%	974	859	13%
Net fee and commission income	171	154	11%	168	2%	338	311	9%
Other operating income	85	92	-7%	95	-11%	180	173	4%
Operating income	**753**	**676**	**12%**	**739**	**2%**	**1,493**	**1,343**	**11%**
Personnel expenses	125	118	7%	122	3%	248	231	7%
Other expenses	232	219	6%	312	-26%	545	489	11%
Operating expenses	**358**	**337**	**6%**	**435**	**-18%**	**792**	**720**	**10%**
Operating result	**396**	**339**	**17%**	**305**	**30%**	**700**	**623**	**12%**
Impairment charges on financial instruments	-72	-80	10%	74		2	-81	
Profit/(loss) before taxation	**467**	**419**	**11%**	**230**	**103%**	**698**	**704**	**-1%**
Income tax expense	115	88	32%	48	141%	163	150	9%
Profit/(loss) for the period	**352**	**332**	**6%**	**182**	**93%**	**534**	**554**	**-4%**
Cost/income ratio	47.5%	49.8%		58.8%		53.1%	53.6%	
Cost of risk (in bps)[1]	-36	-56		43		3	-27	
Other indicators								
Loans and advances customers (end of period, in billions)	89.5	67.7		85.8				
-of which Client loans (end of period, in billions)[2]	*63.1*	*51.8*		*62.2*				
Risk-weighted assets (end of period, in billions)	69.8	53.8		62.7				
Number of employees (end of period, in FTEs)	3,434	3,254		3,450				

[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.

Non-core

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	17	14	20%	18	-5%	35	69	-48%
Net fee and commission income	3	6	-44%	4	-21%	8	17	-55%
Other operating income	1	-114		7	-79%	8	-150	
Operating income	**22**	**-94**		**29**	**-24%**	**51**	**-64**	
Personnel expenses	27	35	-25%	28	-4%	54	77	-29%
Other expenses	17	28	-38%	24	-28%	41	75	-46%
Operating expenses	**44**	**63**	**-31%**	**51**	**-15%**	**95**	**152**	**-38%**
Operating result	**-22**	**-157**	**86%**	**-22**	**2%**	**-44**	**-216**	**80%**
Impairment charges on financial instruments	-27	23		-9		-36	-18	-104%
Profit/(loss) before taxation	**5**	**-180**		**-13**		**-8**	**-199**	**96%**
Income tax expense	-2	-10	82%	-3	46%	-5	-4	-18%
Profit/(loss) for the period	**7**	**-170**		**-10**		**-3**	**-195**	**98%**
Cost/income ratio	198.4%	-67.1%		176.1%		185.7%	-236.6%	
Cost of risk (in bps)[1]	-465	-131		-191		-322	-160	
Other indicators								
Loans and advances customers (end of period, in billions)	1.3	3.2		1.4				
-of which Client loans (end of period, in billions)[2]	*2.3*	*4.1*		*1.9*				
Risk-weighted assets (end of period, in billions)	2.5	5.7		2.3				
Number of employees (end of period, in FTEs)	365	616		380				

[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.

Group Functions

Highlights

- Net interest income declined compared with Q2 2021, largely due to higher steering costs at Treasury and lower mortgage prepayment penalties.
- Other operating income was higher than in Q2 2021, mainly reflecting large incidentals in Q2 2021 and higher volatile items this quarter.
- Operating expenses were higher compared with Q2 2021, mainly due to a rise in FTEs for AML activities and strategy execution, and an increase in AML remediation provisions. AML is an ongoing area of focus, with currently around 4,600 total FTEs fully committed to these activities, centralised largely within Group Functions.

Operating results

(in millions)	Q2 2022	Q2 2021	Change	Q1 2022	Change	First half 2022	First half 2021	Change
Net interest income	-83	22		5		-78	9	
Net fee and commission income	-6	-5	-19%	-7	15%	-13	-10	-22%
Other operating income	65	24		59	10%	124	37	
Operating income	**-24**	**41**		**57**		**33**	**36**	**-9%**
Personnel expenses	255	230	11%	238	7%	493	445	11%
Other expenses	-235	-259	9%	-123	-91%	-359	-8	
Operating expenses	**20**	**-29**		**115**	**-83%**	**134**	**436**	**-69%**
Operating result	**-44**	**69**		**-57**	**23%**	**-101**	**-400**	**75%**
Impairment charges on financial instruments	3	1				3	1	
Profit/(loss) before taxation	**-47**	**68**		**-58**	**19%**	**-105**	**-401**	**74%**
Income tax expense	-14	45		-31	54%	-45	39	
Profit/(loss) for the period	**-32**	**24**		**-27**	**-21%**	**-59**	**-440**	**87%**
Other indicators								
Securities financing - assets (end of period, in billions)	20.1	19.3		17.7				
Loans and advances customers (end of period, in billions)	-4.5	3.6		-0.8				
Securities financing - liabilities (end of period, in billions)	17.7	19.5		18.4				
Due to customers (end of period, in billions)	13.5	14.5		13.3				
Risk-weighted assets (end of period, in billions)	4.8	4.2		9.8				
Number of employees (end of period, in FTEs)	8,889	8,205		8,761				

Risk, funding & capital

Risk developments

Highlights second quarter

- Economic performance in Europe and in the Netherlands was still positive in the second quarter, despite high inflation, primarily due to continued recovery from the pandemic.
- Better than expected results for the non-performing portfolio, including repayments and loan sales with lower than anticipated losses, resulted in a EUR 62 million release of impairments.
- Credit portfolio is showing no signs of deterioration, which is reflected by improved credit quality indicators.
- Nevertheless, persisting bottlenecks in supply chains and high commodity and energy prices are impeding post-pandemic recovery and resulted in weaker forecasts for economic growth in our macroeconomic scenarios going forward.

Key figures

(in millions)	30 June 2022	31 March 2022	31 December 2021
Total loans and advances, gross carrying amount[1,2]	**271,427**	**266,240**	**261,421**
- of which Banks	*3,771*	*3,646*	*2,811*
- of which Residential mortgages[1]	*148,773*	*147,101*	*146,351*
- of which Consumer loans	*10,603*	*10,704*	*10,794*
- of which Corporate loans[1,2]	*91,881*	*89,163*	*86,458*
- of which Other loans and advances customers[2]	*16,401*	*15,626*	*15,007*
Total Exposure at Default (EAD)	**425,830**	**429,485**	**417,214**
Credit quality indicators[2]			
Forbearance ratio	3.4%	4.2%	4.3%
Past due ratio	0.6%	0.8%	0.8%
- of which Residential mortgages	*0.5%*	*0.6%*	*0.6%*
- of which Consumer loans	*2.1%*	*1.5%*	*1.7%*
- of which Corporate loans	*0.7%*	*1.1%*	*1.2%*
Stage 2 ratio	7.5%	7.9%	8.2%
Stage 2 coverage ratio	1.9%	1.8%	1.7%
Stage 3 ratio[3]	2.3%	2.5%	2.6%
Stage 3 coverage ratio[3]	29.0%	28.2%	28.3%
Regulatory capital			
Total RWA	126,676	124,342	117,693
- of which Credit risk[4]	*108,070*	*106,167*	*99,976*
- of which Operational risk	*16,091*	*16,153*	*16,049*
- of which Market risk	*2,516*	*2,022*	*1,668*
Total RWA/total EAD	29.7%	29.0%	28.2%
Mortgage indicators			
Exposure at Default[5]	159,442	161,997	163,737
- of which mortgages with Nationale Hypotheek Garantie (NHG)	*30,358*	*30,933*	*31,557*
Risk-weighted assets (Credit risk)[5,6]	22,185	22,164	22,110
RWA/EAD	13.9%	13.7%	13.5%
Average Loan-to-Market-Value	54%	55%	56%
Average Loan-to-Market-Value - excluding NHG loans	54%	55%	56%

1 Excluding fair value adjustments from hedge accounting.
2 Excluding loans and advances measured at fair value through P&L.
3 Including POCI.
4 RWA for credit value adjustment (CVA) is included in credit risk. CVA per 30 June 2022: EUR 0.5 billion (31 March 2022: EUR 0.5 billion; 31 December 2021: EUR 0.2 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.
6 Previous reports with reference date 31 December 2021 presented total RWA. In this report, the comparative figures for 31 December 2021 have been adjusted to show credit risk RWA only.

Impact of the war in Ukraine on our credit risk profile

ABN AMRO continues to monitor the direct and indirect impacts of the conflict between Russia and Ukraine on the bank and its clients. On 30 June 2022, the bank's direct exposure to Russia had reduced to approximately EUR 9 million, from approximately EUR 50 million at the end of 2021, with the remaining exposure relating to self-liquidating short-term trade transactions. We have no direct exposure in respect of Ukraine or Belarus. The ongoing war in Ukraine combined with persisting bottlenecks in supply chains and high commodity prices are impeding the post-pandemic recovery in Europe and may give rise to second and third-order effects. Alongside our existing credit risk monitoring framework, individual client assessments were therefore performed on the second-order impact in order to early identify increased credit risk. The number of files that have been classified as increased risk is currently limited. Nevertheless, as the uncertainty in the macroeconomic outlook continues to be high, a management overlay on impairments for second and third-order impact remained in place, amounting to EUR 135 million on 30 June 2022.

Loans and advances

On 30 June 2022, total loans and advances amounted to EUR 271.4 billion (31 March 2022: EUR 266.2 billion, 31 December 2021: EUR 261.4 billion). Corporate loans showed the largest increase, predominantly as a result of increased business activities in Clearing. Residential mortgages rose due to higher mortgage production. The non-core portfolio of Corporate Banking amounted to EUR 1.7 billion (31 March 2022: EUR 1.9 billion, 31 December 2021: EUR 2.0 billion). Approximately EUR 0.6 billion of this portfolio was classified as stage 3, unchanged compared to 31 March 2022.

Exposure at Default

In Q2 2022, EAD decreased to EUR 425.8 billion (31 March 2022: EUR 429.5 billion), predominantly owing to a decrease in cash and balances at central banks which was partly offset by higher business volumes, mainly in Corporate Banking.

Compared to year-end 2021, EAD grew by EUR 8.6 billion to EUR 425.8 billion at 30 June 2022 (31 December 2021: EUR 417.2 billion) as a result of higher business volumes in Clearing and Corporate Banking and due to higher cash and balances at central banks. In addition, the strengthening of the USD contributed to the EAD increase.

Credit quality indicators

The forbearance ratio improved to 3.4% (31 March 2022: 4.2%, 31 December 2021: 4.3%). The forborne exposures decreased to EUR 9.2 billion, especially in the second quarter (31 March 2022: EUR 11.0 billion, 31 December 2021: EUR 11.2 billion). The decrease was specifically observed in the residential mortgages portfolio, as loans for which a payment deferral had been provided after the outbreak of Covid-19 came to the end of their probation period. Under the forbearance rules, these loans cease to be forborne if they perform according to their payment conditions after a probation period of two years.

The amount of past due loans also decreased significantly to EUR 1.7 billion (from EUR 2.1 billion at 31 December 2021 and EUR 2.0 billion at 31 March 2022), resulting in a past due ratio of 0.6%. The primary contributor to this decline was a small number of clients in the corporate loans segment that returned to current performing. In contrast, the past due ratio of consumer loans increased to 2.1% as a result of two clients becoming past due.

The stage 3 ratio declined to 2.3% (31 March 2022: 2.5%, 31 December 2021: 2.6%), mainly due to a decline in stage 3 exposures in corporate loans and, to a lesser extent, in residential mortgages. The decline in stage 3 corporate loans was attributable to repayments as well as clients returning to stage 2, predominantly in the sectors real estate, healthcare and industrial goods and services. The stage 3 coverage ratio went up to 29.0% (31 March 2022: 28.2%, 31 December 2021: 28.3%), due to an outflow of stage 3 clients with relatively low coverage ratios.
The stage 2 ratio amounted to 7.5% (31 March 2022: 7.9%, 31 December 2021: 8.2%). This lower level is explained by a decrease in stage 2 exposures in all product groups, but mainly in residential mortgages and corporate loans as a result of improved risk parameters.

More information on credit quality indicators can be found in the sections Past due not classified as stage 3 and Coverage and stage ratios.

Risk-weighted assets

Total risk-weighted assets (RWA) rose to EUR 126.7 billion in Q2 2022 (31 March 2022: EUR 124.3 billion) reflecting increases in credit risk RWA and market risk RWA. Credit risk RWA rose predominantly as a result of a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB and Standardised Approach, as well as business developments, partly offset by lower add-ons and improved asset quality. Market risk RWA increased due to higher Value-at-Risk, mainly driven by position changes and to a lesser extent model changes. Operational risk RWA decreased slightly.

The Q2 developments described above were also the main drivers for the development of RWA in the first half year. Compared to 31 December 2021, total RWA increased by EUR 9.0 billion (31 December 2021: EUR 117.7 billion). Credit risk RWA was higher as a result of a new model risk add-on, business developments and a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB and Standardised Approach, partially offset by model updates and changes in asset quality. Market risk RWA increased due to higher Value-at-Risk, mainly driven by position changes and to a lesser extent model changes. Operational risk RWA increased slightly, mainly due to an update of scenarios in Q1 2022.

Impairment charges & cost of risk

	Q2 2022	Q2 2021	Q1 2022	First half 2022	First half 2021
Impairment charges on loans and other advances (in EUR million)[1]	-62	-79	62		-156
- of which Residential mortgages	*53*	*-2*	*12*	*65*	*-37*
- of which Consumer loans	*-8*		*11*	*3*	*10*
- of which Corporate loans	*-107*	*-143*	*64*	*-48*	*-200*
- of which Off-balance sheet items	*2*	*63*	*-16*	*-14*	*76*
Cost of risk (in bps)[2,3]	-9	-23	14	2	-18
- of which Residential mortgages	*14*	*-1*	*3*	*9*	*-5*
- of which Consumer loans	*-29*		*41*	*6*	*18*
- of which Corporate loans	*-47*	*-67*	*29*	*-11*	*-46*

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.

Second-quarter 2022 impairments

In Q2 2022, a net impairment release of EUR 62 million was recorded (Q2 2021: a EUR 79 million release), resulting in a cost of risk of -9bps (Q2 2021: -23bps). This amount can largely be attributed to better performance of the existing stage 3 loans: repayments and recovery/sale with lower than anticipated losses, as well as outflow to the performing portfolio. This was mainly in corporate loans where the cost of risk was -47bps (Q2 2021: -67bps) and to a lesser extent in consumer loans (cost of risk -29bps, Q2 2021: 0bps).

These developments were partly offset by a worsening of the macroeconomic scenarios and an increase of the management overlays that capture risks in our residential mortgages portfolio. The model adjustment that addresses the impact of excessive increases in property prices on the outcome of the IFRS 9 models increased due to a refinement. The management overlay that covers the refinancing risk of interest-only mortgages increased as the affordability tests changed due to rising interest rates. These changes in the residential mortgages overlays resulted in a cost of risk of 14bps (Q2 2021: -1bp).

First half-year 2022 impairments

Net impairment charges were nil in the first half of 2022 (H1 2021: release EUR 156 million). We recorded releases as a result of improved credit quality of existing stage 3 loans, outflow to the performing portfolio and repayments and recoveries/sales with lower than anticipated losses, offset by impairment charges recorded for modelled provisions in stage 1 and 2 that were caused by the deteriorated macroeconomic outlook and increased weight of the negative scenario.

A new management overlay, which had been applied in Q1 to cover potential second-order and third-order effects of the war in Ukraine, was offset by the release of management overlays for clients in sectors vulnerable to the impact of Covid-19. The model adjustment that addresses the impact of excessive increases in property prices on the outcome of the IFRS 9 models increased due to a refinement.

