interim financial report 2013

ABN AMRO Group N.V.

Notes to the reader

Introduction

This is the Interim Financial Report for the first half year of 2013 of ABN AMRO Group N.V. and its consolidated subsidiaries (ABN AMRO). The Interim Financial Report consists of the Interim Managing Board report and the Condensed Consolidated Interim Financial Statements.

Presentation of information

The financial information contained in this Interim Financial Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Some disclosures in the Risk management chapter of this report contain reviewed information and are part of the Condensed Consolidated Interim Financial Statements. Reviewed information is labelled as 'reviewed' in the respective headings.

This Interim Financial Report is presented in euros (EUR), which is the presentation currency of ABN AMRO, rounded to the nearest million (unless otherwise stated). All year-end averages in the Interim Financial Report are based on month-end figures. Management does not believe that these month-end averages present trends materially different from those that would be presented by daily averages.

Certain figures in this document may not tally exactly due to rounding. In addition, certain percentages in this document have been calculated using rounded figures. Unless otherwise stated, all figures are given in carrying amount according to the mixed model valuation basis as described by IFRS.

This report can be downloaded from abnamro.com.

For more information, please go to abnamro.com/ir or contact us at investorrelations@nl.abnamro.com.

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chairman's message 1

ABN AMRO posted a net profit of EUR 817 million for the first half of 2013, down slightly from the corresponding period in 2012. Net interest income and Net fee and commission income increased by 6% and 5%, respectively. Together, they represent the vast majority of our operating income and have proven to be a stable source of revenue. Sizeable releases helped our results. We managed to recoup an additional EUR 221 million after tax on our Madoff exposure, which we had prudently impaired for the full amount. Similarly, in the first quarter we had already reported a large release related to our Greek exposure.

Excluding special items, net profit for the first half of 2013 would have been EUR 510 million, 36% lower than the previous year. We are predominantly exposed to the Dutch economy and hence to the current economic downturn, which led to a sharp rise in loan impairments. Domestically-focused SMEs in particular were hit hard by the decline in consumer spending. Consumers have lower disposable income but are nonetheless increasing their savings, as evidenced by the steady rise in customer deposits. A growing number of businesses that managed to weather the decline in revenues for a number of years are now reaching the end of their reserves. We are seeing increased inflow into the Financial Restructuring & Recovery department and a higher number of write-offs. Mortgage impairment charges rose to 23 bps over the first half of the year compared with 11 bps a year ago. We expect loan impairments (excluding special items) for 2013 to rise above last year's level as the economic conditions in the Netherlands are set to remain challenging for the remainder of 2013.

Retail, Private and Commercial Banking recorded significantly higher operating results. Retail Banking's higher operating result more than offset the increase in impairments, which was not the case for Commercial Banking. Our Merchant Banking results have been disappointing, with results across a wide range of activities lower compared with last year. The strategic decision to terminate those equity derivatives operations that are unrelated to client activities also had an adverse effect on the results, as foreseen. Despite the economic downturn, our core Tier 1 capital ratio has continued to improve and now stands at 13.3%, placing us in a solid position ahead of the introduction of Basel III.

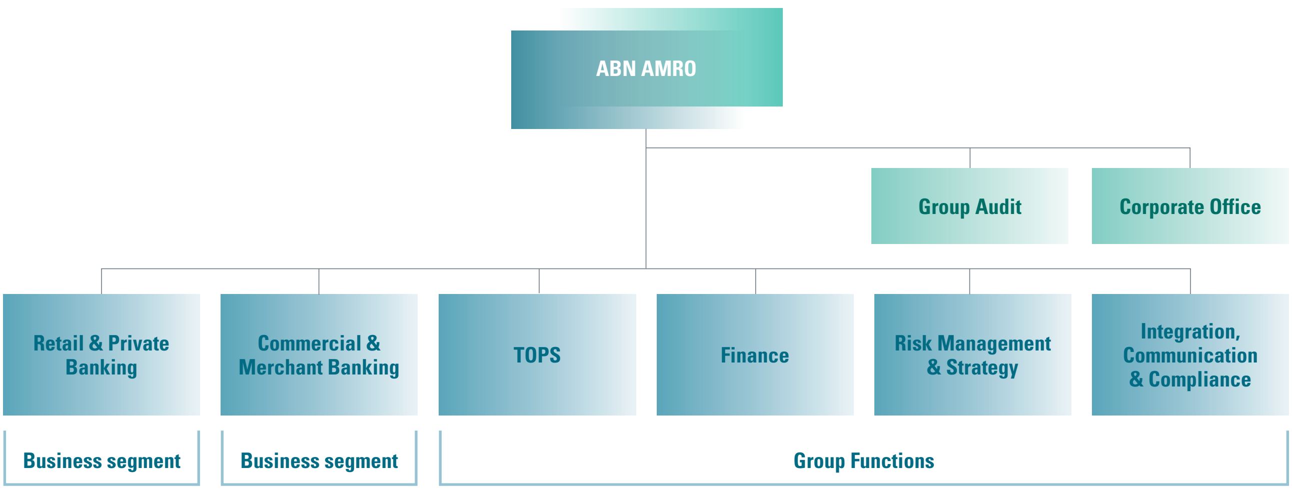
Gerrit Zalm
Chairman of the Managing Board

Interim Managing Board report

operating and financial review 2

This Operating and financial review includes a discussion and analysis of the results of operations and the financial condition of ABN AMRO Group and its different segments for the six-month period to 30 June 2013.

ABN AMRO is organised into Retail & Private Banking (R&PB), Commercial & Merchant Banking (C&MB) and Group Functions. Each member of the Managing Board is responsible for either a business segment or a support unit within Group Functions. The Chairman of the Managing Board oversees the general management of ABN AMRO and is responsible for Group Audit and the Corporate Office, as shown in the diagram below.



For financial reporting purposes, the Managing Board adopted the following segment reporting:

- Retail Banking;
- Private Banking;
- Commercial Banking;
- Merchant Banking;
- Group Functions.

ABN AMRO's performance is reported in accordance with International Financial Reporting Standards as adopted by the European Union. This section should be read in conjunction with the Condensed Consolidated Interim Financial Statements 2013 (including the summary of significant accounting policies).

In 2012, ABN AMRO finalised the integration of ABN AMRO Bank and FBN. As of the first quarter of 2013, ABN AMRO presents its results on a reported basis, which means that historical periods will no longer be adjusted for costs related to the integration. The integration costs are, however, part of the special items as defined in the Impact of special items table at the end of this section.

Furthermore, ABN AMRO adopted the amended pension accounting standard IAS 19 as from 1 January 2013. As a result, all 2012 disclosed figures have been adjusted accordingly for comparison purposes. The impact of the amendment of IAS 19 on the first half of 2012 figures is EUR 130 million lower pension costs leading to EUR 97 million higher net profit.

Financial performance of ABN AMRO Group

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	2,665	2,515	6%
Net fee and commission income	829	788	5%
Other non-interest income	107	510	-79%
Operating income	**3,601**	**3,813**	**-6%**
Personnel expenses	1,199	1,009	19%
Other expenses	1,112	1,220	-9%
Operating expenses	**2,311**	**2,229**	**4%**
Operating result	**1,290**	**1,584**	**-19%**
Impairment charges on loans and other receivables	216	554	-61%
Operating profit before taxes	**1,074**	**1,030**	**4%**
Income tax expenses	257	190	35%
Profit for the period	**817**	**840**	**-3%**

Other indicators

	First half year 2013	First half year 2012
Cost/income ratio	64%	58%
Return on average Equity	12%	12%
Return on average RWA (in bps)	135	137
NII/average Total assets (in bps)	131	121
Cost of risk (in bps)	36	90

	30 June 2013	31 December 2012	Change
RWA/Total assets	29%	31%	-7%
Assets under Management (in billions)	164.5	163.1	1%
Risk-weighted assets (in billions)	115.6	121.5	-5%
FTEs	22,788	23,059	-1%

ABN AMRO's net profit for the first half of 2013 amounted to EUR 817 million, a decline of EUR 23 million. A recovery on the Madoff files and a sizeable release related to the sale of part of the Greek government-guaranteed corporate exposures had a significant impact on the results. In addition, the 2012 results were impacted by several special items, such as integration costs. Excluding all special items listed in the Impact of special items table, net profit for the first half of 2013 would have been EUR 510 million, 36% lower than the first half of 2012, mainly as a result of a sharp rise in loan impairments within Commercial Banking, a further rise in mortgage impairment charges, higher pension costs, and lower results for Markets activities.