More information on impairments can be found in the sections Loan impairment charges and allowances and Individual and collective loan impairment allowances and management overlays.

Macroeconomic scenarios Reviewed

The ongoing war in Ukraine, monetary tightening by the European and US central banks, persisting bottlenecks in supply chains, high commodity prices and a tight labour market are dampening the post-pandemic recovery in Europe. These factors have resulted in higher inflation forecasts and weaker forecasts for growth, trade and consumption for the remainder of 2022 and beyond. Recognising downside risks, the risk weight of the negative scenario was raised to 50%, up from 30% on 31 December 2021.

ECL scenarios and sensitivity on 30 June 2022 Reviewed

(in millions)	Weight	Macroeconomic variable	2022	2023	2024	2025	Unweighted ECL[4]	Weighted ECL[4]
		Real GDP Netherlands[1]	3.9%	3.1%	2.3%	1.8%		
Positive	15%	Unemployment[2]	3.5%	3.2%	2.9%	2.9%	539	
		House price index[3]	15.0%	5.0%	3.0%	2.0%		
		Real GDP Netherlands[1]	3.0%	1.3%	1.5%	1.6%		
Baseline	35%	Unemployment[2]	3.8%	4.2%	3.8%	3.7%	568	633
		House price index[3]	12.5%	5.0%	1.5%	1.0%		
		Real GDP Netherlands[1]	2.4%	-0.4%	1.5%	1.4%		
Negative	50%	Unemployment[2]	4.9%	6.2%	6.1%	5.3%	707	
		House price index[3]	5.0%	-10.0%	-11.0%	-5.0%		

1 Real GDP Netherlands, % change year-on-year.
2 Unemployment Netherlands, % of labour force.
3 House price index Netherlands - average % change year-on-year.
4 Excluding ECL for stage 3 and POCI.

ECL scenarios and sensitivity on 31 December 2021 Reviewed

(in millions)	Weight	Macroeconomic variable	2022	2023	2024	2025		
		Real GDP Netherlands[1]	4.5%	2.9%	2.5%	1.6%		
Positive	10%	Unemployment[2]	2.7%	2.3%	2.3%	2.2%	495	
		House price index[3]	12.5%	5.0%	3.5%	3.0%		
		Real GDP Netherlands[1]	3.8%	2.4%	2.0%	1.4%		
Baseline	60%	Unemployment[2]	3.1%	2.8%	2.8%	2.8%	510	533
		House price index[3]	10.0%	4.0%	3.0%	3.0%		
		Real GDP Netherlands[1]	2.7%	0.7%	2.3%	1.6%		
Negative	30%	Unemployment[2]	4.0%	4.2%	3.4%	3.2%	591	
		House price index[3]	0.0%	-7.5%	-10.0%	-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.
4 Excluding ECL for stage 3 and POCI.

Residential mortgages
Housing market developments

The housing market outlook worsened due to a deteriorating economic outlook, a continued shortage in residential properties and rising mortgage interest rates. Inflation is rising due to higher energy prices and a shortage of raw materials. Although the acute shortage of existing homes on offer remains, it is expected to become less of an obstacle to housing transactions. Higher mortgage interest rates have also limited the maximum borrowing capacity of clients.

According to the Dutch Land Registry (Kadaster) the number of transactions in Q2 2022 was 8% higher than in Q1 2022 and 10% lower than in Q2 2021. The housing price index published by Statistics Netherlands (CBS) for Q2 2022 was 3% higher than in Q1 2022 and 18% higher than in Q2 2021.

Residential mortgage insights

New mortgage production amounted to EUR 6.7 billion, 22% more than in Q1 2022 and 24% up from Q2 2021. Redemptions totalled EUR 4.9 billion, a 7% increase on Q1 2022 and 5% more than in Q2 2021. ABN AMRO's market share in new mortgage production came to 17.5% in Q2 2022 (Q1 2022: 16.7%, Q2 2021: 15.7%). In response to recent macroeconomic developments as well as higher energy prices, ABN AMRO continues to closely monitor arrears in loans and instalments and is in close contact with all collection partners. In Q2, mortgage arrears ratio remained stable.

The average indexed Loan to Market Value (LtMV) decreased to 54% (31 March 2022: 55%, 31 December 2021: 56%), mainly as a result of higher market values. The gross carrying amount of mortgages with an LtMV in excess of 100% increased slightly to EUR 2.0 billion (31 March 2022: EUR 1.8 billion, 31 December 2021: 2.0 billion). Loans with an LtMV in excess of 100% accounted for 1.3% of total mortgages (31 March 2022: 1.2%, 31 December 2021: 1.3%) and 2% of the extra repayments. The proportion of amortising mortgages continued to increase, reaching 43% by 30 June 2022 (31 March 2022: 42%, 31 December 2021: 41%).

Other risk developments

Discussion with regulator on regulatory levies

ABN AMRO is in discussion with the Single Resolution Board (SRB) about the calculation method applied for levies paid in the past. At this time, the outcome of this discussion is still uncertain and it is possible but not probable that legal opinions, regulatory rulings or future proceedings might give rise to additional expenses.

Past due not classified as stage 3 Reviewed

		Days past due			30 June 2022		31 March 2022[4]	31 December 2021
(in millions)	Gross carrying amount[2]	≤ 30 days	> 30 days & ≤ 90 days	> 90 days[3]	Total past due, but not stage 3 or POCI	Past due ratio	Past due ratio	Past due ratio
Loans and advances banks	**3,771**					**0.0%**	**0.1%**	**0.0%**
Residential mortgages	148,773	755	41	11	807	0.5%	0.6%	0.6%
Consumer loans	10,603	69	100	49	219	2.1%	1.5%	1.7%
Corporate loans[1]	91,881	501	160	14	675	0.7%	1.1%	1.2%
Other loans and advances customers[1]	16,401	19			19	0.1%	0.1%	0.2%
Total loans and advances customers[1]	**267,657**	**1,344**	**301**	**75**	**1,720**	**0.6%**	**0.8%**	**0.8%**
Total loans and advances[1]	**271,427**	**1,344**	**301**	**75**	**1,720**	**0.6%**	**0.8%**	**0.8%**

1 Excluding loans at fair value through P&L.
2 Gross carrying amount excludes fair value adjustments from hedge accounting.
3 Materiality thresholds are applied for counterparties transferring to stage 3. Below these thresholds, amounts are reported on > 90 days past due.
4 The figures in this column are not reviewed. This column is for comparison purposes only.

At 30 June 2022, past due loans came down significantly to EUR 1.7 billion (31 December 2021: EUR 2.1 billion, 31 March 2022: EUR 2.0 billion), resulting in a past due ratio of 0.6%. The primary contributor to this reduction was a number of food & beverages and real estate sector clients in the corporate loans segment that returned to current performing. In addition, rising loan book quality further strengthened the drop in past due ratios in all product segments, except for consumer loans.

Unlike in other product segments, there was a considerable increase in consumer loans in arrears compared to 31 March 2022 and 31 December 2021, which was related to two private clients' positions.

Coverage and stage ratios Reviewed

(in millions)	30 June 2022				31 March 2022[4]		31 December 2021	
	Gross carrying amount[2]	Allowances for credit losses[3]	Coverage ratio	Stage ratio	Coverage ratio	Stage ratio	Coverage ratio	Stage ratio
Stage 1								
Loans and advances banks	**3,714**	**4**	**0.1%**	**98.5%**	**0.1%**	**98.6%**	**0.4%**	**99.9%**
Residential mortgages	139,214	20	0.0%	93.6%	0.0%	93.1%	0.0%	93.7%
Consumer loans	9,339	25	0.3%	88.1%	0.3%	88.6%	0.2%	86.6%
Corporate loans[1]	76,548	205	0.3%	83.3%	0.2%	82.1%	0.2%	80.2%
Other loans and advances customers[1]	16,357		0.0%	99.7%	0.0%	99.7%	0.0%	99.6%
Total loans and advances customers[1]	**241,458**	**250**	**0.1%**	**90.2%**	**0.1%**	**89.6%**	**0.1%**	**89.2%**
Stage 2								
Loans and advances banks	**56**		**0.2%**	**1.5%**	**0.2%**	**1.4%**	**0.5%**	**0.1%**
Residential mortgages	8,400	53	0.6%	5.6%	0.3%	6.1%	0.3%	5.5%
Consumer loans	884	40	4.5%	8.3%	5.1%	7.7%	4.4%	9.6%
Corporate loans[1]	10,802	284	2.6%	11.8%	2.7%	12.3%	2.4%	14.0%
Other loans and advances customers[1]	39	3	6.9%	0.2%	8.0%	0.3%	3.2%	0.3%
Total loans and advances customers[1]	**20,125**	**379**	**1.9%**	**7.5%**	**1.8%**	**7.9%**	**1.7%**	**8.2%**
Stage 3 and POCI								
Loans and advances banks								
Residential mortgages	1,158	83	7.2%	0.8%	4.8%	0.8%	4.1%	0.9%
Consumer loans	380	217	57.1%	3.6%	55.3%	3.8%	50.8%	3.8%
Corporate loans[1]	4,531	1,459	32.2%	4.9%	31.7%	5.6%	32.5%	5.8%
Other loans and advances customers[1]	6	3	52.5%	0.0%	52.5%	0.0%	32.0%	0.1%
Total loans and advances customers[1]	**6,074**	**1,762**	**29.0%**	**2.3%**	**28.2%**	**2.5%**	**28.3%**	**2.6%**
Total of stages 1, 2, 3 and POCI								
Total loans and advances banks	**3,771**	**4**	**0.1%**		**0.1%**		**0.4%**	
Residential mortgages	148,773	155	0.1%		0.1%		0.1%	
Consumer loans	10,603	282	2.7%		2.7%		2.6%	
Corporate loans[1]	91,881	1,947	2.1%		2.3%		2.4%	
Other loans and advances customers[1]	16,401	6	0.0%		0.0%		0.0%	
Total loans and advances customers[1]	**267,657**	**2,390**	**0.9%**		**0.9%**		**0.9%**	
Total loans and advances[1]	**271,427**	**2,395**	**0.9%**		**0.9%**		**0.9%**	

1 Excluding loans at fair value through P&L.
2 Gross carrying amount excludes fair value adjustments from hedge accounting.
3 The allowances for credit losses excludes allowances for financial investments held at FVOCI (30 June 2022: EUR 0 million; 31 March 2022: EUR 2 million; 31 December 2021: EUR 1 million).
4 The figures in this column are not reviewed. This column is for comparison purposes only.

In the first six months of 2022, the stage 3 of loans and advances to customers decreased to 2.3% (31 December 2021: 2.6%) as a result of declines in stage 3 exposures in all product groups, but mainly in corporate loans, driven by repayments as well as clients returning to stage 2. The stage 3 coverage ratio grew to 29.0% (31 December 2021: 28.3%) due to an outflow of stage 3 clients with relatively low coverage ratios.

The stage 2 ratio of loans and advances to customers decreased to 7.5% (31 December 2021: 8.2%) as a result of a reduction in stage 2 corporate and consumer loans, which was partly offset by an increase in stage 2 residential mortgages driven by the weakening of the macro-economic outlook. The decrease in stage 2 exposures in combination with higher stage 2 allowances for residential mortgages led to an increase of the stage 2 coverage ratio to 1.9% (31 December 2021: 1.7%). Higher stage 2 allowances for residential mortgages were driven by worsening of the macroeconomic scenarios and increased management overlays in the first six months of 2022.

Purchased or Originated Credit Impaired (POCI)

On 30 June 2022, loans classified as POCI amounted to EUR 15 million, including allowances of EUR 3 million. Due to immateriality, these amounts are included in the amounts shown for stage 3 throughout this report.

Loan impairment charges and allowances in the first six months Reviewed

(in millions)	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
							30 June 2022
Balance at 1 January 2022	**10**	**82**	**276**	**2,053**	**4**	**2,426**	**153**
Transfer to stage 1		-2	-8	-17		-27	-2
Transfer to stage 2		1		11		11	2
Transfer to stage 3		9	18	52		79	1
Remeasurements[1]	-6	41	11	10	1	57	-122
Changes in risk parameters		33	9	57		98	1
Originated or purchased		3	2	27		32	8
Matured or repaid		-11	-7	-166		-184	-7
Impairment charges (releases) on loans and advances	**-6**	**74**	**25**	**-26**	**1**	**67**	**-117**
Write-offs		-1	-27	-117		-145	
Unwind discount / unearned interest accrued		1	2	8		10	
Foreign exchange and other movements			6	30		36	4
Balance at 30 June 2022	**4**	**155**	**282**	**1,947**	**6**	**2,395**	**40**
							First half 2022
Impairment charges (releases) on loans and advances	-6	74	25	-26	1	67	-117
Recoveries and other charges (releases)		-9	-22	-22		-52	102
Total impairment charges for the period	**-6**	**65**	**3**	**-48**	**1**	**15**	**-14**

1 Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.
2 The impairment charges for the period excludes charges (releases) for financial investments held at FVOCI 30 June 2022: EUR 1 million.

(in millions)	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance
							30 June 2021
Balance at 1 January 2021	**6**	**116**	**294**	**3,053**	**3**	**3,472**	**48**
Transfer to stage 1		-4	-7	-11		-22	
Transfer to stage 2		-1	1	29		29	3
Transfer to stage 3		11	34	53		98	
Remeasurements[1]	1	4	17	162		184	52
Changes in risk parameters		-31	-6	-45		-82	
Originated or purchased		2	2	23		28	3
Matured or repaid		-8	-10	-361		-380	-10
Impairment charges (releases) on loans and advances	**1**	**-27**	**30**	**-150**		**-145**	**48**
Write-offs		-4	-33	-690		-726	-2
Unwind discount / unearned interest accrued		1	1	11		12	
Foreign exchange and other movements			-4	47		43	1
Balance at 30 June 2021	**6**	**87**	**288**	**2,271**	**4**	**2,655**	**94**
							First half 2021
Impairment charges (releases) on loans and advances	1	-27	30	-150		-145	48
Recoveries and other charges (releases)		-10	-20	-50		-80	28
Total impairment charges for the period	**1**	**-37**	**10**	**-200**		**-226**	**76**

1 Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.
2 The impairment charges for the period excludes charges (releases) for financial investments held at FVOCI 30 June 2021: EUR 0 million.

Loan impairment charges and allowances per stage in the first six months Reviewed

(in millions)	Stage 1	Stage 2	Stage 3[2]	Total (30 June 2022)	Stage 1	Stage 2	Stage 3[2]	Total (30 June 2021)
Impairment allowances on loans and advances								
Balance at 1 January	**172**	**360**	**1,894**	**2,426**	**301**	**400**	**2,771**	**3,472**
Transfer to stage 1	50	-60	-17	-27	34	-47	-9	-22
Transfer to stage 2	-17	63	-34	11	-23	85	-33	29
Transfer to stage 3	-9	-24	112	79	-5	-24	127	98
Remeasurements[1]	3	20	34	57	-101	45	240	184
Changes in risk parameters	36	37	26	98	-26	-31	-25	-82
Originated or purchased	32			32	28			28
Matured or repaid	-8	-9	-167	-184	-10	-8	-361	-380
Impairment charges (releases) on loans and advances	**87**	**27**	**-47**	**67**	**-103**	**18**	**-61**	**-145**
Write-offs			-145	-145	-9	-32	-685	-726
Unwind discount / unearned interest accrued			10	10			12	12
Foreign exchange and other movements	-5	-8	48	36	-3	-9	55	43
Balance at 30 June	**254**	**379**	**1,762**	**2,395**	**186**	**377**	**2,092**	**2,655**
				First half 2022				First half 2021
Impairment charges (releases) on loans and advances	87	27	-47	67	-103	18	-61	-145
Recoveries and other charges (releases)			-52	-52			-80	-80
Total impairment charges for the period	**87**	**27**	**-99**	**15**	**-103**	**18**	**-141**	**-226**

1 Remeasurements represents the current year change of expected credit loss allowances mainly attributable to changes in volumes such as partial repayments and changes in the credit quality of existing loans remaining in their stage.
2 Including POCI.

Individual and collective loan impairment allowances and management overlays Reviewed

(in millions)	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	Off-balance (30 June 2022)
Individual impairments							
Stage 3[1]			55	1,249	3	1,306	5
Total individual impairments			**55**	**1,249**	**3**	**1,306**	**5**
Collective impairments							
Stage 1	4	20	25	205		254	19
Stage 2		53	40	284	3	379	15
Stage 3[1]		83	162	210		455	2
Total collective impairments	**4**	**155**	**227**	**699**	**3**	**1,088**	**35**
- of which management overlay		*27*	*13*	*311*		*351*	
Total impairments	**4**	**155**	**282**	**1,947**	**6**	**2,395**	**40**
Carrying amount of loans, determined to be impaired, before deducting any assessed impairment allowance		1,158	380	4,531	6	6,075	

1 Including POCI.

(in millions)	Banks	Residential mortgages	Consumer loans	Corporate loans	Other loans	Total loans and advances	31 December 2021 Off-balance
Individual impairments							
Stage 3[1]			46	1,389	3	1,438	116
Total individual impairments			**46**	**1,389**	**3**	**1,438**	**116**
Collective impairments							
Stage 1	10	8	23	130		172	17
Stage 2		22	45	291	1	360	20
Stage 3[1]		52	162	243		456	
Total collective impairments	**10**	**82**	**230**	**664**	**1**	**988**	**37**
- of which management overlay		*24*	*46*	*354*		*424*	
Total impairments	**10**	**82**	**276**	**2,053**	**4**	**2,426**	**153**
Carrying amount of loans, determined to be impaired, before deducting any assessed impairment allowance		1,264	409	5,019	9	6,701	

[1] Including POCI.

Total collective impairments amounted to EUR 1,088 million at 30 June 2022 (EUR 988 million at 31 December 2021). These impairments included expected credit losses (ECL) as calculated by our IFRS 9 models and the management overlays we recorded. The ECL calculations take into account a probability weighted average of three economic scenarios. As the ECL model outcomes do not always reflect the current economic environment and circumstances, additional management overlays are applied to incorporate potential risks not fully captured by the model outcomes. During 2022, management overlays decreased to a total of EUR 351 million (31 December 2021: EUR 424 million). These were mainly recorded for risks in the corporate loans portfolios, which decreased to EUR 311 million and comprised the following changes:

- A new management overlay was applied for potential effects of the war in Ukraine that are not fully captured by the latest projections in our macroeconomic scenarios and existing IFRS 9 models. An initial overlay for second-order impact on potentially vulnerable clients was cancelled after individual client reviews were performed and - where appropriate - reclassified. As the uncertainty in the macroeconomic outlook as a whole continues to be high, the initial overlay was replaced by an overlay on impairments for third-order effects, amounting to EUR 135 million on 30 June 2022.
- Management overlays applied for clients in sectors vulnerable to the impact of Covid-19 related restrictions were released after Covid-19 restrictions were lifted in the Netherlands and analysis revealed that there were no material differences between the coverage ratios of vulnerable and non-vulnerable sectors.
- We released the larger part of a management overlay that captured expected credit risk deterioration due to Covid-19 in our Corporate Banking portfolio, as we deem this effect to be largely incorporated into our credit risk parameters.
- A new management overlay was formed for potential underestimation of the delayed risk of Covid-19 related government support – especially tax deferrals – for corporate loans that are not individually managed.

Compared to 31 December 2021, management overlays for our mortgage portfolio increased as we raised the overlay that captures risks in our residential mortgages portfolio. The management overlay that addresses the impact of excessive increases in property prices on the outcome of the IFRS 9 models increased due to a refinement and was reclassified as an in-model adjustment. The management overlay that covers the refinancing risk of interest-only mortgages was raised to take into account changes in the affordability tests following from rising interest rates.

The management overlays within consumer lending portfolios decreased as the adjustment for modification losses was reclassified as an input data adjustment.

All management overlays represent best estimates of the risks involved. The underlying reasoning and calculations are documented and discussed and approved by the Impairments and Provisioning Committee (IPC). Relevant experience related to the impact of Covid-19 on the model outcomes will be used to improve the models over time and reduce the need for management overlays.

Update on Covid-19 relief measures

This section provides more details on the relief measures offered to ABN AMRO clients to provide them with liquidity after the outbreak of Covid-19. The two primary relief measures consisted of the deferral of interest and principal payments, and Covid-19 related credit facilities supported by public guarantee schemes.

Compared to the figures reported in the 2021 Annual Report, the scope of the tables remain unchanged. However, as a result of the simplified organisational structure relating to new segments, the comparative figures for 31 December 2021, have been adjusted accordingly.

Payment moratoria and other Covid-19-related forbearance measures Reviewed

	Number of clients	Gross carrying amount in millions				
		Active measure	Expired measure	Total	- of which stage 2	- of which stage 3
30 June 2022						
Personal & Business Banking	50,043	57	6,139	6,196	1,280	566
Wealth Management	329	9	598	607	158	34
Corporate Banking	9,285	682	9,355	10,037	2,836	1,036
Total	**59,657**	**748**	**16,092**	**16,840**	**4,274**	**1,636**
31 December 2021						
Personal & Business Banking	58,042	63	7,995	8,057	3,209	682
Wealth Management	368	6	662	668	174	44
Corporate Banking	10,076	884	9,580	10,464	3,439	1,332
Total	**68,486**	**953**	**18,236**	**19,189**	**6,823**	**2,058**

By 30 June 2022, approximately 59,657 clients had received a Covid-19-related deferral or forbearance measure, accounting for a total exposure of EUR 16.8 billion (31 December 2021: EUR 19.2 billion). The reduction in the number of clients compared to end of year is significant, since a large portion of loans continues to be repaid. Moreover, an amount of EUR 748 million was subject to measures that were still active. Credit quality improved markedly, with stage 2 and 3 exposure decreasing considerably, mostly as a result of Personal & Business Banking loans that had been granted a Covid-19-related forbearance measure after the outbreak coming to the end of their probation period. This leaves the total share of exposure with increased risk at 35% of the total exposure subject to Covid-19-related measures (31 December 2021: 46%). The wage subsidy scheme (NOW) and the deferral of taxes have successfully prevented a large rise in bankruptcies during the lock-down periods. As support is phased out – April 2022 marked the first month without government support since the pandemic started – the number of bankruptcies may grow back to pre-Covid bankruptcy levels. As of 1 October 2022, clients who used the option to defer taxes will have five years – up to 1 October 2027 – to repay their accrued tax debt.

Loans and advances subject to public guarantee schemes Reviewed

	Number of clients	Gross carrying amount in millions by residual maturity of the guarantee					Maximum amount in millions of the guarantee that can be considered
		≤ 6 months	> 6 months & ≤ 12 months	> 1 year & ≤ 2 years	> 2 years	Total	
30 June 2022							
Personal & Business Banking	1,147	1	1	2	29	33	30
Wealth Management	286	10	2		148	160	144
Corporate Banking	66	2	18	31	29	80	66
Total	**1,499**	**13**	**21**	**34**	**206**	**273**	**241**
31 December 2021							
Personal & Business Banking	1,160	1	5	3	36	45	41
Wealth Management	282	17	10	1	139	166	149
Corporate Banking	82	2	8	75	46	131	108
Total	**1,524**	**20**	**23**	**78**	**221**	**342**	**298**

The Dutch government reopened the public guarantee schemes during the beginning of 2022 and kept these available until the second quarter of 2022. Despite the extended timelines, the number of applications were limited. New loan applications continued in the second quarter of 2022, mainly under the Klein Krediet Corona (KKC) programme. Nevertheless, both the total number of clients and the total amount of loans and advances subject to public guarantee schemes decreased as a result of partial repayments. The average state guarantee coverage for these loans remained stable at 88% (31 December 2021: 87%).

Market risk

Market risk in the banking book

Market risk in the banking book is the risk that the economic value of equity or income of the bank declines due to unfavourable market movements. Market risk in the banking book consists predominantly of credit spread risk in the bank's liquidity portfolio and interest rate risk. Interest rate risk arises from holding assets such as loans with interest rate maturities that are different from the interest rate maturities of liabilities such as deposits. Assets have a longer average maturity than liabilities. This applies to contractual as well as behavioural maturities.

ABN AMRO uses a combination of portfolio (macro) hedges and specific asset or liability (micro) hedges to swap fixed interest rates for floating interest rate positions.
ABN AMRO actively manages the resulting interest rate position to stay within its risk appetite.

Interest rate risk metrics

(in millions)	30 June 2022	31 December 2021
NII impact from an instantaneous increase in interest rates of 100bps	270	98
NII impact from an instantaneous decrease in interest rates of 100bps	26	-218
NII impact from a gradual increase in interest rates of 200bps	466	268
NII impact from a gradual decrease in interest rates of 200bps	-71	-251
PV01	-3.5	-5.9

NII-at-Risk is the difference in net interest income (NII) between a base scenario and the least favourable outcome out of several alternative scenarios. In June 2022, the NII-at-Risk in absolute terms decreased to EUR 71 million, reflecting a reduction of NII in the scenario of interest rates gradually decreasing by 200bps. The decrease in NII-at-Risk is attributable to portfolio developments, mainly hedging of Targeted Longer-Term Refinancing Operations (TLTRO) III, and market movements, mainly increased interest rates. The most positive NII occurs for the scenario where interest rates rise gradually by 200bps, in which the NII would be EUR 466 million higher than the base scenario.

PV01 measures economic value of equity changes resulting from a 1bp parallel shift of the yield curve. For internal risk management, the value sensitivities to changes in individual term points on the yield curve are also measured. PV01 exposure decreased by EUR 2.4 million to EUR 3.5 million over the first half of 2022. The negative impact of yield curve movements have been more than offset by portfolio developments and portfolio steering swap transactions.

Foreign exchange risk

	30 June 2022	31 December 2021
Total OCP (long, in EUR million)	163	428
OCP as % total capital	0.6%	1.6%

ABN AMRO monitors its foreign exchange risk through the banks' aggregated open currency position (OCP). As a general rule, foreign exchange risk is hedged by using foreign exchange spot transactions to convert a given exposure in foreign currency into EUR. If, for operational reasons, it is inefficient to hedge exposures in foreign currencies, an open position remains.

On 30 June 2022, the OCP amounted to EUR 163 million, a decrease compared to 31 December 2021 due to hedging activity. The most material single open foreign exchange exposure was USD.

Market risk in the trading book

Market risk in the trading book is the risk of losses in market value due to adverse market movements.
The following market risks are inherent in the trading book:
- Interest rate risk, arising from adverse changes in interest rate risk curves and/or interest rate volatilities;
- Credit spread risk, arising from adverse changes in the term structure of credit spreads and/or from changes in the credit quality of debt securities or CDS reference entities, with an impact on default probabilities;
- Foreign exchange risk, arising from adverse changes in FX spot and forward rates and/or FX volatility.

Internal aggregated diversified and undiversified VaR for all trading positions

(in millions)	Commodities[1]	Equity[2]	Foreign exchange	Interest rate	Total undiversified VaR	Diversified VaR
						30 June 2022
VaR at last trading day of the period			0.1	4.2	4.3	2.6
Highest VaR			0.2	6.0	6.1	3.8
Lowest VaR				0.7	0.8	0.8
Average VaR			0.1	2.4	2.5	2.0
						31 December 2021
VaR at last trading day of the period			0.1	1.0	1.1	0.9
Highest VaR	0.3	0.4	0.8	4.9	5.3	4.3
Lowest VaR			0.1	0.7	0.9	0.7
Average VaR	0.1		0.1	2.0	2.3	1.8

[1] In the first half of 2022, daily VaRs for commodities were very small.
[2] Equity trading was discontinued in February 2021 and will no longer be reported in future annual and interim financial statements.

The average 1-day Value at Risk (VaR) increased from EUR 1.8 million to EUR 2.0 million, when comparing the four-quarter period ending on 31 December 2021 with the two-quarter period ending on 30 June 2022, as the volatile scenarios since the start of the war in Ukraine have been included in the 300-day VaR window. Comparing the same periods, the highest 1-day VaR decreased from EUR 4.3 million to EUR 3.8 million.

Market risk RWA

The market risk RWA moved from EUR 1.7 billion to EUR 2.5 billion, when comparing 31 December 2021 with 30 June 2022, mainly driven by position changes and to a lesser extent model changes. In addition to the inclusion of volatile scenarios since the start of the war in Ukraine in the VaR window, six overshootings were reported in the 250 days to 30 June 2022, when backtested against the P&L of Global Markets. This increased the regulatory multipliers used in the RWA calculation.

IBOR reform Reviewed

The end of 2021 marked an important milestone in the progress towards Risk Free Rates globally. A bank-wide project tackled the IBOR transition for products mainly denominated in GBP, CHF and JPY. The project aimed at a value-neutral transition for clients and ABN AMRO, executed in a timely manner with cross-departmental collaboration. The changes required in order to move away from no longer existing IBORs were successfully implemented before the IBORs cessation dates.

The focus in the first half of 2022 was on preparing the upcoming USD LIBOR transition, due in June 2023. Execution is driven by market developments regarding the adoption of secured overnight financing rate (SOFR) varieties across products, and will continue in the upcoming months.

Liquidity risk

Highlights

- The consolidated 12-month rolling average LCR amounted to 158% at the end of June 2022.
- The LtD ratio amounted to 98% at the end of June 2022, down from 103% at year-end 2021. This decrease was mainly attributable to deposit growth in the business lines with professional counterparties, partly offset by growth in the client loan book.
- The liquidity buffer totalled EUR 95.7 billion at the end of June 2022 and consisted mainly of cash at central banks and government bonds. Compared to year-end 2021, the liquidity buffer decreased by EUR 5.8 billion, mainly reflecting growth in the client loan book. As a result of the TLTRO III participation there has been limited need to access wholesale funding markets to fund this growth.
- Total green bonds in our liquidity buffer remained stable at EUR 0.9 billion at 30 June 2022, which is 1% of the total liquidity buffer (31 December 2021: EUR 1.0 billion). Group Treasury targets green investments within the mandate of its investment portfolio, which serves as the liquidity buffer of the bank. Targets have been formulated over the years, initially focusing on green bonds only and currently reformulated to incorporate the broader ESG environment, including green, social and sustainable bonds which comply with respective ICMA Principles. The investment focus is on the ESG, EUR-denominated, LCR-eligible bond market, targeting EUR 3.5 billion holdings by the end of 2023 (in liquidity value).

Liquidity indicators

	30 June 2022	31 December 2021
Available liquidity buffer (in billions)[1]	95.7	101.5
Survival period (moderate stress)	> 12 months	> 12 months
LCR[2]	158%	168%
NSFR	139%	138%
Loan-to-Deposit ratio	98%	103%

1 The mandatory cash reserve with the central bank has been deducted from the cash and central bank deposits in the liquidity buffer.
2 Consolidated LCR based on a 12-month rolling average.

Liquidity buffer composition

	30 June 2022		31 December 2021	
(in billions)	Liquidity buffer	LCR eligible	Liquidity buffer	LCR eligible
Cash & central bank deposits[1]	67.2	67.2	64.3	64.3
Government bonds	20.4	25.6	27.5	33.0
- of which green bonds	*0.8*	*0.9*	*0.9*	*0.9*
Covered bonds	2.3	2.2	2.8	2.6
- of which green bonds	*0.1*	*0.1*	*0.2*	*0.1*
Other	5.9	6.1	6.9	7.5
Total liquidity buffer	**95.7**	**101.0**	**101.5**	**107.4**

1 The mandatory cash reserve with the central bank has been deducted from the cash and central bank deposits in the liquidity buffer.