Operating income

Operating income amounted to EUR 3,601 million, down EUR 212 million on the same period last year. The results within Other non-interest income were heavily impacted by a number of special items; excluding these, Operating income would have risen marginally.

Net interest income over the first half of 2013 amounted to EUR 2,665 million, up 6% on the same period last year. The improved results were predominantly driven by higher margins on loans. The average volume of the mortgage portfolio showed a modest decline due to scheduled redemptions and higher voluntary redemptions in combination with low new production volumes.

Net fee and commission income rose by 5% to EUR 829 million due to increased client activity in Private Banking, higher management fees due to a growth of Assets under Management, and higher fees within Clearing.

Other non-interest income declined by EUR 403 million. Excluding special items for both years, other non-interest income would have come down by EUR 152 million. Trading and sales activities within Markets recorded lower results across the board partly in relation to the winding down of non-client-related equity derivative activities. The vast majority of these positions were effectively closed down by July.

Eighty-three per cent of total operating income was generated in the Netherlands, 10% in the rest of Europe and 7% in the rest of the world.

Operating expenses

Operating expenses rose by 4% to EUR 2,311 million. Excluding special items, expenses went up by 7% which was entirely caused by the increase in pension costs of EUR 169 million as a result of a sharply lower discount rate used in 2013. In addition, expenses last year included compensation from a service level agreement related to the EC Remedy which was terminated during 2012.

Operating result

There was a 19% decrease in the operating result to EUR 1,290 million. Excluding special items, the operating result would have come down by 8%. The cost/income ratio deteriorated by 6 percentage points to 64%. Excluding special items, the cost/income ratio would have been 61% in the first half of 2013 compared with 57% in the first half of 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables decreased by EUR 338 million, driven by two large releases amounting to EUR 550 million in total.
In the second quarter, a release of EUR 253 million was recorded in the Madoff files. In the first quarter, a release of EUR 297 million was recorded related to the partial sale of the Greek government-guaranteed corporate exposures. Excluding these releases, loan impairment charges would have risen by EUR 212 million, or 38%, to EUR 766 million. This increase is mainly the result of higher loan impairments for SMEs and, to a lesser extent, higher mortgage impairment charges as well as an Incurred But Not Identified (IBNI) charge of EUR 101 million. The cost of risk (impairment charges over RWA) over the first half of 2013 excluding special items rose to 127 bps from 90 bps in the previous year.

A decline in domestic spending as a result of lower consumer spending, lower investments and increased savings, has led to ongoing pressure on revenues, especially for SMEs dependent on the domestic market. A growing number of businesses are seeing their reserves running out. Of the total outstanding loans to SMEs, approximately 20% are managed by the Financial Restructuring & Recovery department (FR&R), but not all files are impaired. The rate of inflow into FR&R has increased over the past year while the number of clients which are returned to health has decreased. Recovery amounts also decreased due to lower collateral values. The increase in impairment charges is the result of the cumulative effect of these developments. Of the total IBNI charge of EUR 101 million taken during the first half of 2013, approximately two-thirds is due to SMEs.

Mortgage impairment charges over the total mortgage book increased to 23 bps (annualised) in the first half of 2013, up from 11 bps in the first half of 2012. The increase was due to lower house prices and to a rise in the volume of impaired mortgages.

Assets under Management

Assets under Management (AuM) within Private Banking grew by EUR 1.4 billion in the first half of 2013 to EUR 164.5 billion.

Condensed consolidated statement of financial position

(in millions)	30 June 2013	31 December 2012
Cash and balances at central banks	12,767	9,796
Financial assets held for trading	26,336	22,804
Financial investments	24,776	21,407
Loans and receivables – banks	41,695	46,398
Of which securities financing activities	19,568	14,277
Loans and receivables – customers	282,039	276,283
Of which securities financing activities	21,378	14,495
Other	14,704	17,070
Total assets	**402,317**	**393,758**
Financial liabilities held for trading	16,832	18,782
Due to banks	26,500	21,263
Of which securities financing activities	10,780	4,360
Due to customers	232,017	216,021
Of which securities financing activities	24,510	15,142
Issued debt	87,765	94,043
Subordinated liabilities	7,897	9,566
Other	17,792	21,200
Total liabilities	**388,803**	**380,875**
Equity attributable to the owners of the parent company	13,495	12,864
Equity attributable to non-controlling interests	19	19
Total equity	**13,514**	**12,883**
Total liabilities and equity	**402,317**	**393,758**

All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard (IAS 19). The impact of the amendment of IAS 19 on the 31 December 2012 disclosed figures is EUR 646 million lower other assets, EUR 508 million higher other liabilities and EUR 1,154 million lower equity.

Total assets

Total assets grew by EUR 8.6 billion to EUR 402.3 billion at 30 June 2013. Growth was due mainly to a client-driven increase in securities financing volumes (up by EUR 12.2 billion) as well as equity securities. Securities financing transactions dipped towards year-end 2012 due to the combined effect of traditionally lower client activity and uncertainty regarding the treatment of these transactions for calculating the leverage ratio under Basel III.

Financial assets held for trading

Financial assets held for trading increased by EUR 3.5 billion to EUR 26.3 billion as client positions in equity derivatives were hedged on-balance sheet rather than off-balance sheet, and higher positions related to the primary dealership in Dutch government bonds. This was partly offset by lower valuation of the interest rate derivative positions. The latter two also explain the movements in Financial liabilities held for trading.

Financial investments

Financial investment increased by EUR 3.4 billion as result of purchases for the liquidity buffer.

Loans and receivables – banks

Loans and receivables – banks decreased by EUR 4.7 billion mainly as a result of lower deposits with the ECB (down by EUR 8.3 billion) and a decrease in the pledged cash collateral. The decline was partly offset by an increase in securities financing client volumes.

Loans and receivables – customers

Loans and receivables – customers grew by EUR 5.8 billion to EUR 282.0 billion, primarily driven by an increase in client volumes in securities financing activities. Marginal growth of the C&MB loan portfolio, which was driven by the ECT activities, was offset by a small decrease of EUR 1.1 billion in the mortgage portfolio. The decrease was the result of additional voluntary redemptions and lower new production. The total mortgage portfolio at 30 June 2013 was EUR 152.8 billion.

Loans and receivables – customers

(in millions)	30 June 2013	31 December 2012
Loans and receivables – customers other (incl. impairments)	**260,661**	**261,788**
Retail Banking	160,209	161,668
Private Banking	17,405	17,300
Commercial Banking	42,234	42,378
Merchant Banking	35,958	35,072
Group Functions	4,855	5,370
Securities financing activities	**21,378**	**14,495**
Total loans and receivables – customers	**282,039**	**276,283**

Total liabilities

Total liabilities went up by EUR 7.9 billion to EUR 388.8 billion. In addition to the increased securities financing activities, customer deposits grew, offset by a decrease in wholesale funding.

Due to customers

Due to customers rose by EUR 16.0 billion to EUR 232.0 billion. Increased client flow in securities financing activities led to an increase of EUR 9.4 billion.

Client deposits grew by EUR 6.7 billion, particularly in Retail Banking in the Netherlands due to consumers exercising caution in response to the ongoing economic uncertainty. MoneYou (the online brand) also posted a growth in deposits mainly in Belgium and Germany. Commercial Banking managed to post a small increase in deposits. Private Banking deposits remained more or less flat as growth in the Netherlands was offset by some international outflow.