Funding

Highlights

- Total issued debt decreased to EUR 53.4 billion at 30 June 2022 (31 December 2021: EUR 59.7 billion). Redemptions of covered bonds and senior preferred funding and negative fair value effects resulting from rising interest rates were the main contributors to the EUR 6.3 billion decrease. The redemptions were partially offset by long-term debt issued in H1 2022, consisting of EUR 1.4 billion in covered bonds and EUR 2.6 billion in senior non-preferred funding.
- Subordinated liabilities increased slightly to EUR 7.7 billion (31 December 2021: EUR 7.5 billion) as early redemption of EUR 0.5 billion outstanding subordinated liabilities was offset by EUR 0.5 billion in new issuance.

Overview of funding types

(in millions)	30 June 2022		31 December 2021	
Total Commercial Paper/Certificates of Deposit		**9,439**		**9,177**
Covered bonds	26,911		31,338	
Secured funding (long term)		**26,911**		**31,338**
Senior preferred (medium-term notes)	9,314		13,209	
- of which green bonds	*1,425*		*1,995*	
Senior non-preferred	7,767		5,964	
- of which green bonds	*3,148*		*1,853*	
Unsecured funding (long term)		**17,081**		**19,172**
Total issued debt		**53,431**		**59,688**
Subordinated liabilities		7,658		7,549
Wholesale funding		**61,088**		**67,236**
Other long-term funding[1]		34,936		35,221
Total funding instruments[2]		**96,024**		**102,457**
- of which matures within one year		*47,406*		*18,419*

1 Includes TLTRO III funding (recorded in due to banks) and funding with the Dutch State as counterparty (recorded in due to customers).
2 Includes FX effects, fair value adjustments and interest movements.

Green bonds

Total green bonds outstanding increased to EUR 4.6 billion at 30 June 2022, which is 9% of total issued debt (31 December 2021: EUR 3.8 billion). Our Green Bonds Framework sets out criteria applicable to issuing green bonds, including how we allocate the issue proceeds from green bonds to eligible assets, the evaluation and selection of eligible assets, the independent assurance on the allocation of proceeds to eligible green assets, as well as the external reporting requirements. Green bonds have been issued since 2015, with a focus on sustainable real estate and renewable energy. These green bonds enable investors to invest in, for example, energy efficiency through residential mortgages, loans for solar panels on existing homes, sustainable commercial real estate and wind energy.

Maturity calendar at 30 June 2022

- We target a maturity profile where redemptions of funding instruments are well spread over time.
- The maturity calendar assumes redemption on the earliest possible call date or the legal maturity date, which does not mean that the instruments will be called at the earliest possible call date. Early redemption of eligible liabilities for MREL are subject to prior regulatory approval.

													30 June 2022
(notional amounts, in billions)	2022[3]	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	≥ 2033	Total
Covered bonds	1.6	2.0	1.8	0.5	1.6	0.6	0.7	0.4	1.9	3.0	2.2	13.1	29.5
Senior preferred	0.9	2.4	1.8	3.0	0.8	0.2	0.1		0.1	0.2		0.1	9.5
Senior non-preferred				1.3	0.7	2.0	1.0	1.0			0.8	2.1	8.7
Subordinated liabilities	1.0	2.6		1.4	1.0	0.5				1.2			7.7
Other long-term funding[1, 2]		32.0	3.0		0.3	0.2							35.5
Total long-term funding	**3.4**	**38.9**	**6.6**	**6.2**	**4.4**	**3.5**	**1.7**	**1.4**	**2.0**	**4.5**	**3.0**	**15.3**	**90.9**

												31 December 2021
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	≥ 2032	Total
Total long-term funding	8.9	38.8	6.6	6.1	4.3	2.2	1.6	1.4	2.0	4.4	15.1	91.4

1 Other long-term funding includes Targeted Longer-Term Refinancing Operations (TLTRO) III and funding with the Dutch State as counterparty.
2 The TLTRO III of EUR 35.0 billion is reported at the original legal maturity of three years, although there is a voluntary repayment option after one year.
3 Includes funding that matures in the rest of 2022.

Capital management

Regulatory capital structure

(in millions)		30 June 2022		31 March 2022		31 December 2021
Total equity (EU IFRS)		**22,528**		**22,333**		**21,999**
Dividend reserve		-362		-710		-573
AT1 capital securities (EU IFRS)		-1,985		-1,987		-1,987
Share buyback reserve				-211		-500
Regulatory and other adjustments		-553		74		267
Common Equity Tier 1		**19,628**		**19,500**		**19,206**
AT1 capital securities (EU IFRS)		1,985		1,987		1,987
Regulatory and other adjustments		-3		-5		-5
Tier 1 capital		**21,610**		**21,482**		**21,188**
Subordinated liabilities (EU IFRS)	7,658		7,416		7,549	
Regulatory and other adjustments	-2,406		-2,309		-2,413	
Tier 2 capital		**5,252**		**5,107**		**5,136**
Total regulatory capital		**26,862**		**26,589**		**26,324**
Other MREL eligible liabilities[1]		9,357		7,605		6,568
Total MREL eligible liabilities		**36,219**		**34,194**		**32,893**
Total risk-weighted assets		**126,676**		**124,342**		**117,693**
Exposure measure						
Exposure measure		449,999		377,423		360,779
Capital ratios						
Common Equity Tier 1 ratio		15.5%		15.7%		16.3%
Common Equity Tier 1 ratio (Basel IV)[2]		16%		16%		16%
Tier 1 ratio		17.1%		17.3%		18.0%
Total capital ratio		21.2%		21.4%		22.4%
MREL[3]		28.6%		27.5%		27.9%
Leverage ratio		4.8%		5.7%		5.9%

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.
3 MREL is calculated as total regulatory capital plus other MREL eligible subordinated liabilities divided by total risk-weighted assets.

Developments impacting capital ratios

On 30 June 2022, the CET1 ratio under Basel III was 15.5% (31 March 2022: 15.7%). In comparison with Q1 2022, the CET1 ratio decreased mainly due to an increase in RWA, partly offset by a slight increase in CET1 capital.
The increase in RWA reflects a rise in credit risk RWA, mainly resulting from a change in the regulatory treatment of certain models from Advanced IRB to Foundation IRB and Standardised Approach, as well as business developments, partly offset by updated add-ons and asset quality changes. In addition, market risk RWA increased due to higher Value-at-Risk, driven mainly by position changes and to a lesser extent model changes. CET1 capital increased mainly due to the Q2 2022 profit, partially offset by a quarterly update of the NPE capital deductions.
All capital ratios were in line with the bank's risk appetite and comfortably above regulatory requirements.

The maximum distributable amount (MDA) trigger level was at 9.7% (excluding AT1 shortfall). The Dutch central bank (DNB) announced an increase of the Countercyclical Capital Buffer (CCyB) for Dutch exposures to 1% by 25 May 2023. The full implementation of the 2% CCyB rate is expected by Q2 2024, which will cause the MDA trigger level to increase by around 1.5%. This is already reflected in our capital targets. The reported Basel III CET1 ratio of 15.5% is well above the MDA trigger level. The bank remains committed to maintaining a significant buffer in excess of its regulatory requirements at all times.

Based on our latest views of the Basel IV EU proposal, the fully-loaded Basel IV CET1 ratio was estimated comfortably above target at around 16% on 30 June 2022. The Basel IV CET1 ratio at implementation is still subject to some uncertainties, including data limitations, management actions and other portfolio developments.

Dividend

From 2021 onwards, the dividend pay-out has been set at 50% of reported net profit, after deduction of AT1 coupon payments and minority interests. Interim dividends will be considered at 40% of the reported H1 net profit, provided profit is expected to be sustainable throughout the year, at the discretion of the Board. Based on the dividend policy and a net profit of EUR 724 million (post AT1 and minority interest) over the first half of 2022, the interim dividend has been set at EUR 0.32 per share. This would be equivalent to EUR 287 million, based on the number of outstanding shares as at June 2022. The ex-dividend date for the interim dividend will be 17 August 2022, the record date will be 18 August 2022, and payment of the interim dividend will be on 12 September 2022. ABN AMRO paid the final 2021 dividend of EUR 553 million on 18 May 2022.

As communicated in our Q1 Quarterly Update, the inaugural share buyback programme was completed on 11 May. In anticipation of any future sell-downs by our majority shareholder, ABN AMRO has requested permission from the ECB in advance to buy back shares up to an amount of EUR 250 million. The share buyback aims to absorb part of the shares sold, regardless of sell-down structure. The ECB has approved the buyback, conditional on a potential sell-down by the NLFI.

Leverage ratio

The Capital Requirements Regulation (CRR) includes a non-risk-based and binding leverage ratio. As of 30 June 2022, the leverage ratio decreased to 4.8% (31 March 2022: 5.7%), mainly due to the termination of the temporary relief measure that exempted central bank reserves from the exposure measure. This was partially offset by the addition of the retained net profit for Q2 2022 to CET1 capital, resulting in an increase of the Tier 1 capital. The reported leverage ratio remained well above the 3.0% requirement.

MREL

As of 1 January 2022, our intermediate MREL target is set at 27.1% of Basel III RWA, of which 26.6% must be met by own funds, subordinated instruments and senior non-preferred (SNP) notes. This includes the combined buffer requirement (CBR) of 4.0%.

Based on the eligible liabilities, i.e. own funds, subordinated instruments and SNP notes, MREL was at 28.6% as of 30 June 2022 (31 March 2022: 27.5%). The reported MREL ratio excludes EUR 7.6 billion of grandfathered senior preferred liabilities eligible for MREL. Compared to Q1 2022, MREL increased mainly due to issuances of EUR 1.5 billion in SNP and the positive currency effects in USD dominated Tier 2 instruments, partially offset by an increase in RWAs mainly due to credit and market risk developments. On 30 June 2022, EUR 0.6 billion of SNP and Tier 2 was not yet reflected in the reported MREL ratio as these instruments were settled in July.

Responsibility statement

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (Wet op het financieel toezicht (Wft)), the members of the Executive Board state that to the best of their knowledge:

- The Condensed consolidated Interim Financial Statements for the six month period ending on 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of ABN AMRO Bank N.V. and the companies included in the consolidation; and
- The Interim Report for the six month period ending on 30 June 2022 gives a true and fair view of the information required pursuant to section 5:25d, paragraphs 8 and 9, of the Dutch Financial Supervision Act regarding ABN AMRO Bank N.V. and the companies included in the consolidation.

Amsterdam, 9 August 2022

The Executive Board

Robert Swaak, Chief Executive Officer and Chair
Lars Kramer, Chief Financial Officer and Vice-Chair
Tanja Cuppen, Chief Risk Officer
Annerie Vreugdenhil, Chief Commercial Officer - Personal & Business Banking
Choy van der Hooft-Cheong, Chief Commercial Officer - Wealth Management
Dan Dorner, Chief Commercial Officer - Corporate Banking
Gerard Penning, Chief Human Resources Officer

Condensed consolidated **Interim Financial Statements 2022**

Certain IFRS disclosures in the Risk, funding & capital section are labelled as 'Reviewed' in the respective headings. These disclosures are an integral part of the Condensed consolidated Interim Financial Statements.

Condensed consolidated income statement

(in millions)	Note	First half 2022	First half 2021
Income			
Interest income calculated using the effective interest method		3,302	3,350
Other interest and similar income		111	119
Interest expense calculated using the effective interest method		800	704
Other interest and similar expense		31	96
Net interest income		**2,583**	**2,669**
Fee and commission income		1,147	1,085
Fee and commission expense		252	280
Net fee and commission income		**895**	**805**
Income from other operating activities		263	236
Expenses from other operating activities		66	73
Net income from other operating activities		**197**	**164**
Net trading income		118	46
Share of result in equity-accounted investments		19	3
Net gains/(losses) on derecognition of financial assets measured at amortised cost		5	-108
Operating income	4	**3,817**	**3,579**
Expenses			
Personnel expenses		1,219	1,179
General and administrative expenses		1,525	1,793
Depreciation, amortisation and impairment losses of tangible and intangible assets		85	99
Operating expenses	5	**2,829**	**3,071**
Impairment charges on financial instruments			-156
Total expenses		**2,828**	**2,915**
Profit/(loss) before taxation		**989**	**664**
Income tax expense	6	219	325
Profit/(loss) for the period		**770**	**339**
Attributable to:			
Owners of the parent company		770	337
Non-controlling interests			2
Earnings per share (in EUR)			
Basic earnings per ordinary share (in EUR)[1]		0.79	0.31

[1] Earnings per share consist of profit for the period, excluding results attributable to non-controlling interests and payments to holders of AT1 instruments, divided by the average outstanding and paid-up ordinary shares.

Condensed consolidated statement of comprehensive income[1]

(in millions)	First half 2022		First half 2021	
Profit/(loss) for the period		**770**		**339**
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Gains/(losses) on liability own credit risk		6		9
Items that will not be reclassified to the income statement before taxation		**7**		**9**
Income tax relating to items that will not be reclassified to the income statement		2		2
Items that will not be reclassified to the income statement after taxation		**5**		**7**
Items that may be reclassified to the income statement				
Net gains/(losses) currency translation reserve	79		34	
Less: Reclassification currency translation reserve through the income statement	2			
Net gains/(losses) currency translation reserve through OCI		78		34
Net gains/(losses) fair value reserve	-43		-27	
Less: Reclassification fair value reserve through the income statement	1			
Net gains/(losses) fair value reserve through OCI		-44		-27
Net gains/(losses) cash flow hedge reserve	1,114		328	
Less: Reclassification cash flow hedge reserve through the income statement	-14		32	
Net gains/(losses) cash flow hedge reserve through OCI		1,128		296
Share of other comprehensive income of associates		-26		13
Items that may be reclassified to the income statement before taxation		**1,135**		**316**
Income tax relating to items that may be reclassified to the income statement		280		67
Items that may be reclassified to the income statement after taxation		**856**		**248**
Total comprehensive income/(expense) for the period after taxation		**1,631**		**594**
Attributable to:				
Owners of the parent company		1,631		592
Non-controlling interests				2

[1] The consolidated comprehensive income have been refined. In order to achieve fairer presentation, reclassifications to the income statement have been added to the consolidated statement of comprehensive income.