Due to customers

(in millions)	30 June 2013	31 December 2012
Total deposits	**207,198**	**200,541**
Retail Banking	87,871	81,905
Private Banking	59,117	58,910
Commercial Banking	35,270	34,444
Merchant Banking	20,984	21,551
Group Functions	3,956	3,731
Other (including securities financing activities)	**24,819**	**15,480**
Total Due to customers	**232,017**	**216,021**

Issued debt

Issued debt decreased by EUR 6.3 billion to EUR 87.8 billion, due mainly to maturing long-term funding which was already pre-financed in 2012 partly offset by new long-term funding of EUR 5.8 billion raised in the first half of the year. Commercial Paper and Certificates of Deposit declined slightly.

Subordinated liabilities

Subordinated liabilities declined by EUR 1.7 billion as several lower Tier 2 instruments were called.

Total equity

Total equity grew by EUR 0.6 billion, rising from EUR 12.9 billion to EUR 13.5 billion. The increase was due predominantly to the profit for the period further helped by positive effects within the special component of equity and a re-measurement of the pension liability under IAS 19. This was partly offset by the payment of EUR 262 million of dividend over the book year 2012 to ordinary and preference shareholders and the call of EUR 210 million of preference shares.

Segmented results

The methodology for determining the internal liquidity compensation applied to deposits was changed in 2013. This has led to a decline in Net interest income within Group Functions of EUR 133 million and a corresponding increase within the businesses, mainly Retail Banking, followed by Private Banking and Commercial Banking.

Financial performance of Retail Banking

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	1,460	1,286	14%
Net fee and commission income	229	231	-1%
Other non-interest income	19	13	46%
Operating income	**1,708**	**1,530**	**12%**
Personnel expenses	243	202	20%
Other expenses	598	619	-3%
Operating expenses	**841**	**821**	**2%**
Operating result	**867**	**709**	**22%**
Impairment charges on loans and other receivables	284	153	86%
Operating profit before taxes	**583**	**556**	**5%**
Income tax expenses	144	138	4%
Profit for the period	**439**	**418**	**5%**

Other indicators

	First half year 2013	First half year 2012
Cost/income ratio	49%	54%
Return on average RWA (in bps)	289	266
Cost of risk (in bps)	187	97

	30 June 2013	31 December 2012	Change
Loan-to-Deposit ratio	176%	190%	
Loans and receivables – customers (in billions)	160.2	161.7	-1%
Of which mortgages (in billions)	149.4	150.4	-1%
Due to customers (in billions)	87.9	81.9	7%
Risk-weighted assets (in billions)	31.0	30.1	3%
FTEs	6,347	6,335	0%

Retail Banking's net profit in the first half of 2013 went up by EUR 21 million to EUR 439 million. Higher impairment charges were more than offset by the strong increase in operating income.

Operating income

Operating income for the first half of 2013 increased by EUR 178 million to EUR 1,708 million.

Net interest income rose by EUR 174 million to EUR 1,460 million. The increase was due to the previously mentioned change in liquidity compensation as well as higher margins on mortgages and higher savings volumes. Average savings volumes increased by EUR 13 billion over the past 12 months, with the MoneYou label, also active in Germany and Belgium, accounting for the bulk of this growth.

Net fee and commission income remained almost stable at EUR 229 million.

Operating expenses

Operating expenses increased modestly compared with the same period in 2012. Excluding the effect of higher pension costs, operating expenses would have shown a modest decrease.

Personnel expenses increased by EUR 41 million due to the impact of higher pension costs. Other expenses declined due to lower operational losses as well as lower marketing expenses.

Operating result

The operating result improved by EUR 158 million and the cost/income ratio dipped under the 50%, coming to 49%, compared with 54% in the same period in 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables increased by EUR 131 million to EUR 284 million. Impairment charges for mortgages were EUR 94 million higher than last year; the remainder of the increase took place within consumer lending, although this was mainly driven by provisions taken within a specific niche of the portfolio.

Loans and receivables – customers

Loans and receivables – customers came down slightly compared with year-end 2012 to EUR 160.2 billion. The mortgage book continued its gradual decline, decreasing by EUR 1.0 billion from year-end 2012 and ending at EUR 149.4 billion. The trend of higher voluntary repayments continued into the first half of the year, as did lower new production due to the stagnating housing market. Outstanding consumer loans declined, which was due to a combination of a seasonal effect of repayments out of holiday allowances and increasing reluctance of consumers to finance their consumption through debt.

Due to customers

Due to customers rose by EUR 6.0 billion in the first six months, or 7%, to EUR 87.9 billion at 30 June 2013. The majority of the increase came from high savings levels as a result of the uncertain economic outlook in the Netherlands. ABN AMRO managed to increase its share of the growing savings market. Abroad, MoneYou posted growth in Germany and Belgium, accounting for the remainder of the volume increase.

Financial performance of Private Banking

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	282	275	3%
Net fee and commission income	267	253	6%
Other non-interest income	32	39	-18%
Operating income	**581**	**567**	**2%**
Personnel expenses	224	209	7%
Other expenses	214	228	-6%
Operating expenses	**438**	**437**	**0%**
Operating result	**143**	**130**	**10%**
Impairment charges on loans and other receivables	38	54	-30%
Operating profit before taxes	**105**	**76**	**38%**
Income tax expenses	20	12	67%
Profit for the period	**85**	**64**	**33%**

Other indicators

	First half year 2013	First half year 2012
Cost/income ratio	75%	77%
Return on average RWA (in bps)	167	89
Cost of risk (in bps)	75	75

	30 June 2013	31 December 2012	Change
Loan-to-Deposit ratio	29%	28%	
Loans and receivables – customers (in billions)	17.4	17.3	1%
Of which mortgages (in billions)	3.4	3.4	-1%
Due to customers (in billions)	59.1	58.9	0%
Risk-weighted assets (in billions)	9.9	10.7	-7%
FTEs	3,629	3,648	-1%

Private Banking's profit for the first half of 2013 amounted to EUR 85 million, an increase of EUR 22 million compared with last year. The increase in profit was due to lower impairments and higher income, while costs remained unchanged.

Operating income
Operating income amounted to EUR 581 million, an increase of 2%.

Net interest income rose by EUR 7 million to EUR 282 million. Excluding the abovementioned change in the liquidity compensation, Net interest income would have shown a limited decline. Net fee and commission income benefited from higher client activity as well as higher Assets under Management, increasing by EUR 14 million. Other non-interest income declined by EUR 7 million, although this was mainly the result of a release booked in 2012.

Operating expenses
Operating expenses were virtually flat, at EUR 438 million. Higher pension costs were offset by lower project costs.

Operating result
The operating result increased by EUR 13 million, or 10%, to EUR 143 million, while the cost/income ratio improved to 75% from 77%.

Impairment charges on loans and other receivables
Impairment charges on loans and other receivables came to EUR 38 million compared with EUR 54 million during the same period last year. The decrease was seen mainly within the international businesses.

Loans and receivables – customers
Loans and receivables – customers remained virtually unchanged compared with year-end 2012, amounting to EUR 17.4 billion.

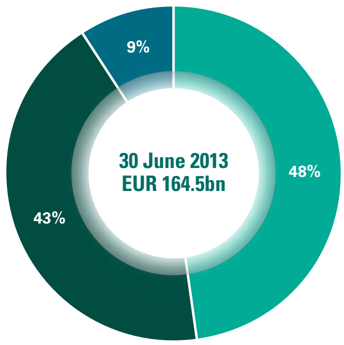
Due to customers
Due to customers went up marginally, to EUR 59.1 billion. The increase of EUR 1.5 billion in the Netherlands was offset by a decline in the international network, mainly in Germany.

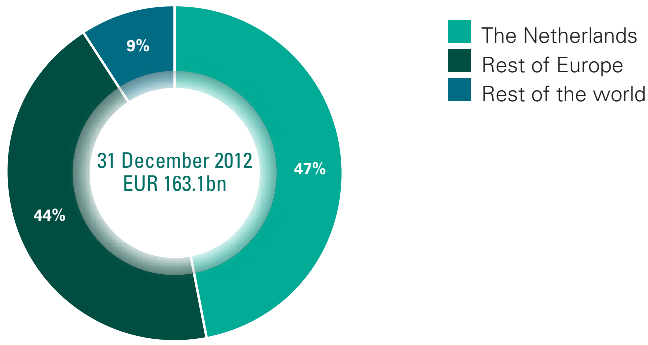
Assets under Management
Assets under Management (AuM) increased by EUR 1.4 billion to EUR 164.5 billion mainly due to market performance and, to a lesser extent, to net new assets.

Assets under Management development

(in billions)	30 June 2013	31 December 2012
Opening Balance AuM	**163.1**	**146.6**
Net new assets (excl. sales/acquisitions)	0.5	3.1
Market performance	1.2	13.4
Divestments/acquisitions		
Other (incl. sales/acquisitions)	-0.3	
Closing Balance AuM	**164.5**	**163.1**

Assets under Management by geography





Financial performance of Commercial Banking

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	677	614	10%
Net fee and commission income	133	160	-17%
Other non-interest income	14	10	40%
Operating income	**824**	**784**	**5%**
Personnel expenses	150	138	9%
Other expenses	298	336	-11%
Operating expenses	**448**	**474**	**-5%**
Operating result	**376**	**310**	**21%**
Impairment charges on loans and other receivables	392	241	63%
Operating profit before taxes	**-16**	**69**	
Income tax expenses	-5	18	
Profit for the period	**-11**	**51**	

Other indicators

	First half year 2013	First half year 2012
Cost/income ratio	54%	60%
Return on average RWA (in bps)	-8	38
Cost of risk (in bps)	277	177

	30 June 2013	31 December 2012	Change
Loan-to-Deposit ratio	119%	122%	
Loans and receivables – customers (in billions)	42.2	42.4	0%
Due to customers (in billions)	35.3	34.4	2%
Risk-weighted assets (in billions)	26.0	28.8	-10%
FTEs	3,173	3,249	-2%

Commercial Banking posted a strong increase in its operating result due to higher net interest income and lower costs. However, this was more than offset by higher impairment charges leading to an EUR 11 million net loss for the first half of 2013, a decline of EUR 62 million compared with the previous year.

Operating income

Operating income amounted to EUR 824 million, an increase of EUR 40 million despite the divestment of the insurance activities in 2012.

Net interest income increased by 10% to EUR 677 million mainly as a result of higher margins on loans as well as increasing commitment fees being charged on current accounts. Net fee and commission income declined by EUR 27 million, due chiefly to the divestment of part of the insurance activities partly offset by higher transaction fees. Fee income also declined due to a reclassification of interbank payment fees from other costs to negative fee income.

Operating expenses

Operating expenses declined by EUR 26 million. Personnel expenses increased by EUR 12 million to EUR 150 million, primarily as a result of higher pension costs partly offset by a reduction in FTEs. Other expenses dropped by EUR 38 million largely due to the above-mentioned reclassification.

Operating result

The operating result showed a strong increase of EUR 66 million to EUR 376 million. The cost/income ratio improved by 6 percentage points to 54% from 60% for the first half of 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables amounted to EUR 392 million in the first half of 2013, up EUR 151 million compared with the same period in 2012. Impairment levels for Corporate Clients (clients with turnover between EUR 30 and EUR 500 million) remained flat, with the full increase in loan impairments due to SMEs. The construction, retail, commercial real estate, and horticulture sectors were particularly affected. Of the total additions to loan impairments related to theSME portfolio, approximately 40% were increases of clients already provisioned for, as files now remain longer within the Financial Restructuring & Recovery department and the proportion of clients which are restored to health has declined.

Loans and receivables – customers

Loans and receivables – customers remained virtually unchanged at EUR 42.2 billion. Changes in outstanding loans compared with year-end 2012 have been modest within the various business lines (Corporate Clients, SMEs).

Due to customers

Due to customers increased by EUR 0.9 billion to EUR 35.3 billion, due to volume growth both in Corporate Clients and SMEs.

FTEs

The number of FTEs decreased by 76 to 3,173 due mainly to the divestment of the insurance activities.

Financial performance of Merchant Banking

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	333	320	4%
Net fee and commission income	199	193	3%
Other non-interest income	21	282	-93%
Operating income	**553**	**795**	**-30%**
Personnel expenses	160	141	13%
Other expenses	286	296	-3%
Operating expenses	**446**	**437**	**2%**
Operating result	**107**	**358**	**-70%**
Impairment charges on loans and other receivables	54	106	-49%
Operating profit before taxes	**53**	**252**	**-79%**
Income tax expenses	31	37	-16%
Profit for the period	**22**	**215**	**-90%**

Other indicators

	First half year 2013	First half year 2012
Cost/income ratio	81%	55%
Return on average RWA (in bps)	10	104
Cost of risk (in bps)	24	51

	30 June 2013	31 December 2012	Change
Loan-to-Deposit ratio	165%	155%	
Loans and receivables – customers (in billions)	57.3	49.6	16%
Due to customers (in billions)	45.8	37.0	24%
Risk-weighted assets (in billions)	40.2	45.5	-12%
FTEs	2,172	2,142	1%

Net profit for the first half of 2013 amounted to EUR 22 million, down from EUR 215 million in the first half of 2012. Excluding special items, net profit would have amounted to EUR 131 million, declining by EUR 84 million from last year. This was due to lower results across a wide array of market activities as well as the strategic decision to terminate the non-client-related equity derivatives business, offset by lower loan impairment charges.

Operating income

Operating income declined by EUR 242 million compared with the first half of 2012.

Net interest income rose by 4% to EUR 333 million. Interest income from ECT, Real Estate, and Large Corporates increased, which was partly offset by securities financing. Securities financing posted lower results as the 2012 results benefited from the higher margin trades entered into in late 2011 following the European sovereign debt crisis. Net fee and commission income increased by 3% to EUR 199 million. Other non-interest income, excluding special items, declined by EUR 139 million. Within Markets, trading income was lower across the board, although this was due in part to the strategic decision to terminate the non-client-related part of the business, bringing down income compared with 2012. The vast majority of the positions were effectively closed down by July. Private Equity also contributed to the decline as favourable revaluations in 2012 were followed by negative revaluations in 2013.

Operating expenses

Operating expenses increased by EUR 9 million to EUR 446 million, due primarily to higher staff costs.

Personnel expenses rose 13% to EUR 160 million as a result of higher pension costs. Other expenses were down 3% to EUR 286 million, mainly as a result of lower operational losses.

Operating result

The operating result declined by EUR 251 million to EUR 107 million and the cost/income ratio deteriorated to 81% from 55% in the first half of 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables over the first half of 2013 amounted to EUR 54 million, coming down by EUR 52 million. The decline was due to a significant provision booked in 2012 for a single housing association client.

Loans and receivables – customers

Loans and receivables – customers amounted to EUR 57.3 billion, an increase of EUR 7.7 billion. Client volumes in securities financing activities increased, while growth was recorded in ECT, partly offset by a decline within Markets.

Due to customers

Due to customers rose EUR 8.8 billion to EUR 45.8 billion. This increase, too, was mainly attributable to higher client volumes in securities financing activities.

FTEs

The number of FTEs increased by 30.

Financial performance of Group Functions

Results

(in millions)	First half year 2013	First half year 2012	Change
Net interest income	-87	20	
Net fee and commission income	1	-49	
Other non-interest income	21	166	-87%
Operating income	**-65**	**137**	
Personnel expenses	422	319	32%
Other expenses	-284	-259	10%
Operating expenses	**138**	**60**	**130%**
Operating result	**-203**	**77**	
Impairment charges on loans and other receivables	-552		
Operating profit before taxes	**349**	**77**	
Income tax expenses	67	-15	
Profit for the period	**282**	**92**	

Other indicators

	30 June 2013	31 December 2012	Change
Loans and receivables – customers (in billions)	4.9	5.4	-10%
Due to customers (in billions)	4.0	3.7	6%
Risk-weighted assets (in billions)	8.5	6.4	33%
FTEs	7,467	7,685	-3%

The net result for Group Functions rose to EUR 282 million from EUR 92 million as a result of significant releases, offset by lower operating income and higher expenses. The result was heavily impacted by special items in both years. Excluding these, Group Functions would have posted a net loss of EUR 134 million, down by EUR 171 million compared with last year.