Condensed consolidated statement of financial position

(in millions)	Note	30 June 2022	31 December 2021
Assets			
Cash and balances at central banks		69,784	66,865
Financial assets held for trading	7	2,421	1,155
Derivatives	8	5,096	3,785
Financial investments	9	40,762	43,165
Securities financing	10	27,647	16,138
Loans and advances banks	12	3,766	2,801
Residential mortgages	13	142,718	147,711
Consumer loans	13	10,321	10,518
Corporate loans at amortised cost	13	90,168	84,915
Corporate loans at fair value through P&L	13	39	99
Other loans and advances customers	13	16,395	15,008
Equity-accounted investments		521	564
Property and equipment		1,094	1,172
Goodwill and other intangible assets		117	127
Assets held for sale	14	47	89
Tax assets		690	739
Other assets		9,917	4,263
Total assets		**421,504**	**399,113**
Liabilities			
Financial liabilities held for trading	7	1,394	687
Derivatives	8	3,799	4,344
Securities financing	10	18,643	9,494
Due to banks	15	40,168	38,076
Current accounts	16	136,694	132,983
Demand deposits	16	99,756	98,790
Time deposits	16	26,847	18,780
Other due to customers	16	1,895	665
Issued debt	17	53,431	59,688
Subordinated liabilities	17	7,658	7,549
Provisions	18	1,134	1,201
Liabilities held for sale	14	18	
Tax liabilities		16	101
Other liabilities		7,525	4,757
Total liabilities		**398,977**	**377,114**
Equity			
Share capital		940	940
Share premium		12,970	12,970
Other reserves (incl. retained earnings/profit for the period)		6,994	7,324
Accumulated other comprehensive income	19	-366	-1,227
AT1 capital securities		1,985	1,987
Equity attributable to owners of the parent company		**22,523**	**21,994**
Equity attributable to non-controlling interests		5	5
Total equity		**22,528**	**21,999**
Total liabilities and equity		**421,504**	**399,113**
Committed credit facilities	20	55,464	54,642
Guarantees and other commitments	20	7,567	7,598

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium	Other reserves including retained earnings	Accumulated other comprehensive income[2]	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 2021	**940**	**12,970**	**6,870**	**-1,733**	**-45**	**1,987**	**20,989**		**20,989**
Total comprehensive income				255	337		592	2	594
Transfer			-45		45				
Paid interest on AT1 capital securities			-46				-46		-46
Other changes in equity			-3				-3	3	
Balance at 30 June 2021	**940**	**12,970**	**6,777**	**-1,478**	**337**	**1,987**	**21,533**	**5**	**21,538**
Balance at 1 January 2022	**940**	**12,970**	**6,093**	**-1,227**	**1,231**	**1,987**	**21,994**	**5**	**21,999**
Total comprehensive income				861	770		1,631		1,631
Transfer			1,231		-1,231				
Dividend			-553				-553		-553
Decrease of capital						-2	-2		-2
Share buyback[1]			-500				-500		-500
Paid interest on AT1 capital securities			-46				-46		-46
Other changes in equity			-2				-2		-2
Balance at 30 June 2022	**940**	**12,970**	**6,224**	**-366**	**770**	**1,985**	**22,523**	**5**	**22,528**

[1] For more information on the share buyback, please refer to the Capital management chapter.
[2] For more information, please refer to Note 19 Accumulated other comprehensive income.

Condensed consolidated statement of cash flows

(in millions)	Note	First half 2022	First half 2021
Profit/(loss) for the period		**770**	**339**
Adjustments on non-cash items included in profit/(loss)			
(Un)realised gains/(losses)		3,795	-721
Share of result in equity-accounted investments	4	-19	-3
Depreciation, amortisation and impairment losses of tangible and intangible assets	5	85	99
Impairment charges on financial instruments			-156
Income tax expense	6	219	325
Tax movements other than taxes paid & income taxes		7	-11
Other non-cash adjustments		564	289
Operating activities			
Changes in:			
- Assets held for trading		-1,262	-1,071
- Derivatives - assets		-766	1,443
- Securities financing - assets		-10,254	-10,556
- Loans and advances banks		66	84
- Residential mortgages		-2,423	69
- Consumer loans		169	418
- Corporate loans		-4,718	5,407
- Other loans and advances customers		-1,086	-347
- Other assets		-5,739	-2,437
- Liabilities held for trading		708	1,154
- Derivatives - liabilities		-479	-1,984
- Securities financing - liabilities		8,366	8,115
- Due to banks		2,227	3,947
- Due to customers		13,816	7,404
Net changes in all other operational assets and liabilities		2,715	1,095
Dividend received from associates and private equity investments		28	23
Income tax paid		-533	-545
Cash flow from operating activities		**6,255**	**12,379**

continued >

(in millions)	Note	First half 2022	First half 2021
Investing activities			
Purchases of financial investments		-5,665	-5,261
Proceeds from sales and redemptions of financial investments		5,562	9,420
Acquisition of subsidiaries (net of cash acquired), associates and joint ventures		-4	-6
Divestments of subsidiaries (net of cash sold), associates and joint ventures		2	1
Purchases of property and equipment		-82	-90
Proceeds from sales of property and equipment		22	42
Purchases of intangible assets		-1	-4
Cash flow from investing activities		**-166**	**4,102**
Financing activities			
Proceeds from the issuance of debt		16,722	16,865
Repayment of issued debt		-17,704	-19,184
Proceeds from subordinated liabilities issued		538	10
Repayment of subordinated liabilities issued		-599	-1,501
Proceeds from other borrowing		-2	
Proceeds from capital securities		-1	
Purchase of treasury shares		-500	
Dividends paid to the owners of the parent company		-553	
Interest paid AT1 capital securities		-46	-46
Payment of lease liabilities		-57	-43
Cash flow from financing activities		**-2,203**	**-3,898**
Net increase/(decrease) of cash and cash equivalents		**3,886**	**12,582**
Cash and cash equivalents as at 1 January		68,027	61,887
Effect of exchange rate differences on cash and cash equivalents		50	30
Cash and cash equivalents as at 30 June		**71,962**	**74,499**
Supplementary disclosure of operating cash flow information			
Interest paid		800	704
Interest received		3,413	3,468
Dividend received excluding associates		6	8

(in millions)	30 June 2022	30 June 2021
Cash and balances at central banks	69,784	72,447
Loans and advances banks (less than 3 months)[1]	2,178	2,052
Total cash and cash equivalents[1]	**71,962**	**74,499**

[1] Loans and advances banks with an original maturity of 3 months or more is included in loans and advances banks.

Notes to the Condensed consolidated Interim Financial Statements

1 Accounting policies

The Notes to the Condensed consolidated Interim Financial Statements, including the reviewed sections in the Risk, funding & capital section, are an integral part of these Condensed consolidated Interim Financial Statements.

Corporate information

ABN AMRO Bank N.V. (referred to as ABN AMRO Bank, ABN AMRO, the bank or the parent company) and its consolidated entities (together referred to as the group) provide financial services in the Netherlands and abroad. ABN AMRO Bank is a public limited liability company, incorporated under Dutch law on 9 April 2009, and registered at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands (Chamber of Commerce number 34334259).

The Condensed consolidated Interim Financial Statements of ABN AMRO Bank N.V. for the six-month period ending on 30 June 2022 include financial information of ABN AMRO Bank N.V., its controlled entities, interests in associates and joint ventures. The Condensed consolidated Interim Financial Statements were prepared by the Executive Board and authorised for issue by the Supervisory Board and Executive Board on 9 August 2022.

Basis of preparation

The Condensed consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union (EU).

The Condensed consolidated Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with ABN AMRO Bank's 2021 Consolidated Annual Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies applied in the Condensed consolidated Interim Financial Statements are the same as those applied in the 2021 Consolidated Annual Financial Statements of ABN AMRO Bank, except for the amendments explained in the Changes in accounting policies section.

The Condensed consolidated Interim Financial Statements are prepared under the going concern assumption and presented in euros, which is the functional and presentation currency of ABN AMRO, rounded to the nearest million (unless otherwise stated).

Changes in accounting policies and presentation

Please note that only the amendments applicable to ABN AMRO have been included. For a full description of the amendments, please refer to the 2021 Consolidated Annual Financial Statements.

Changes in accounting policies

The International Accounting Standards Board issued a number of amendments to existing standards (and endorsed by the EU), which became effective for the reporting period beginning 1 January 2022. The standards amended are IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements to IFRS Standards 2018-2020. The impact of these changes on the consolidated financial statements, except for IAS 37 Provisions, are insignificant.

Only the amendments related to the Onerous Contracts – Cost of Fulfilling a Contract have resulted in a change in ABN AMRO's accounting policies.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Based on the amendments, certain other directly related costs have been included by ABN AMRO in the measurement of provisions in scope of IAS 37.

Changes in presentation

Prior to 1 January 2022, the reconciliation between the carrying amounts at the beginning and the end of the period for each component of equity changes resulting from other comprehensive income were disclosed in a separate table as part of the statement of changes in equity. In 2022, the movement schedule explaining the equity components of other comprehensive income including the comparatives was moved to Note 19 Accumulated other comprehensive income.

Furthermore, in 2022, ABN AMRO changed the presentation of 'Items that may be reclassified to the income statement' in the Statement of Other Comprehensive Income including comparatives to provide more relevant information about the effect of the reclassification adjustments.

Critical accounting estimates and judgements

During the first half year of 2022, the war in Ukraine started and continued, while the impact of Covid-19 became less pronounced. Both the war in Ukraine and Covid-19 have an impact on the estimated Expected Credit Losses of the financial instruments in scope of IFRS 9. The impact on the estimates and assumptions is disclosed in more detail in the Risk, funding & capital section.

2 Segment reporting

Effective from the start of 2022, ABN AMRO has simplified and centralised its operating model, further strengthened by a simplified organisational structure, under which the four business lines have been replaced by three units organised around client segments, 'client units'. ABN AMRO realigned its organisational structure change with internal reporting to the Executive Board (CODM):

- Retail Banking and part of Commercial Banking has been combined to form Personal & Business Banking.
- Private Banking has been replaced by Wealth Management.
- Corporate & Institutional Banking and part of Commercial Banking have been combined to form Corporate Banking.

The prior period figures of the financial information for these segments as included in the Segment Reporting Note of this report have been restated.

Personal & Business Banking

This client unit serves consumer and business clients with banking and partner offerings, providing the convenience of digital interactions and access to expertise when it matters most.

Wealth Management

The Wealth Management client unit delivers outstanding expertise with tailored value propositions for wealthy clients, focusing on investment advisory, financial planning and real estate financing.
Wealth Management operates under the brand name of ABN AMRO MeesPierson in the Netherlands, and internationally it operates as ABN AMRO Wealth Management or under various local brand names such as Banque Neuflize OBC in France and Bethmann Bank in Germany.

Corporate Banking

This expertise-driven client unit delivers tailored financing, capital structuring and transaction banking solutions for mid-sized and large corporate clients and financial institutions. Corporate Banking also offers Entrepreneur & Enterprise as a bank-wide service concept for business and wealthy clients, in close collaboration with Wealth Management.

Group Functions

Group Functions consists of the following support function departments: Innovation & Technology, Finance, Risk Management, HR & Transformation, Group Audit, Strategy & Sustainability, Legal, Corporate Office and Brand, Marketing & Communications. Group Functions is not a client unit, but part of the reconciliation. The majority of Group Functions' costs are allocated to the client units.

Segment income statement of the first six months of 2022

	First half 2022				
(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Income					
Net interest income	1,321	330	1,010	-78	2,583
Net fee and commission income	251	311	346	-13	895
Net income from other operating activities	1	15	69	111	197
Net trading income	-1		118		118
Share of result in equity-accounted investments	7	4	5	3	19
Net gains/(losses) on derecognition of financial assets measured at amortised cost			-4	10	5
Operating income	**1,580**	**661**	**1,544**	**33**	**3,817**
Expenses					
Personnel expenses	236	187	302	493	1,219
General and administrative expenses	357	112	258	798	1,525
Depreciation, amortisation and impairment losses of tangible and intangible assets	3	14	1	67	85
Intersegment revenues/expenses	720	178	327	-1,225	
Operating expenses	**1,316**	**491**	**887**	**134**	**2,829**
Impairment charges on financial instruments	24	5	-33	3	
Total expenses	**1,340**	**496**	**854**	**138**	**2,828**
Profit/(loss) before taxation	**239**	**164**	**690**	**-105**	**989**
Income tax expense	60	45	158	-45	219
Profit/(loss) for the period	**179**	**119**	**531**	**-59**	**770**
Attributable to:					
Owners of the parent company	179	119	531	-59	770

Segment income statement of the first six months of 2021

	First half 2021				
(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Income					
Net interest income	1,411	320	928	9	2,669
Net fee and commission income	202	286	328	-10	805
Net income from other operating activities	8	15	51	90	164
Net trading income	-1		95	-49	46
Share of result in equity-accounted investments	17	5	-16	-3	3
Net gains/ (losses) on derecognition of financial assets measured at amortised cost			-107	-1	-108
Operating income	**1,637**	**627**	**1,279**	**36**	**3,579**
Expenses					
Personnel expenses	233	193	308	445	1,179
General and administrative expenses	336	100	222	1,134	1,793
Depreciation, amortisation and impairment losses of tangible and intangible assets	3	14	10	72	99
Intersegment revenues/expenses	710	173	332	-1,215	
Operating expenses	**1,282**	**480**	**872**	**436**	**3,071**
Impairment charges on financial instruments	-57	-1	-98	1	-156
Total expenses	**1,225**	**479**	**774**	**437**	**2,915**
Profit/(loss) before taxation	**411**	**148**	**505**	**-401**	**664**
Income tax expense	98	42	145	39	325
Profit/(loss) for the period	**314**	**106**	**359**	**-440**	**339**
Attributable to:					
Owners of the parent company	314	106	359	-442	337
Non-controlling interests				2	2

Personal & Business Banking

Net interest income amounted to EUR 1,321 million in H1 2022 (H1 2021: EUR 1,411 million). The decrease is largely attributable to continued margin pressure. Income on residential mortgages declined, reflecting slightly lower margins (in a competitive market) and redemptions with relatively high margins.

Net fee and commission income increased by EUR 49 million to EUR 251 million in H1 2022, largely due to higher income from payment services and credit cards (at ICS) as transaction volumes rose after Covid-19 restrictions had ended.

Personnel expenses remained broadly flat in H1 2022, going up EUR 3 million to EUR 236 million.

General and administrative expenses grew by EUR 21 million, totalling EUR 357 million in H1 2022. The increase was mainly attributable to additions to AML remediation programmes and higher regulatory levies.

Impairment charges amounted to EUR 24 million versus a release of EUR 57 million in H1 2021, reflecting a deteriorating economic outlook and an increase of the management overlays that capture risks in our residential mortgages portfolio.

Wealth Management

Net interest income went up by EUR 10 million and amounted to EUR 330 million in H1 2022 due to the lower threshold for charging negative interest on client deposits.

Net fee and commission income increased to EUR 311 million in H1 2022 from EUR 286 million in H1 2021 due to positive stock market developments over the year 2021 (creating a higher fee base, especially in Q1 2022).

Personnel expenses decreased by EUR 6 million, totalling EUR 187 million in H1 2022, largely due to a release of the restructuring provision relating to the integration of Wealth Management Belgium.

General and administrative expenses increased by EUR 12 million, totalling EUR 112 million in H1 2022, partially due to higher external staffing costs.

Corporate Banking

Net interest income amounted to EUR 1,010 million in H1 2022 (H1 2021: EUR 928 million). The improvement was mainly driven by higher corporate loan volumes, despite the ongoing CB non-core wind-down, and stronger results on deposits.

Net fee and commission income improved by EUR 18 million, totalling EUR 346 million in H1 2022, mainly as a result of higher market volatility at Clearing, which was partly offset by the wind-down of the CB non-core portfolio.

Net income from other operating activities amounted to EUR 69 million in H1 2022 (H1 2021: EUR 51 million). The increase was largely attributable to more favourable results in equity participations.

Net trading income amounted to EUR 118 million in H1 2022 (H1 2021: EUR 95 million). The increase was mainly driven by stronger FX related results in markets business.

Net gains/ (losses) on derecognition of financial assets measured at amortised cost increased by EUR 103 million to EUR 4 million negative in H1 2022, mainly due to an unfavourable large incidental of EUR 121 million in H1 2021 related to the sale of a portfolio of energy loans as part of the CB non-core wind down.

Personnel expenses were EUR 6 million lower and amounted to EUR 302 million in H1 2022 (H1 2021: EUR 308 million), largely due to the CB non-core wind-down.

General and administrative expenses increased EUR 36 million to EUR 258 million in H1 2022, mainly due to an increase in regulatory levies driven by a higher contribution to the Single Resolution Fund.

Impairment charges totalled EUR 33 million due to a release in H1 2022 (H1 2021: EUR 98 million release), mainly as a result of improved credit quality of existing stage 3 loans, outflow to the performing portfolio and repayments and recovery/sale with lower than anticipated losses.

Group Functions

Net interest income amounted to EUR 78 million negative in H1 2022 (H1 2021: EUR 9 million). The decline was largely due to higher steering costs at Treasury and lower mortgage prepayment penalties.