Operating income

Operating income, excluding special items, declined by EUR 73 million, mainly as a result of the decline in net interest income.

Net interest income decreased by EUR 107 million, due mainly to the previously mentioned change to the liquidity compensation of EUR 133 million. Net fee and commission income increased by EUR 50 million, due mainly to a reallocation of fees paid for interbank payments to the business. Other non-interest income, excluding special items, decreased by EUR 16 million. The upfront loss booked on the buyback of government-guaranteed bonds was partly offset by higher CVA as well as a gain on the sale of an office property.

Operating expenses

Operating expenses, excluding special items, increased by EUR 140 million. The increase in personnel expenses was due to higher pension costs. Other expenses excluding special items increased mainly as a result of lower expenses in 2012 due to compensation from a service level agreement related to the EC Remedy. In addition, operating expenses increased due to incidental operational and IT costs, as well as additional depreciation costs resulting from disposals of premises.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables was negative EUR 552 million and was almost entirely the result of the releases on Madoff and the Greek loans.

FTEs

The number of FTEs fell by 218 to 7,467 mainly due to the sale of Solveon and further outsourcing.

Special items

Impact of special items

(in millions)	First half year 2013	First half year 2012
Operating income		
Positive revaluations of EC Remedy-related provisions		129
Reassessment of discontinued securities financing activities	-70	
Costs of wind-down of non-client-related equity derivatives activities	-52	
Total impact on Operating income	**-122**	**129**
Operating expenses		
Integration costs		113
Restructuring provision	37	
Total impact on Operating expenses	**37**	**113**
Loan impairments		
Greek releases	-297	
Madoff releases	-253	
Total impact on Loan impairments	**-550**	
Total impact on Profit for the period	**307**	**45**

risk management 3

This section provides an update on risk developments in terms of the main risks that ABN AMRO faced in the first half of 2013. First describing the key developments, this section then focuses on developments per main risk type: credit risk, market risk and operational risk. Information on other risk types, general information on management of risk, risk governance and definitions is provided in the Annual Report 2012.

Key developments in the first half of 2013

ABN AMRO's asset quality continued to be impacted by the ongoing economic contraction in the first half of 2013, in the eurozone in particular. The Dutch economy continued to suffer from the stagnating housing market and the contraction of the domestic spending. As a result, consumer confidence is at historically low levels. This has led to lower consumption and lower investment levels than normal, causing unemployment levels to rise, real estate prices to fall and the number of bankruptcies to rise in the first half of 2013.

Generally, all sectors with a predominantly Dutch domestic focus have been struggling with the decline in consumption. Export-oriented sectors have performed slightly better on the back of the expected recovery of world trade. Excluding the releases from the Greek government-guaranteed corporate exposures and the Madoff-related files, the deterioration in economic conditions caused an increase in impairment charges in the first half of 2013.

Lower investments and lower consumer confidence are particularly affecting the Business Banking portfolio (i.e. SMEs), as reflected in the higher impairment charges. The mortgage portfolio was affected by a further rise in unemployment levels in the Netherlands and a further decline in house prices. The developments in these portfolios are monitored with the utmost attention.

In the first half of 2013, ABN AMRO further tightened its monitoring and watch procedures to detect credit risk deterioration at an early stage in order to minimise losses. Additional measures to limit impairments have been implemented in all business lines, at governance, policy and operational level.

In addition to managing and monitoring the existing portfolio on increased risk, ABN AMRO further improved its focus on managing its client portfolio proactively on risk return by implementing new risk return measurement tooling. The credit portfolio increased internationally in the first half of 2013 confirming the capability-led growth in selected areas and industries.

The 'carefree living' *('zorgeloos wonen')* proactive approach to advising mortgage customers through budget coaching to prevent payment problems in the future was further strengthened and expanded in the first half of 2013. Activities in the first quarter focused on customers with a potential residual debt. This focus shifted in the second quarter to customers who are currently up to date with their mortgage payments but who might experience payment problems in the near future. The scope of the carefree living activities was broadened to consumer loans, with the programme being renamed 'carefree living and responsible lending'. 'Carefree living and responsible lending' helps ABN AMRO pursue proactive and strong risk management of its retail lending portfolios in order to minimise any losses.

In the first half of 2013, ABN AMRO also realised its IRB (Internal Ratings Based) coverage threshold of 85%, mainly via the implementation of additional IRB models.

Overview of credit, market and operational risk

(in millions)	30 June 2013	31 December 2012
Total assets[1]	402,317	393,758
On-balance sheet maximum exposure to credit risk	388,187	383,087
Exposure at Default[1]	350,500	347,881
Risk-weighted assets[2]		
Credit risk	92,461	100,405
Market risk	6,749	5,640
Operational risk	16,415	15,461
Total risk-weighted assets	**115,625**	**121,506**
Cost of risk (in bps)[3]	36	98
Total risk-weighted assets/total assets	28.7%	**30.9%**

[1] 2012 figures for Total assets and Exposure at Default have been adjusted for comparison purposes, following adaption of the amended pension accounting standard IAS 19.

[2] Risk-weighted assets according to Basel II definition.

[3] Cost of risk: annualised impairment charges on loans and receivables for the period divided by total average RWA.

The bank's risk-weighted assets (RWA) decreased by 5% to EUR 115.6 billion at 30 June 2013 compared to EUR 121.5 billion at 31 December 2012. This decrease was mainly due to the net reduction in credit risk risk-weighted assets by 8% mainly due to the rollout of the Internal Ratings Based (IRB) approach, for the Banks, Commercial Real Estate and Large Corporate portfolios.

With total assets increasing to EUR 402.3 billion at 30 June 2013 from EUR 393.8 billion at 31 December 2013 and risk-weighted assets decreasing to EUR 115.6 billion at 30 June 2013 from EUR 121.5 billion at 31 December 2012, the ratio total risk-weighted assets divided by total assets decreased to 28.7% from 30.9%.

The cost of risk declined to 36 basis points from 98 basis points. This includes the reversals of the Greek government-guaranteed corporate exposures and the Madoff related files. Excluding these reversals, the cost of risk would have been 127 basis points compared to 114 basis points at 31 December 2012.

Credit risk

The following table presents the balance sheet items that are exposed to credit risk (maximum exposure to credit risk) and the reconciliation to and movements in Exposure at Default (EAD), as ABN AMRO assesses credit risk on EAD.

The balance sheet items subject to credit risk are presented in accordance with IFRS (EU); at carrying amounts net of impairment allowances, but without consideration of collateral or other credit enhancements.

Credit risk overview

(in millions)		30 June 2013		31 December 2012
Total assets[1]		**402,317**		**393,758**
Less: items that are not subject to credit risk exposure[2]		14,130		10,671
On-balance sheet maximum exposure to credit risk		**388,187**		**383,087**
Off-balance sheet				
Committed credit facilities	14,366		17,635	
Guarantees and other commitments	16,878		16,777	
Revocable credit facilities	71,175		72,343	
Total Off-balance sheet credit facilities and guarantees		102,419		106,755
Maximum exposure to credit risk		**490,606**		**489,842**
Adjustments on assets[3]		-7,756		-5,691
Valuation adjustments[4]		-57,735		-55,036
Less: Off-balance sheet credit facilities and guarantees	102,419		106,755	
		-102,419		-106,755
Add: Off-balance sheet exposure fraction expected to be drawn prior to default (Credit Conversion Factors)	27,804		25,521	
		27,804		25,521
Total Exposure at Default[1]		**350,500**		**347,881**
Credit risk risk-weighted assets/Total Exposure at Default		**26.4%**		28.9%

[1] 2012 figures for Total assets and Exposure at Default have been adjusted for comparison purposes following adaption of the amended pension accounting standard IAS 19.

[2] Items that are not subject to credit risk: more details are provided in the Risk management section of the Annual Report 2012.

[3] Adjustments to assets: more details are provided in the Risk management section of the Annual Report 2012.

[4] Valuation adjustments: more details are provided in the Risk management section of the Annual Report 2012.

An explanation of the movements of Total assets is provided in the Operating and financial review section.

Overall credit exposure EAD and risk-weighted assets by exposure class

(in millions, Exposure at Default)					30 June 2013
	Exposure at Default IRB	Exposure at Default SA	Total Exposure at Default	Average Exposure at Default	Risk-weighted assets
Credit risk					
Central governments and central banks	45,393		45,393	43,953	579
Institutions[1]	19,444	2,305	21,749	20,053	8,365
Corporates	92,997	7,123	100,120	100,681	50,762
Retail	127,544	2,904	130,448	133,568	23,143
- of which Retail mortgages	109,343	1,487	110,830	113,879	14,704
- of which Qualifying revolving exposures	7,232		7,232	6,992	3,338
- of which Other retail	10,969	1,417	12,386	12,697	5,101
Securitisation positions[2]	45,795		45,795	41,365	3,985
Subtotal	**331,173**	**12,332**	**343,505**	**339,620**	**86,834**
Equities not held for trading	877		877	764	1,750
Other[3]	1,463	4,655	6,118	7,201	3,877
Total[4]	**333,513**	**16,987**	**350,500**	**347,585**	**92,461**

					31 December 2012
	Exposure at Default IRB	Exposure at Default SA	Total Exposure at Default	Average Exposure at Default	Risk-weighted assets
Credit risk					
Central governments and central banks	45,966		45,966	37,059	683
Institutions[1]		16,162	16,162	18,897	5,482
Corporates	78,911	24,769	103,680	104,363	61,094
Retail	134,998	4,416	139,414	140,688	24,510
- of which Retail mortgages	115,802	2,752	118,554	119,950	14,611
- of which Qualifying revolving exposures	6,819		6,819	5,003	2,856
- of which Other retail	12,377	1,664	14,041	15,735	7,043
Securitisation positions[2]	35,493		35,493	34,633	3,284
Subtotal	**295,368**	**45,347**	**340,715**	**335,640**	**95,053**
Equities not held for trading	845		845	718	1,789
Other[3]	1,593	4,728	6,321	7,086	3,563
Total[4]	**297,806**	**50,075**	**347,881**	**343,444**	**100,405**

[1] Institutions include exposures to banks and investment undertakings, regional governments and local authorities, and pension funds.

[2] EAD only includes retained securitisation positions. As sold securitisation positions are mostly ineffective under the securitisation framework, these positions should largely be taken into account as credit risk exposure. The EAD relating to sold securitisation positions, which is not taken into account as overall credit risk exposure, amounted to EAD EUR 5.3 billion at 30 June 2013 (31 December 2012: EAD EUR 10.3 billion). Securitisation positions is including retail mortgages (30 June 2013: EAD EUR 44.7 billion and RWA EUR 3.6 billion, 31 December 2012: EAD EUR 34.0 billion and RWA EUR 2.5 billion) and SME loans (30 June 2013: EAD EUR 1.1 billion and RWA EUR 0.4 billion, 31 December 2012: EAD EUR 1.5 billion and RWA EUR 0.8 billion).

[3] Other includes non-credit obligation assets.

[4] 2012 figures for Exposure at Default have been adjusted for comparison purposes following adaption of the amended pension accounting standard IAS 19.

In the first half of 2013, following regulatory approval of its internal models, ABN AMRO rolled out Internal Ratings Based (IRB) models for Banks, Commercial Real Estate and Large Corporates portfolios. These portfolios were previously reported on the Standardised Approach (SA). The rollout led to an IRB coverage ratio (proportion of risk-weighted assets reported on IRB) of 88% as of 30 June 2013, which is above the regulatory threshold of 85%.

The bank's credit risk risk-weighted assets decreased by EUR 7.9 billion to EUR 92.5 billion at 30 June 2013 from EUR 100.4 billion at December 2012. This decrease was mainly due to the mentioned rollout of the IRB approach (EUR 6.2 billion). During the first half of 2013, total Exposure at Default (EAD) increased by EUR 2.6 billion to EUR 350.5 billion at 30 June 2013 from EUR 347.9 billion at 31 December 2012.

The EAD increase in exposure class institutions to EUR 21.7 billion was for an amount of EUR 1.4 billion due to changed calculation method for securities financing transactions and a change in treatment of financial collateral and new exposures. The IRB model rollout to institutions in the first quarter of 2013 required a different treatment of financial collateral, increasing EAD by EUR 2.0 billion. Business volume growth further raised EAD by EUR 1.6 billion. The RWA increase of EUR 2.9 billion to EUR 8.4 billion at 30 June 2013 was mainly driven by the rollout of the IRB approach, as a result of which RWA increased temporarily by EUR 1.9 billion. New exposures in the first half of 2013 additionally contributed to an EUR 1.0 billion RWA increase.

EAD in exposure class corporates decreased by EUR 3.6 billion EAD to EUR 100.1 billion EAD. The RWA decrease of EUR 10.3 billion RWA to EUR 50.8 billion RWA at 30 June 2013 is primarily caused by the IRB model rollout at Large Corporates and Commercial Real Estate, with a net decrease of EUR 8.0 billion RWA.

Retail EAD decreased by EUR 9.0 billion EAD to EUR 130.4 billion, mainly due to asset securitisation (EUR 6.2 billion EAD). Some retail exposure is securitised and related securitisation positions are reported under securitisation instead of retail. Furthermore, the remaining EAD decrease was partly due to the decline in outstanding offers (EAD: EUR 1.0 billion), implementation of new IRB models (decrease of 0.5 billion EAD) and decreased business volume.

Credit risk quality

Credit quality by exposure class

(in millions, Exposure at Default)							30 June 2013
	Investment grade	Sub-investment grade	Default without provision	Default with provision	Total rated (IRB advanced)	Total unrated (standardised approach)	Total rated and unrated
Central governments and central banks	45,380	13			45,393		45,393
Institutions[1]	17,284	2,140		20	19,444	2,305	21,749
Corporates	30,735	56,612	1,589	4,061	92,997	7,123	100,120
Retail	99,728	25,238		2,578	127,544	2,904	130,448
Securitisation positions[2]	45,792	3			45,795		45,795
Total Exposure at Default[3]	**238,919**	**84,006**	**1,589**	**6,659**	**331,173**	**12,332**	**343,505**
							31 December 2012
Central governments and central banks	45,963	3			45,966		45,966
Institutions[1]						16,162	16,162
Corporates	20,129	52,510	1,593	4,679	78,911	24,769	103,680
Retail	105,049	27,554		2,395	134,998	4,416	139,414
Securitisation positions[2]	35,490	3			35,493		35,493
Total Exposure at Default[3]	**206,631**	**80,070**	**1,593**	**7,074**	**295,368**	**45,347**	**340,715**

1 Institutions include exposures to banks and investment undertakings, regional governments and local authorities, and pension funds.

2 Securitisation positions is including retail mortgages (30 June 2013: EAD EUR 44.7 billion and RWA EUR 3.6 billion, 31 December 2012: EAD EUR 34.0 billion and RWA EUR 2.5 billion) and SME loans (30 June 2013: EAD EUR 1.1 billion and RWA EUR 0.4 billion, 31 December 2012: EAD EUR 1.5 billion and RWA EUR 0.8 billion).

3 Total Exposure at Default includes the securitisation positions, resulting in adjusted 2012 figures to improve comparability with the June 2013 information presented. Total Exposure at Default does not include EAD calculated for equities not held for trading and other non-credit obligations.