Net fee and commission income slightly declined by EUR 3 million to EUR 13 million negative in H1 2022.

Net income from other operating activities increased by EUR 21 million, totalling EUR 111 million in H1 2022 (H1 2021: 90 million) due to stronger hedge accounting-related results and other asset and liability management results, partly offset by a revaluation gain on ABN AMRO's equity stake in Tink in H1 2021.

Net trading income was nil in H1 2022 versus EUR 49 million negative in H1 2021, due to the recognition of a provision for the repayment of German dividend withholding tax credits.

Personnel expenses increased by EUR 48 million to EUR 493 million in H1 2022, mainly due to the further upscaling of AML activities, strategy execution and CLA related one-offs.

General and administrative expenses amounted to EUR 798 in H1 2022 (H1 2021: EUR 1,134 million, including the EUR 480 million AML settlement). Excluding the AML settlement, general and administrative expenses increased due to additions to AML remediation provisions, higher IT costs and higher external staffing costs.

Selected assets and liabilities by segment

30 June 2022

(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Assets					
Financial assets held for trading			2,421		2,421
Derivatives		6	4,523	567	5,096
Securities financing			7,564	20,083	27,647
Residential mortgages	142,868	5,749		-5,899	142,718
Consumer loans	4,803	4,923	595		10,321
Corporate loans	9,097	5,887	73,982	1,240	90,207
Other loans and advances customers	40	7	16,227	121	16,395
Other	2,438	2,167	16,408	105,688	126,700
Total assets	**159,246**	**18,738**	**121,720**	**121,801**	**421,504**
Liabilities					
Financial liabilities held for trading			1,394		1,394
Derivatives		7	3,345	447	3,799
Securities financing			943	17,700	18,643
Current accounts	47,695	29,054	59,292	653	136,694
Demand deposits	67,196	29,922	2,638		99,756
Time deposits	5,752	3,551	4,744	12,799	26,847
Other due to customers	138		1,734	23	1,895
Other	38,465	-43,796	47,629	67,651	109,949
Total liabilities	**159,246**	**18,738**	**121,720**	**99,273**	**398,977**

31 December 2021

(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Assets					
Financial assets held for trading			1,155		1,155
Derivatives		15	3,002	768	3,785
Securities financing			5,624	10,514	16,138
Residential mortgages	141,098	5,171		1,442	147,711
Consumer loans	5,318	4,937	263		10,518
Corporate loans	9,376	5,739	68,706	1,193	85,014
Other loans and advances customers	31	6	14,858	113	15,008
Other	1,673	2,538	11,247	104,327	119,784
Total assets	**157,495**	**18,405**	**104,856**	**118,357**	**399,113**
Liabilities					
Financial liabilities held for trading			687		687
Derivatives		4	3,542	798	4,344
Securities financing			2	9,493	9,494
Current accounts	42,898	29,457	59,875	753	132,983
Demand deposits	68,155	30,428	207		98,790
Time deposits	6,057	3,449	3,867	5,408	18,780
Other due to customers	166		478	21	665
Other	40,219	-44,932	36,199	79,886	111,371
Total liabilities	**157,495**	**18,405**	**104,856**	**96,358**	**377,114**

Introduction
Financial review
Results by segment
Risk, funding & capital
Interim Financial Statements 2022
Other

3 Overview of financial assets and liabilities by measurement base

(in millions)	Amortised cost	Fair value through profit or loss - trading	Fair value through profit or loss - other	Fair value through other comprehensive income	Total
					30 June 2022
Financial assets					
Cash and balances at central banks	69,784				69,784
Financial assets held for trading		2,421			2,421
Derivatives		4,517	579		5,096
Financial investments			618	40,145	40,762
Securities financing	27,647				27,647
Loans and advances banks	3,766				3,766
Loans and advances customers	259,602		39		259,641
Assets held for sale			18		18
Other financial assets	8,917				8,917
Total financial assets	**369,716**	**6,938**	**1,253**	**40,145**	**418,051**
Financial liabilities					
Financial liabilities held for trading		1,394			1,394
Derivatives		3,345	453		3,799
Securities financing	18,643				18,643
Due to banks	40,168				40,168
Due to customers	265,191				265,191
Issued debt	53,193		238		53,431
Subordinated liabilities	7,658				7,658
Other financial liabilities	4,845				4,845
Total financial liabilities	**389,698**	**4,740**	**692**		**395,129**

(in millions)	Amortised cost	Fair value through profit or loss - trading	Fair value through profit or loss - other	Fair value through other comprehensive income	Total
					31 December 2021
Financial assets					
Cash and balances at central banks	66,865				66,865
Financial assets held for trading		1,155			1,155
Derivatives		2,975	810		3,785
Financial investments			580	42,585	43,165
Securities financing	16,138				16,138
Loans and advances banks	2,801				2,801
Loans and advances customers	258,146		104		258,251
Assets held for sale			86		86
Other financial assets	3,257				3,257
Total financial assets	**347,207**	**4,130**	**1,581**	**42,585**	**395,502**
Financial liabilities					
Financial liabilities held for trading		687			687
Derivatives		3,545	799		4,344
Securities financing	9,494				9,494
Due to banks	38,076				38,076
Due to customers	251,218				251,218
Issued debt	58,796		892		59,688
Subordinated liabilities	7,549				7,549
Other financial liabilities	2,844				2,844
Total financial liabilities	**367,977**	**4,231**	**1,691**		**373,899**

4 Operating income

(in millions)	First half 2022	First half 2021
Net interest income	2,583	2,669
Net fee and commission income	895	805
Net income from other operating activities	197	164
Net trading income	118	46
Share of result in equity-accounted investments	19	3
Net gains/(losses) on derecognition of financial assets measured at amortised cost	5	-108
Total operating income	**3,817**	**3,579**

Operating income in the first six months of 2022

The net gains on derecognition of financial assets measured at amortised cost increased by EUR 113 million to EUR 5 million at 30 June 2022. This consisted mainly of EUR 24 million in gains and EUR 19 million in losses due to haircuts on loan disposals as part of the non-core wind-down recorded in Q2 2022.

Fee and commission income

Fee and commission income by segment is specified in the following tables.

					First half 2022
(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Fee and commission income from:					
Securities and custodian services	9	31	287	1	328
Payment services	250	16	80		346
Portfolio management and trust fees	25	278	2		305
Guarantees and commitment fees	20	3	32		55
Insurance and investment fees	23	21			44
Other service fees	12	8	49		69
Total fee and commission income	**338**	**358**	**449**	**1**	**1,147**
Timing fee and commission income					
Recognised at a point in time	164	206	402	1	774
Recognised over time	174	151	47		373
Total fee and commission income	**338**	**358**	**449**	**1**	**1,147**

					First half 2021
(in millions)	Personal & Business Banking	Wealth Management	Corporate Banking	Group Functions	Total
Fee and commission income from:					
Securities and custodian services	10	31	301	1	343
Payment services	203	14	78		295
Portfolio management and trust fees	25	260	2		287
Guarantees and commitment fees	20	3	37		59
Insurance and investment fees	21	18			39
Other service fees	11	8	43		63
Total fee and commission income	**290**	**334**	**460**	**1**	**1,085**
Timing fee and commision income					
Recognised at a point in time	131	165	429	1	726
Recognised over time	159	169	31		359
Total fee and commission income	**290**	**334**	**460**	**1**	**1,085**

5 Operating expenses

(in millions)	First half 2022	First half 2021
Personnel expenses	1,219	1,179
General and administrative expenses	1,525	1,793
Depreciation, amortisation and impairment losses of tangible and intangible assets	85	99
Total operating expenses	**2,829**	**3,071**

Personnel expenses

(in millions)	First half 2022	First half 2021
Salaries and wages	877	855
Social security charges	121	118
Expenses relating to Defined post employment benefit plans	13	2
Defined contribution plan expenses	158	159
Other	50	46
Total personnel expenses	**1,219**	**1,179**

6 Income tax expense

(in millions)	First half 2022	First half 2021
Income tax expense	219	325

7 Financial assets and liabilities held for trading

Financial assets and liabilities held for trading relates mainly to client-facilitating activities carried out by the Global Markets business. These contracts are managed on a combined basis and are therefore assessed on a total portfolio basis and not as stand-alone asset and liability classes.

Financial assets held for trading

(in millions)	30 June 2022	31 December 2021
Trading securities		
Government bonds	1,419	480
Corporate debt securities	992	670
Equity securities	5	3
Total trading securities	**2,416**	**1,153**
Trading book loans	5	2
Total financial assets held for trading	**2,421**	**1,155**

Financial liabilities held for trading

(in millions)	30 June 2022	31 December 2021
Bonds	1,346	654
Equity securities	1	
Total short security positions	**1,346**	**654**
Other liabilities held for trading	48	33
Total financial liabilities held for trading	**1,394**	**687**

Introduction
Financial review
Results by segment
Risk, funding & capital
Interim Financial Statements 2022
Other

8 Derivatives

This comprises derivatives held for trading and derivatives held for risk management purposes. Derivatives held for trading serve to help us facilitate the needs of our clients. Derivatives held for risk management purposes include all derivatives that qualify for hedge accounting and derivatives included in an economic hedge.

								30 June 2022
	Derivatives held for trading			Economic hedges			Hedge accounting	Total derivatives
(in millions)	Interest rate	Currency	Other	Interest rate	Currency	Other	Interest rate	
Exchange traded								
Fair value assets	23	1						25
Fair value liabilities	7							7
Notionals	9,703	55						9,758
Over-the-counter								
Central counterparties								
Fair value assets								
Fair value liabilities								
Notionals	1,071,671			1,045			134,928	1,207,644
Other bilateral								
Fair value assets	3,454	990	48	52	366	1	160	5,071
Fair value liabilities	2,021	1,272	46	99	79		275	3,792
Notionals	161,157	96,941	306	675	13,109	23	88,557	360,768
Total								
Fair value assets	3,477	991	48	52	366	1	160	5,096
Fair value liabilities	2,028	1,272	46	99	79		275	3,799
Notionals	1,242,531	96,995	306	1,720	13,109	23	223,485	1,578,170

								31 December 2021
	Derivatives held for trading			Economic hedges			Hedge accounting	Total derivatives
(in millions)	Interest rate	Currency	Other	Interest rate	Currency	Other	Interest rate	
Exchange traded								
Fair value assets	4							4
Fair value liabilities		3						3
Notionals	4,217	9	1					4,226
Over-the-counter								
Central counterparties								
Fair value assets								
Fair value liabilities								
Notionals	1,026,420			1,195			106,305	1,133,920
Other bilateral								
Fair value assets	2,385	509	78	68	177	13	552	3,781
Fair value liabilities	2,865	563	113	143	118	3	535	4,341
Notionals	148,764	48,213	1,498	1,048	10,621	74	59,651	269,869
Total								
Fair value assets	2,388	509	78	68	177	13	552	3,785
Fair value liabilities	2,866	567	113	143	118	3	535	4,344
Notionals	1,179,401	48,222	1,499	2,243	10,621	74	165,956	1,408,016

9 Financial investments

(in millions)	30 June 2022	31 December 2021
Financial investments		
Debt securities held at fair value through other comprehensive income	40,145	42,585
Held at fair value through profit or loss	618	580
Total financial investments	**40,762**	**43,165**

Debt securities held at fair value through other comprehensive income consist mainly of goverment bonds.

Financial investments held at fair value through other comprehensive income

The fair value of financial investments measured at FVOCI (including gross unrealised gains and losses) is specified in the following table.

(in millions)	30 June 2022	31 December 2021
Interest-earning securities		
Dutch government	3,069	4,028
US Treasury and US government	7,312	6,628
Other OECD government	19,447	20,550
Non-OECD government	917	996
International bonds issued by the European Union	1,885	2,262
European Stability Mechanism	1,873	1,964
Mortgage- and other asset-backed securities	2,678	3,168
Financial institutions	2,963	2,989
Non-financial institutions	1	1
Total investments held at fair value through other comprehensive income	**40,145**	**42,585**

10 Securities financing

			30 June 2022			31 December 2021
(in millions)	Banks	Customers	Total	Banks	Customers	Total
Assets						
Reverse repurchase agreements	3,037	16,455	19,492	3,181	6,733	9,914
Securities borrowing transactions	4,296	3,859	8,155	2,973	3,251	6,225
Total	**7,333**	**20,314**	**27,647**	**6,154**	**9,984**	**16,138**
Liabilities						
Repurchase agreements	545	15,957	16,501	115	8,372	8,488
Securities lending transactions	1,513	629	2,142	4	1,003	1,007
Total	**2,057**	**16,586**	**18,643**	**119**	**9,375**	**9,494**

Securities financing transactions include balances relating to reverse repurchase activities and cash collateral on securities borrowed. ABN AMRO controls the credit risk associated with these activities by monitoring counterparty credit exposure and collateral values on a daily basis and requiring additional collateral to be deposited with ABN AMRO when deemed necessary.

11 Fair value of financial instruments

The internal controls for fair value measurement, the valuation techniques and the inputs used for these valuation techniques are consistent with those set out in the notes to ABN AMRO's 2021 Consolidated Annual Financial Statements.

Fair value is defined as the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

ABN AMRO analyses financial instruments held at fair value in the three categories described below.

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets that are not considered to be active, or using valuation techniques where all inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using a valuation technique where at least one input with a significant effect on the instrument's valuation is not based on observable market data. The effect of fair value adjustments on the instrument's valuation is included in the assessment.

ABN AMRO recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

The following table presents the valuation methods used in determining the fair values of financial instruments carried at fair value.

(in millions)	30 June 2022				31 December 2021			
	Quoted market prices in active markets	Valuation techniques - observable inputs	Valuation techniques - significant unobservable inputs	Total fair value	Quoted market prices in active markets	Valuation techniques - observable inputs	Valuation techniques - significant unobservable inputs	Total fair value
Assets								
Government debt securities	1,419			1,419	480			480
Corporate debt securities	781	211		992	472	198		670
Equity securities	5			5	3			3
Other financial assets held for trading	5			5		2		2
Financial assets held for trading	**2,209**	**211**		**2,421**	**955**	**199**		**1,155**
Interest rate derivatives	23	3,603	63	3,689	4	2,927	78	3,009
Foreign exchange contracts	1	1,351	5	1,357		676	10	686
Other derivatives		49		49		90		90
Derivatives	**25**	**5,003**	**68**	**5,096**	**4**	**3,694**	**88**	**3,785**
Equity instruments	84	57	477	618	90	57	433	580
Financial investments at fair value through profit or loss	**84**	**57**	**477**	**618**	**90**	**57**	**433**	**580**
Government debt securities	34,174		329	34,503	35,988		439	36,427
Corporate debt securities	2,925	1	38	2,964	2,947	1	42	2,990
Other debt securities	2,678			2,678	3,168			3,168
Financial assets held at fair value through other comprehensive income	**39,776**	**1**	**367**	**40,145**	**42,102**	**1**	**481**	**42,585**
Loans and advances at fair value through profit or loss		39		39		104		104
Total financial assets	**42,094**	**5,312**	**913**	**48,318**	**43,151**	**4,056**	**1,002**	**48,209**
Liabilities								
Short positions in government debt securities	1,011			1,011	255			255
Corporate debt securities	258	77		335	320	79		399
Equity securities	1			1				
Other financial liabilities held for trading	15	34		48		33		33
Financial liabilities held for trading	**1,284**	**110**		**1,394**	**575**	**112**		**687**
Interest rate derivatives	7	2,395		2,402		3,543		3,544
Foreign exchange contracts		1,351		1,351	3	681		684
Other derivatives		46		46		116		116
Derivatives	**7**	**3,792**		**3,799**	**3**	**4,341**		**4,344**
Issued debt		238		238		892		892
Total financial liabilities	**1,291**	**4,140**		**5,431**	**578**	**5,344**		**5,922**

Transfers between fair value hierarchies

During the first half of 2022, EUR 68 million in derivatives was transferred from level 2 to level 3. The transfer was partially offset by EUR 11 million in derivatives transferred to level 2.