Credit risk mitigation

Credit risk mitigation considers techniques that reduce credit risk associated with a credit facility or exposure. Activities related to credit risk mitigation mainly relate to offsetting financial assets and liabilities, enforcing master netting agreements or similar instruments and collateral management and guarantees.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the balance sheet if there is a legally enforceable right to set off the recognised amounts and there is either an intention to settle on a net basis or an intention to realise the asset and settle the liability simultaneously. The bank applies offsetting to the following items, provided they meet these criteria:

- Derivative contracts for which a market settlement mechanism (e.g. an exchange or clearing house) exists which effectively accomplishes net settlement through daily cash margining processes. However, bilateral OTC derivatives that are not cleared through a central clearing party and exchange-traded derivatives that are not margined on a daily basis are excluded from offsetting on the balance sheet;
- Certain (reverse) repurchase arrangements and securities financing transactions to the extent that financial assets and financial liabilities with a counterparty have the same maturity date;
- Debtor and creditor balances, such as current accounts and certain types of residential mortgages with customers' savings, where offsetting is justified by formal agreement with the client.

Enforcing master netting agreements or similar instruments

Enforceable master netting arrangements are all agreements with provisions that make offsetting exercisable in the event of default. In addition, agreements are enforceable when the bank has the right to offset and is unable to offset simultaneously. These arrangements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements.

Collateral management and guarantees

Collateral is any commitment made by a counterparty to which the bank can seek recourse in the event of default in order to reduce credit losses. The value of collateral is determined through a prudent valuation, based on a particular set of criteria, including the nature and specific type, the liquidity and the volatility of the price. It also incorporates the forced-sale context and the degree of priority of ABN AMRO's rights. The bank further uses third-party guarantees (from banks, governments, export credit agencies, etcetera) to mitigate risks. The credit quality of guarantors is initially assessed and continuously monitored to ensure their value in risk mitigation.

For further information on credit risk mitigation please refer to the Annual Report 2012.

The total amount of the balance sheet netting with gross liabilities decreased by EUR 19.3 billion to EUR 77.6 billion at 30 June 2013.

ABN AMRO has changed the reporting method for part of the residential mortgage collateral. Therefore, the comparative figures for 2012 have been adjusted. The (adjusted) collateral value of residential mortgages has decreased in line with the falling house prices in the Netherlands. This explains the decrease to EUR 213.1 billion at 30 June 2013 from EUR 221.8 billion at 31 December 2012.

The other collateral and guarantees for residential mortgages mainly involve NHG guarantees, the amount reported as NHG guarantee is the shortfall on the collateral value versus the residential mortgage, reflecting the potential claim under the NHG guarantee scheme.

The surplus collateral for the mortgage portfolio decreased with EUR 6.2 billion to EUR 76.2 billion at 30 June 2013 due to a decrease in overvalue caused by the fall in house prices.

Financial assets: offsetting, netting and collateral & guarantees as at 30 June 2013 (reviewed)

(in millions)									30 June 2013
	Offset in the statement of financial position			Not offset in the statement of financial position					Net exposure
	Carrying amount before balance-sheet netting	Balance sheet netting with gross liabilities	Carrying amount	Master netting agreement	Financial instruments collateral	Property & equipment	Other collateral and guarantees	Surplus collateral	
Derivatives held for trading	25,316	12,865	12,451	1,570					10,881
Other financial assets held for trading	7,055		7,055						7,055
Financial assets held for trading	**32,371**	**12,865**	**19,506**	**1,570**					**17,936**
Interest-bearing deposits	14,961	1,769	13,192						13,192
Loans and advances	8,642		8,642	7,671					971
Professional securities transactions	20,005	437	19,568	840	18,737			80	71
Other	586	293	293		95				198
Total Loans and receivables – banks	**44,194**	**2,499**	**41,695**	**8,511**	**18,832**			**80**	**14,432**
Loans and receivables – customers									
Residential mortgages[1]	162,390	6,135	156,255		181	213,122	5,380	76,187	13,759
Other consumer loans	16,870	981	15,889		1,705	6,446	249	86	7,575
Total consumer loans	**179,260**	**7,116**	**172,144**		**1,886**	**219,568**	**5,629**	**76,273**	**21,334**
Commercial loans[1]	129,359	46,734	82,625	182	13,569	30,457	9,384	4,278	33,311
Professional securities transactions	26,208	4,830	21,378	2,002	21,416			2,282	242
Other loans	4,371	18	4,353		3,240	2,613		1,856	356
Total commercial loans	**159,938**	**51,582**	**108,356**	**2,184**	**38,225**	**33,070**	**9,384**	**8,416**	**33,909**
Government and official institutions	5,085	3,546	1,539	521	22		167		829
Total Loans and receivables – customers	**344,283**	**62,244**	**282,039**	**2,705**	**40,133**	**252,638**	**15,180**	**84,689**	**56,072**
Accrued income and prepaid expenses	3,888		3,888						3,888
Total Accrued income and prepaid expenses	**3,888**		**3,888**						**3,888**
Non trading derivative assets	2,452		2,452	1,401					1,051
Other assets other	1,389		1,389		2		33		1,354
Other assets	**3,841**		**3,841**	**1,401**	**2**		**33**		**2,405**
Total on-balance sheet subject to netting and pledged agreements	**428,577**	**77,608**	**350,969**	**14,187**	**58,967**	**252,638**	**15,213**	**84,769**	**94,733**
Assets not subject to netting and pledged agreements	51,348		51,348						51,348
Total assets	**479,925**	**77,608**	**402,317**	**14,187**	**58,967**	**252,638**	**15,213**	**84,769**	**146,081**
Total off-balance sheet	**102,419**		**102,419**		**883**	**1,249**	**1,443**	**97**	**98,941**
Total on- and off-balance sheet	**582,344**	**77,608**	**504,736**	**14,187**	**59,850**	**253,887**	**16,656**	**84,866**	**245,022**

[1] Carrying amount includes fair value adjustment from hedge accounting and loan impairment allowances.

Financial assets: offsetting, netting and collateral & guarantees as at 31 December 2012 (reviewed)

(in millions)									31 December 2012
	Offset in the statement of financial position			Not offset in the statement of financial position					Net exposure
	Carrying amount before balance-sheet netting	Balance sheet netting with gross liabilities	Carrying amount	Master netting agree-ment	Financial instru-ments collateral	Property & equipment	Other collateral and guarantees	Surplus collateral	
Derivatives held for trading	38,106	22,380	15,726	1,896					13,830
Other financial assets held for trading	4,539		4,539						4,539
Financial assets held for trading	**42,645**	**22,380**	**20,265**	**1,896**					**18,369**
Interest-bearing deposits	22,580	1,122	21,458				60		21,398
Loans and advances	10,207		10,207	9,410					797
Professional securities transactions	17,963	3,687	14,276		13,810			4	470
Other	592	135	457		164				293
Total Loans and receivables – banks	**51,342**	**4,944**	**46,398**	**9,410**	**13,974**		**60**	**4**	**22,958**
Loans and receivables – customers									
Residential mortgages[1,2]	164,260	5,848	158,412		346	221,843	4,876	82,384	13,731
Other consumer loans	17,007	885	16,122		1,822	6,716	67	20	7,537
Total consumer loans	**181,267**	**6,733**	**174,534**		**2,168**	**228,559**	**4,943**	**82,404**	**21,268**
Commercial loans[1]	134,594	52,793	81,801	732	13,761	30,227	9,331	3,122	30,872
Professional securities transactions	19,451	4,956	14,495		14,380			93	208
Other loans	4,132	8	4,124		2,870	2,537		1,718	435
Total commercial loans	**158,177**	**57,757**	**100,420**	**732**	**31,011**	**32,764**	**9,331**	**4,933**	**31,515**
Government and official institutions	6,422	5,093	1,329	810	23		209		287
Total Loans and receivables – customers	**345,866**	**69,583**	**276,283**	**1,542**	**33,202**	**261,323**	**14,483**	**87,337**	**53,070**
Accrued income and prepaid expenses	3,940		3,940						3,940
Total Accrued income and prepaid expenses	**3,940**		**3,940**						**3,940**
Non trading derivative assets	3,563		3,563	1,961					1,602
Other assets other	1,761		1,761		2		36		1,723
Other assets	**5,324**		**5,324**	**1,961**	**2**		**36**		**3,325**
Total on-balance sheet subject to netting and pledged agreements	**449,117**	**96,907**	**352,210**	**14,809**	**47,178**	**261,323**	**14,579**	**87,341**	**101,662**
Assets not subject to netting and pledged agreements	41,548		41,548						41,548
Total assets	**490,665**	**96,907**	**393,758**	**14,809**	**47,178**	**261,323**	**14,579**	**87,341**	**143,210**
Total off-balance sheet	**106,755**		**106,755**		**2,436**	**1,747**	**1,950**	**120**	**100,742**
Total on- and off-balance sheet	**597,420**	**96,907**	**500,513**	**14,809**	**49,614**	**263,070**	**16,529**	**87,461**	**243,952**

1 Carrying amount includes fair value adjustment from hedge accounting and loan impairment allowances.

2 2012 comparative figures have been restated to improve comparability with the June 2013 information presented.