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets carried at fair value.

	Assets				Liabilities
(in millions)	Derivatives	Financial investments at fair value through profit or loss	Financial assets held at fair value through other comprehensive income	Loans and advances at fair value through profit or loss	Issued debt
Balance at 1 January 2021	**140**	**569**	**517**		
Purchases		18			
Redemptions		-17			
Gains/(losses) recorded in profit and loss[1]			-6		
Unrealised gains/(losses)[2]	-33	44	-26		
Transfer between levels	26	-36			
Other movements		-189			
Balance at 30 June 2021	**133**	**390**	**484**		
Balance at 1 January 2022	**88**	**433**	**481**		
Purchases		42			
Sales		-9			
Redemptions		-32			
Gains/(losses) recorded in profit and loss[1]		5	-6		
Unrealised gains/(losses)[2]	-71	41	-108		
Transfer between levels	51				
Other movements		-2			
Balance at 30 June 2022	**68**	**477**	**367**		

1 Included in other operating income.
2 Unrealised gains/(losses) on derivatives held for trading are included in net trading income, on instruments measured at FVTPL in other operating income and on instruments measured at FVOCI in other comprehensive income.

Level 3 sensitivity information

Interest-earning securities - government bonds

ABN AMRO has a position in a Polish bond, denominated in euros (in Note 9 Financial investments, and part of Other OECD governments), for which the market is relatively illiquid. This bond is valued using a discounted cash flow model. The main inputs are the interest rate curve, liquidity spread and credit spread. The valuation spread is determined using an internal model. The sensitivity analysis is performed using a range of reasonable valuation spreads.

Interest-earning securities - other

Preference shares are shares for which the dividend is fixed for a period of ten years, after which the dividend is redetermined and the shares can be redeemed. The position is valued using a discounted cash flow model for which the relevant inputs are the interest curve, liquidity spread and credit spread. The liquidity spread and credit spread are unobservable inputs and are derived from similar securities. The sensitivity of the preference shares is determined by using a range of reasonable spreads and by considering the call option that is held by the issuer.

Equity shares - preferred shares

Equities measured at fair value through profit and loss and classified as level 3 mainly comprise private equity investments. Private equity shares are measured at fair value, applying two calculation techniques:

- Using comparable pricing in accordance with the European Private Equity and Venture Capitalist Association (EVCA) guidelines. This valuation technique is based on earnings multiples of comparable listed and unlisted companies. The fair value calculation of an investment is strongly linked with movements on public equity markets;
- Net Asset Value (NAV) for fund investments and asset-backed investments. This is determined by using audited and unaudited company financial statements and any other information available, publicly or otherwise. As a consequence, the NAV calculation of an investment is strongly linked to movements in the quarterly performance of the company and can be used as an indicator of fair value.

New investments are initially valued at fair value. Subsequently, the fair value technique – either the EVCA technique or NAV calculation – is applied for direct investments.

The sensitivity for using comparable pricing is determined by stressing the earnings multiples in a positive and negative market scenario, whereas sensitivity testing for the NAV calculation based on the quarterly performance cannot be applied.

Introduction
Financial review
Results by segment
Risk, funding & capital
Interim Financial Statements 2022
Other

Derivatives

ABN AMRO applies a credit valuation adjustment (CVA) that reflects counterparty credit risk in the fair value measurement of uncollateralised and partially collateralised OTC derivatives. For counterparties that do not have an observable credit spread, ABN AMRO applies a proxied credit spread extracted from counterparties of comparable credit quality that do have an observable credit spread. ABN AMRO performs a probability of default assessment for each counterparty and allocates an appropriate internal credit risk measure known as a Uniform Counterparty Rating (UCR).This UCR, which is significant to the entire fair value measurement of the derivative contracts included in the following table of level 3 sensitivity information, is generated internally and is therefore an unobservable input.

	Valuation technique	Unobservable data	Carrying value	Possible alternative assumptions		Unobservable data range		Unobservable data base
(in millions)				Applying minimum	Applying maximum	Applying minimum	Applying maximum	
30 June 2022								
Equity shares	Private equity valuation	EBITDA multiples	152	-15	15			
Equity shares	Private equity valuation	Net asset value	325	-33	33			
Interest-earning securities - government bonds	Discounted cash flow	Liquidity and credit spread	329	-1	13	83bps	135bps	122bps
Interest-earning securities - other	Discounted cash flow	Liquidity and credit spread	38	-1		396bps	597bps	419bps
Derivatives held for trading	Discounted cash flow	Probability of default	68	-4	6	0.0%	100.0%	16.2%
31 December 2021								
Equity shares	Private equity valuation	EBITDA multiples	159	-16	16			
Equity shares	Private equity valuation	Net asset value	274	-27	27			
Interest-earning securities - government bonds	Discounted cash flow	Liquidity and credit spread	439	-8	13	19bps	74bps	53bps
Interest-earning securities - other	Discounted cash flow	Liquidity and credit spread	42	-2		90bps	381bps	118bps
Derivatives held for trading	Discounted cash flow	Probability of default	88	-5	8	0.4%	100.0%	33.7%

Financial assets and liabilities not carried at fair value

The methods and assumptions applied to estimate the fair values of financial instruments not carried at fair value are consistent with those set out in Note 21 of the Consolidated Annual Financial Statements 2021.

						30 June 2022
	Carrying value				Total fair value	Difference
(in millions)		Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs		
Assets						
Cash and balances at central banks	69,784	69,784			69,784	
Securities financing	27,647		27,647		27,647	
Loans and advances banks	3,766		3,157	589	3,746	-21
Loans and advances customers	259,602		45,228	207,291	252,518	-7,083
Total	**360,799**	**69,784**	**76,032**	**207,879**	**353,695**	**-7,104**
Liabilities						
Securities financing	18,643		18,643		18,643	
Due to banks	40,168		6,110	33,511	39,620	-547
Due to customers	265,191		92,085	159,106	251,191	-14,001
Issued debt	53,193	33,147	16,453		49,601	-3,592
Subordinated liabilities	7,658	5,588	1,919		7,507	-151
Total	**384,853**	**38,736**	**135,209**	**192,617**	**366,562**	**-18,291**

						31 December 2021
	Carrying value				Total fair value	Difference
(in millions)		Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobserv-able inputs		
Assets						
Cash and balances at central banks	66,865	66,865			66,865	
Securities financing	16,138		16,138		16,138	
Loans and advances banks	2,801		2,461	336	2,797	-3
Loans and advances customers	258,146		30,175	240,273	270,448	12,302
Total	**343,950**	**66,865**	**48,775**	**240,609**	**356,249**	**12,299**
Liabilities						
Securities financing	9,494		9,494		9,494	
Due to banks	38,076		4,309	33,773	38,082	6
Due to customers	251,218		85,654	163,021	248,676	-2,542
Issued debt	58,796	43,608	18,914		62,522	3,726
Subordinated liabilities	7,549	5,959	1,979		7,938	389
Total	**365,132**	**49,567**	**120,350**	**196,794**	**366,712**	**1,579**

12 Loans and advances banks

(in millions)	30 June 2022	31 December 2021
Interest-bearing deposits	2,207	1,189
Loans and advances	1,274	1,355
Mandatory reserve deposits with central banks	206	199
Other loans and advances banks	83	68
Subtotal	**3,771**	**2,811**
Less: loan impairment allowances	4	10
Total loans and advances banks	**3,766**	**2,801**

Mandatory reserve deposits are held with local central banks in accordance with statutory requirements. Most relevant to the bank are the minimum reserve requirements as determined by the ECB. The ECB prescribes how the minimum reserve amount should be calculated during pre-defined reserve periods. During such periods the balances are available for use by ABN AMRO. The bank manages and monitors that the minimum reserve requirements for the period are met.

13 Loans and advances customers

(in millions)	30 June 2022	31 December 2021
Residential mortgages (excluding fair value adjustment)	148,773	146,351
Fair value adjustment from hedge accounting on residential mortgages	-5,899	1,442
Residential mortgages, gross	**142,873**	**147,793**
Less: loan impairment allowances - residential mortgage loans	155	82
Residential mortgages	**142,718**	**147,711**
Consumer loans, gross	10,603	10,794
Less: loan impairment allowances - consumer loans	282	276
Consumer loans	**10,321**	**10,518**
Corporate loans (excluding fair value adjustment)	82,702	78,173
Fair value adjustment from hedge accounting on corporate loans	235	509
Financial lease receivables	4,731	4,972
Factoring	4,447	3,312
Corporate loans, gross[1]	**92,115**	**86,968**
Less: loan impairment allowances - corporate loans	1,947	2,053
Corporate loans at amortised cost	**90,168**	**84,915**
Corporate loans at fair value through P&L	**39**	**99**
Government and official institutions	465	401
Other loans[1]	15,936	14,606
Other loans and advances customers, gross[1]	**16,401**	**15,007**
Less: loan impairment allowances - other	6	4
Other loans at amortised cost	**16,395**	**15,003**
Other loans at fair value through P&L		5
Other loans and advances customers	**16,395**	**15,008**
Total loans and advances customers	**259,641**	**258,251**

[1] Excluding loans at fair value through P&L.

For information on loan impairment allowances, please refer to the Risk, funding & capital section.

14 Assets held for sale

The 30 June 2022 held for sale position consisted of EUR 47 million in assets and EUR 18 million in liabilities. The assets relate to EUR 18 million in ABN AMRO Pensioeninstelling N.V., EUR 12 million in office buildings and EUR 18 million in other financial investments. The liabilities relate to ABN AMRO Pensioeninstelling N.V.

On 3 May 2022, ABN AMRO announced the sale of ABN AMRO Pensioeninstelling N.V., which is a wholly owned subsidiary of ABN AMRO and part of Group Functions. The sale is expected to be completed in the second half of this fiscal year. ABN AMRO expects a gain from the sale transaction.

On 1 June 2022, ABN AMRO announced the sale of MP Solar B.V., which is a wholly owned subsidiary of ABN AMRO. The sale was completed in July 2022. The gain from the sale transaction will be recognised in the third quarter of 2022 in the Corporate Banking segment.

15 Due to banks

This item comprises amounts due to banking institutions, including central banks and multilateral development banks.

(in millions)	30 June 2022	31 December 2021
Current accounts	2,373	1,525
Demand deposits	2	3
Time deposits	37,388	36,070
Cash collateral on securities lent	394	467
Other	10	10
Total due to banks	**40,168**	**38,076**

In 2022, ABN AMRO has reported interest income for TLTRO of:

- EUR 0.00, based on the effective interest rate of 0.00% for the funding;
- EUR 172.6 million, based on the unconditional and conditional government grants of 0.50%. The unconditional government grant ended 24 June 2022.

16 Due to customers

This item is comprised of amounts due to non-banking clients.

(in millions)	30 June 2022	31 December 2021
Current accounts	136,694	132,983
Demand deposits	99,756	98,790
Time deposits	26,847	18,780
Other	1,895	665
Total due to customers	**265,191**	**251,218**

17 Issued debt and subordinated liabilities

The following table shows the types of debt certificates issued by ABN AMRO and the amounts outstanding. Changes in these debt instruments involve a continual process of redemption and issuance of long-term and short-term funding.

(in millions)	30 June 2022	31 December 2021
Bonds and notes issued	43,753	49,619
Certificates of deposit and commercial paper	9,439	9,177
Total at amortised cost	**53,193**	**58,796**
Designated at fair value through profit or loss	238	892
Total issued debt	**53,431**	**59,688**
- of which matures within one year	*12,268*	*16,734*

The amounts of debt issued and redeemed during the period are shown in the Condensed consolidated statement of cash flows. Further details of the funding programmes are provided in the Risk, funding & capital section.

Subordinated liabilities

The following table shows outstanding subordinated liabilities issued by ABN AMRO and the amounts outstanding.

(in millions)	30 June 2022	31 December 2021
Subordinated liabilities	7,658	7,549

No perpetual loans were recorded at reporting date. The issued and outstanding loans qualifying as subordinated liabilities are subordinated to all other current and future liabilities.

18 Provisions

(in millions)	30 June 2022	31 December 2021
Legal provisions	382	398
Credit commitments provisions	169	222
Restructuring provision	157	178
Other staff provision	139	137
Provision for pension commitments	84	79
Insurance fund liabilities	3	5
Other provisions	201	181
Total provisions	**1,134**	**1,201**

Total provisions decreased by EUR 67 million to EUR 1,134 million at 30 June 2022, compared with EUR 1,201 million at 31 December 2021. This was largely due to the release of provisions for credit commitments.

Legal provisions

Interest rate derivatives for SME clients

In 2015, ABN AMRO started a review, at the request of the Netherlands Authority for the Financial Markets (AFM) and the Dutch Ministry of Finance, to determine whether the bank had acted in accordance with its duty of care obligations in respect of the sale of interest rate derivatives to SME clients. In the second quarter of 2015, ABN AMRO first recognised a provision for compensating clients who had been disadvantaged in this respect and suffered loss or damage.

ABN AMRO has set up its own client reassessment process and the related checks and balances with respect to the Uniform Recovery Framework devised by a committee of independent experts ('the Committee') appointed by the Dutch Minister of Finance. In the first quarter of 2020, ABN AMRO finalised the process of sending all clients a letter containing the outcome of the reassessment. At various points in the process, the reassessments were checked by an independent external file reviewer (in ABN AMRO's case, by the audit firm PwC), supervised by the AFM. Except for a limited number of proceedings relating to the Uniform Recovery Framework before a dispute committee and the local courts, ABN AMRO has completed the execution of the Uniform Recovery Framework. The total provision for SME derivatives-related issues consisted of client compensation (EUR 0.6 billion) and project costs (EUR 0.3 billion). The remaining provision amounted to EUR 5 million at 30 June 2022.

Euribor-based mortgages

ABN AMRO has sold mortgage loans with floating, often Euribor-based, interest rates to consumers. These rates include a margin charge. Under the applicable terms and conditions, ABN AMRO has the right to unilaterally adjust the margin charge. ABN AMRO's decision to increase the margin charge in 2012 resulted in two class actions, on top of multiple individual cases, being instigated. The central question in these cases is whether ABN AMRO's right in the terms and conditions to unilaterally adjust the margin charge is an unfair contractual clause. On 22 November 2019, the Supreme Court quashed the ruling of the Amsterdam Court of Appeal in the Euribor collective cases. The case has been referred to another Court of Appeal (The Hague) in order to be dealt with further. This Court will need to take all relevant aspects into account to judge if the clauses are unfair.

On 13 February 2020 ABN AMRO and the foundation Stichting Euribar reached an agreement on a settlement for clients with Euribor-Woninghypotheek mortgages. Key points of the agreement are compensation for the past and certainty for the future Euribor margin charge. By mid-June 2021, all respective clients who were eligible for the settlement had received a personal offer from ABN AMRO and 81% of this group has accepted the proposed settlement. Meanwhile, the other foundation, Stichting Stop de Banken, broke off the negotiations aimed at reaching an agreement and announced it will proceed with the class action. The hearing at the The Hague Court of Appeal took place on 9 November 2021 and currently the verdict is scheduled for 11 October 2022.

ABN AMRO has recognised a provision for the Euribor-based mortgage cases.

Variable interest rates for consumer loans

On 3 March 2021, the Kifid Appeals Committee confirmed a ruling of the Kifid Disputes Committee about the recalculation of the variable interest charged to a specific client on a revolving credit. In short, Kifid ruled that ABN AMRO should have followed the market rate while establishing the variable interest rate for certain revolving consumer credits.

In light of the Kifid ruling, ABN AMRO reached agreement with the Dutch Consumers' Association (Consumentenbond Claimservice) on 5 September 2021 regarding a compensation scheme for affected clients. The compensation scheme entailed a proactive recalculation of variable interest charged as from 1 January 2008 on various revolving consumer credits offered by ABN AMRO, ALFAM and ICS. In Q4 of 2021, ABN AMRO decided (where possible and applicable) to proactively recalculate variable interest charged as from 1 January 2001. ABN AMRO has provisioned around EUR 354 million for the interest to be compensated and the costs incurred in carrying out the scheme. To date, EUR 35 million of this provision has been used, while the remaining provision as at 30 June 2022 is EUR 319 million.

It is unclear what the exact scope and application of the Kifid ruling is and whether the ruling will have a certain knock-on effect on other products with variable interest rates, beyond the range of products covered by the compensation scheme. Recent rulings from Kifid regarding other credit providers (in relation to mortgage loans) suggest that Kifid envisages a broad scope. ABN AMRO cannot give a reliable estimate of the (potentially substantial) financial risk of these contingent liabilities not provided for.

Moreover, DNB has recently announced that as of May 2022 it has ceased to publish the statistics that are used by Kifid as a benchmark for the market rate for consumer credits and that ABN AMRO uses for its compensation scheme. This development causes uncertainty with respect to the correctness of individual compensation calculations for active customers as of May 2022.

Other provisions

AML remediation programme

Other expenses in 2022 included a EUR 50 million addition for Q1 and a EUR 34 million addition for Q2 to the provision for AML remediation programmes, recorded mainly at Group Functions. We are making progress in our AML remediation programmes, but more effort is required than expected and the programmes will continue into 2023. The Dutch central bank has been informed about these developments and is closely monitoring our progress.

19 Accumulated other comprehensive income

(in millions)	Remeasurements on post-retirement benefit plans	Currency translation reserve	Fair value reserve	Cash flow hedge reserve	Accumulated share of OCI of associates and joint ventures	Liability own credit risk reserve	Total
Balance at 1 January 2021	**-24**	**-29**	**162**	**-1,854**	**36**	**-24**	**-1,733**
Net gains/(losses) arising during the period		34	-27	328	13	9	357
Less: Net realised gains/(losses) included in income statement				32			32
Net gains/(losses) in equity		34	- 27	296	13	9	325
Related income tax			-7	74		2	70
Balance at 30 June 2021	**-24**	**5**	**141**	**-1,632**	**48**	**-17**	**-1,478**
Balance at 1 January 2022	**-6**	**38**	**239**	**-1,540**	**51**	**-9**	**-1,227**
Net gains/(losses) arising during the period		79	-43	1,114	-26	6	1,131
Less: Net realised gains/(losses) included in income statement		2	1	-14			-11
Net gains/(losses) in equity		**78**	**-44**	**1,128**	**-26**	**6**	**1,142**
Related income tax			-11	291		2	281
Balance at 30 June 2022	**-6**	**115**	**206**	**-703**	**25**	**-4**	**-366**

As of 2022, the movement schedule was moved from the statement of changes in equity to this note. Please refer to Note 1 Accounting policies in the Condensed consolidated Interim Financial Statements.

20 Commitments and contingent liabilities

(in millions)	30 June 2022	31 December 2021
Committed credit facilities	**55,464**	**54,642**
Guarantees and other commitments:		
Guarantees granted	1,464	1,544
Irrevocable letters of credit	4,657	4,752
Recourse risks arising from discounted bills	1,446	1,303
Total guarantees and other commitments	**7,567**	**7,598**
Total	**63,031**	**62,240**

The total of committed credit facilities, guarantees and other commitments increased by EUR 0.8 billion to EUR 63.0 billion at 30 June 2022, compared with EUR 62.2 billion at 31 December 2021. The increase was mainly attributable to a rise in committed credit facilties at Corporate Banking as business activities grew.

Other contingent liabilities

ABN AMRO is involved in a number of legal proceedings in the ordinary course of business in various jurisdictions. In presenting the consolidated Financial Statement, management estimates the outcome of legal, regulatory and arbitration matters, and takes provisions to the income statement when losses with respect to such matters are more likely than not. Provisions are not recognised for matters for which expected cash outflow cannot be reasonably estimated or that are not more likely than not to lead to a cash outflow. Some of these matters may be regarded as contingencies.

Discussion with regulator on regulatory levies

ABN AMRO is in discussion with the Single Resolution Board (SRB) about the calculation method applied for levies paid in the past. At this time, the outcome of this discussion is still uncertain and it is possible but not probable that legal opinions, regulatory rulings or future proceedings might give rise to additional expenses.

Equity trading

German authorities are conducting investigations into the involvement of individuals from various banks and other parties in equity trading extending over dividend record dates in Germany, including several forms of tainted dividend arbitrage (i.e. dividend stripping, including cum/ex and cum/cum) for the purpose of obtaining German tax credits or refunds in relation to withholding tax levied on dividend payments including, in particular, transaction structures that have resulted in more than one market participant claiming such credit or refund with respect to the same dividend payment. ABN AMRO's legal predecessor, Fortis Bank (Nederland) N.V., ABN AMRO and several (former) subsidiaries were directly or indirectly involved in these transactions in the past in various roles. Certain criminal investigation proceedings relate to the activities of these entities and individuals involved at the time. This also resulted in search warrants being issued against ABN AMRO. ABN AMRO cooperates with these investigations. ABN AMRO has no knowledge of the results of any such investigation.

Furthermore, ABN AMRO frequently receives information requests from German authorities in relation to other related (criminal) investigations. ABN AMRO cooperates and provides the requested information to the extent possible. Although a number of subsidiaries associated with these transactions have been sold by means of a management buy-out, legal risks remain for ABN AMRO, in particular relating to criminal and civil law. All material tax issues with respect to ABN AMRO's reclaims for cum/ex transactions have been settled with the German tax authorities. With respect to cum/cum transactions, the German Federal Ministry of Finance released 2 circular rulings dated 9 July 2021 (published 15 July 2021) in which there is a change in interpretation of tax legislation compared to previous circular rulings. These new circular rulings require the German local tax authorities to recollect dividend withholding tax credited to taxpayers where such credits relate to cum/cum strategies. ABN AMRO has collected dividend withholding tax related to transactions that might be considered as cum/cum transactions under the new circular rulings. In anticipation of a decision of the German tax authorities, ABN AMRO has paid the relevant dividend withholding tax amounts. However, ABN AMRO has retained its rights to contest any such decision.

With respect to cum/cum securities lending transactions with German counterparties as borrowers, ABN AMRO is exposed to civil law compensation claims from these counterparties resulting from crediting entitlements that have been denied or will be reclaimed by the relevant German tax authorities. Based on the analyses performed, ABN AMRO considers it rather unlikely that such claims will be successful. However, it cannot be ruled out.

It cannot be excluded that ABN AMRO or subsidiaries will be faced with financial consequences as a result of their involvement in dividend stripping transactions, including penalties, interest charges and other measures under criminal law and civil law claims. It is currently unclear, however, how and when the German prosecution authorities' investigations will impact ABN AMRO and its subsidiaries and if and to what extent penalties or forfeiture orders will be imposed. It is also uncertain whether tax authorities or third parties will successfully claim amounts from ABN AMRO in (secondary) liability or other civil cases. Therefore, the financial impact cannot be reliably estimated at this time and no provision has been made in this respect.

Netherlands Public Prosecution Service investigation into Dutch tax matter

The Netherlands Public Prosecution Service ("NPPS") is conducting an investigation regarding transactions which ultimately led to a set-off by a third party of dividend withholding tax credits against its corporate tax liabilities in the Netherlands during the period 2009-2013. The investigation of the NPPS is related to ongoing tax proceedings before the Dutch courts between the third party and the Dutch tax authority regarding the set-off by the third party of dividend withholding tax credits against its corporate tax liabilities. The District Court ruled in favour of this third party in 2018. The Court of Appeal annulled the ruling of the District Court and ruled in favour of the Netherlands tax authority in 2020. An appeal with the Supreme Court has been filed against the ruling of the Court of Appeal and is currently pending. The NPPS informed ABN AMRO that it is a suspect in the investigation due to its involvement in certain of these transactions. The NPPS is gathering information in connection with its investigation and ABN AMRO is cooperating with the investigation.

The timing of the completion of the investigation and the outcome are uncertain. It cannot be excluded that ABN AMRO will be faced with financial consequences as a result of the investigation. The potential financial impact of the investigation cannot be reliably estimated at this time and no provision has been made.

Duty of care matters

A number of proceedings have been initiated against ABN AMRO for alleged breach of its duty of care in transparency related standards. Where applicable, provisions for these matters have been made.

There can be no assurance that additional proceedings will not be instigated or that amounts demanded in claims brought to date will not rise. Current proceedings are pending and their outcome, as well as the outcome of any threatened proceedings, is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. Although the consequences could be substantial for ABN AMRO and potentially affect its reputation, results of operations, financial condition and prospects, it is not possible to reliably estimate or quantify ABN AMRO's exposure at this time. These uncertainties are likely to continue for some time.

Cross liabilities

On 6 February 2010, the former ABN AMRO Bank N.V. demerged into two entities: NatWest Markets N.V. (formerly known as RBS N.V.) and ABN AMRO Bank N.V. On the division of an entity by demerger, Dutch law establishes a cross-liability between surviving entities for the benefit of the creditors at the time of the demerger. ABN AMRO's cross-liability amounts to EUR 1.2 billion (31 December 2021: EUR 1.2 billion), for which NatWestMarkets N.V. has posted collateral of EUR 0.4 billion (31 December 2021: EUR 0.4 billion).

21 Related parties

Parties related to ABN AMRO Bank include NLFI, which has a controlling interest, the Dutch State, which has significant influence, associates, pension funds, joint ventures, the Executive Board, the Supervisory Board, close family members of any person referred to above, entities controlled or significantly influenced by any person referred to above and any other related entities. ABN AMRO has applied the partial exemption for government-related entities described in IAS 24 paragraphs 25-27.

As part of its business operations, ABN AMRO frequently enters into transactions with related parties. Transactions conducted with the Dutch State are limited to normal banking transactions, taxation and other administrative relationships with the exception of items specifically disclosed in this note. Normal banking transactions relate to loans and deposits and are entered into under the same commercial and market terms that apply to non-related parties.

Loans and advances to the Executive Board members and their close family members, where applicable, consist mainly of residential mortgages granted under standard personnel conditions.

For further information, please refer to Note 35 of the Consolidated Annual Financial Statements 2021.

Balances with joint ventures, associates and other

(in millions)	Joint ventures	Associates	Other	Total
30 June 2022				
Assets	20	39		59
Liabilities	212	393		605
Guarantees given				
Irrevocable facilities		22		22
First half 2022				
Income received	21	1		22
Expenses paid	5	49	142	196
31 December 2021				
Assets	15	180		195
Liabilities	88	359		447
Guarantees given		15		15
Irrevocable facilities		21		21
First half 2021				
Income received	18	1		20
Expenses paid	5	46	142	194

The EUR 141 million decrease in assets held in associates was mainly attributable to a decline in term loans held by financial corporations as a result of the divestment of Cofiloisirs S.A. in France.

The EUR 123 million increase in liabilities with joint ventures was mainly attributable to higher client deposits held in other financial corporations.

Expenses paid in the column Other reflects pension contributions paid to the ABN AMRO pension fund.

Balances with the Dutch State

(in millions)	30 June 2022	31 December 2021
Assets		
Financial assets held for trading	869	195
Derivatives	2	18
Financial investments	3,069	4,028
Loans and advances customers	96	168
Liabilities		
Financial liabilities held for trading	581	192
Derivatives	43	125
Due to customers	457	466
Other liabilities	1	1
	First half 2022	**First half 2021**
Income statement		
Interest income	28	36
Interest expense	13	13
Net trading income	40	76

On 1 April 2010, ABN AMRO signed an indemnity agreement with the Dutch State (currently represented by NLFI) for a shortfall in capital above a certain amount related to specific assets and liabilities of RFS Holdings B.V. In 2019, Royal Bank of Scotland (RBS) acquired all shares in RFS Holding. However, NLFI has given certain warranties related to its previously owned shares in RFS Holdings and the indemnity agreement continues to exist. RFS Holdings is sufficiently capitalised. Consequently, ABN AMRO has assessed the risk for any shortfall as remote.

Transactions conducted with the Dutch State are limited to normal banking transactions, taxation and other administrative relationships. Normal banking transactions relate to loans and deposits, financial assets held for trading and financial investments, and are entered under the same commercial and market terms that apply to non-related parties.

Transactions and balances related to taxation, levies and fines in the Netherlands are excluded from the table above.

The increase of EUR 0.7 billion in financial assets held for trading was mainly attributable to higher positions in Dutch government bonds, as a result of primary dealership in the Netherlands and client facilitation. Most of these contracts are hedged with short positions in government bonds.

The decrease of EUR 1.0 billion in financial investments was mainly due to a decline in Dutch government bonds held, which are part of the liquidity buffer and are held for liquidity contingency purposes.

The increase of EUR 0.4 billion in financial liabilities held for trading related mainly to higher amounts of Dutch government bonds, as a result of primary dealership in the Netherlands and client facilitation. Most of these contracts are hedged with short positions in government bonds.

22 Post balance sheet events

In anticipation of any future sell-downs by our majority shareholder, ABN AMRO has requested permission from the ECB in advance to buy back shares up to an amount of EUR 250 million. The share buyback aims to absorb part of the shares sold, regardless of a sell-down structure. The ECB has approved the buyback, conditional on a potential sell-down by the NLFI.

On 1 June 2022, ABN AMRO announced the sale of MP Solar B.V., which is a wholly owned subsidiary of ABN AMRO. The sale was completed in July 2022 and is expected to be a gain of around EUR 60 million. The gain from the sale will be recognised in the third quarter of 2022 in the Corporate Banking segment.

Independent **auditor's review report**

To: the shareholders and supervisory board of ABN AMRO Bank N.V.

Our conclusion

We have reviewed the condensed consolidated interim financial statements included in the accompanying interim report of ABN AMRO Bank N.V. (hereinafter: ABN AMRO or the bank) based in Amsterdam for the period from 1 January 2022 to 30 June 2022.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of ABN AMRO for the period from 1 January 2022 to 30 June 2022, are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- The condensed consolidated statement of financial position as at 30 June 2022.
- The following consolidated statements for the period from 1 January 2022 to 30 June 2022:
  - the condensed consolidated income statement, the condensed consolidated statements of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows
- The notes comprising of a summary of the significant accounting policies and selected explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed consolidated interim financial statements section of our report.

We are independent of ABN AMRO in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and the Supervisory Board for the condensed consolidated interim financial statements

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the bank's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of the bank and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information.
- Making inquiries of management and others within the bank.
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements.
- Obtaining assurance evidence that the condensed consolidated interim financial statements agree with, or reconcile to, the bank's underlying accounting records.
- Evaluating the assurance evidence obtained.
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle.
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements.
- Considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represent the underlying transactions free from material misstatement.

Amsterdam, 9 August 2022

Ernst & Young Accountants LLP
Signed by **A.B. Roeders**

Enquiries

ABN AMRO Investor Relations
investorrelations@nl.abnamro.com
+31 20 6282 282

Investor call
A conference call for analysts and investors will be hosted on Wednesday 10 August 2022 at 11:00 am CET (10:00 London time). 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.

ABN AMRO Press Office
pressrelations@nl.abnamro.com
+31 20 6288 900

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10, 1082 PP Amsterdam
P.O. Box 283, 1000 EA Amsterdam
The Netherlands
abnamro.com

Information on our website does not form part of this Interim 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, such 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.

abnamro.com