Financial liabilities: offsetting, netting and collateral & guarantees as at 30 June 2013 (reviewed)

(in millions)							30 June 2013
		Offset in the statement of financial position		Not offset in the statement of financial position			Net exposure
	Carrying amount before balance-sheet netting	Balance sheet netting with gross assets	Carrying amount	Master netting agree-ments	Financial instru-ments collateral	Surplus collateral	
Short security positions	4,146		4,146				4,146
Derivatives held for trading	24,925	12,865	12,060	8,374			3,686
Other liabilities held for trading	626		626				626
Financial liabilities held for trading	**29,697**	**12,865**	**16,832**	**8,374**			**8,458**
Deposits	17,820	2,143	15,677	1,392			14,285
Professional securities transactions	11,217	437	10,780	840	9,597		343
Other	43		43				43
Due to banks	**29,080**	**2,580**	**26,500**	**2,232**	**9,597**		**14,671**
Deposits	264,517	57,319	207,198	179			207,019
Professional securities transactions	29,340	4,830	24,510	2,001	25,786	3,363	86
Other borrowings	309		309				309
Due to customers	**294,166**	**62,149**	**232,017**	**2,180**	**25,786**	**3,363**	**207,414**
Accrued expenses and deferred income	5,134		5,134				5,134
Total Accrued expenses and deferred income	**5,134**		**5,134**				**5,134**
Non-trading derivative liabilities	8,283		8,283	1,248			7,035
Other liabilities other	2,827	14	2,813				2,813
Other liabilities	**11,110**	**14**	**11,096**	**1,248**			**9,848**
Total liabilities subject to netting arrangements	**369,187**	**77,608**	**291,579**	**14,034**	**35,383**	**3,363**	**245,525**
Remaining liabilities not subject to netting	97,224		97,224				97,224
Total liabilities	**466,411**	**77,608**	**388,803**	**14,034**	**35,383**	**3,363**	**342,749**
Total off-balance sheet	**16,878**		**16,878**				**16,878**
Total on- and off-balance sheet	**483,289**	**77,608**	**405,681**	**14,034**	**35,383**	**3,363**	**359,627**

Financial liabilities: offsetting, netting and collateral & guarantees as at 31 December 2012 (reviewed)

(in millions)							31 December 2012
			Offset in the statement of financial position		Not offset in the statement of financial position		Net exposure
	Carrying amount before balance-sheet netting	Balance sheet netting with gross assets	Carrying amount	Master netting agreements	Financial instruments collateral	Surplus collateral	
Short security positions	3,138		3,138				3,138
Derivatives held for trading	37,448	22,380	15,068	10,952			4,116
Other liabilities held for trading	576		576				576
Financial liabilities held for trading	**41,162**	**22,380**	**18,782**	**10,952**			**7,830**
Deposits	18,176	1,322	16,854	1,594			15,260
Professional securities transactions	7,938	3,578	4,360	261	4,063		36
Other	49		49				49
Due to banks	**26,163**	**4,900**	**21,263**	**1,855**	**4,063**		**15,345**
Deposits	265,014	64,473	200,541	302			200,239
Professional securities transactions	20,207	5,065	15,142	572	14,484	175	261
Other borrowings	338		338				338
Due to customers	**285,559**	**69,538**	**216,021**	**874**	**14,484**	**175**	**200,838**
Accrued expenses and deferred income	5,698		5,698				5,698
Total Accrued expenses and deferred income	**5,698**		**5,698**				**5,698**
Non-trading derivative liabilities	10,208		10,208	1,961			8,247
Other liabilities other	3,322	89	3,233				3,233
Other liabilities	**13,530**	**89**	**13,441**	**1,961**			**11,480**
Total liabilities subject to netting arrangements	**372,112**	**96,907**	**275,205**	**15,642**	**18,547**	**175**	**241,191**
Remaining liabilities not subject to netting	105,670		105,670				105,670
Total liabilities	**477,782**	**96,907**	**380,875**	**15,642**	**18,547**	**175**	**346,861**
Total off-balance sheet	**16,777**		**16,777**				**16,777**
Total on- and off-balance sheet	**494,559**	**96,907**	**397,652**	**15,642**	**18,547**	**175**	**363,638**

Credit risk concentration

Credit concentration risk is the risk of insufficient diversification of risks within a portfolio, due to a number of positively correlated counterparties. Concentrations are monitored against limits set in the bank's risk appetite in order to support the moderate risk profile.

Geographic concentration

Geographic concentration risk is defined as the risk of credit losses due to country-specific events or circumstances. A number of the bank's business lines are either located outside the Netherlands or have clients who operate internationally. This risk is managed through the setting of country credit limits, which are reviewed at least once a year.

Geographic concentration by Exposure at Default

(in millions, Exposure at Default)						30 June 2013
	The Netherlands	Rest of Europe	USA	Asia	Rest of the world	Total
Central governments and central banks	31,906	11,519	1,838	117	13	45,393
Institutions[1]	4,527	9,615	4,156	2,962	489	21,749
Corporates	62,742	19,330	4,866	5,851	7,331	100,120
Retail	130,436	12				130,448
- of which Retail mortgages	110,820	10				110,830
- of which Qualifying revolving exposures	7,232					7,232
- of which Other retail	12,384	2				12,386
Securitisation positions[2]	45,795					45,795
Total Exposure at Default[3]	**275,406**	**40,476**	**10,860**	**8,930**	**7,833**	**343,505**
Percentage of total	80.2%	11.8%	3.2%	2.6%	2.3%	100.0%

						31 December 2012
	The Netherlands	Rest of Europe	USA	Asia	Rest of the world	Total
Central governments and central banks	37,542	8,159	151	113	1	45,966
Institutions[1]	3,912	8,333	1,506	1,945	466	16,162
Corporates	65,467	21,308	4,630	4,790	7,485	103,680
Retail	139,347	63	1	1	2	139,414
- of which Retail mortgages	118,491	63				118,554
- of which Qualifying revolving exposures	6,819					6,819
- of which Other retail	14,037		1	1	2	14,041
Securitisation positions[2]	35,493					35,493
Total Exposure at Default[3]	**281,761**	**37,863**	**6,288**	**6,849**	**7,954**	**340,715**
Percentage of total	82.7%	11.1%	1.8%	2.0%	2.3%	100.0%

1 Institutions include exposures to banks and investment undertakings, regional governments and local authorities, and pension funds.

2 Securitisation positions is including retail mortgages (30 June 2013: EAD EUR 44.7 billion and RWA EUR 3.6 billion, 31 December 2012: EAD EUR 34.0 billion and RWA EUR 2.5 billion) and SME loans (30 June 2013: EAD EUR 1.1 billion and RWA EUR 0.4 billion, 31 December 2012: EAD EUR 1.5 billion and RWA EUR 0.8 billion).

3 Total Exposure at Default includes the securitisation positions, resulting in adjusted 2012 figures to improve comparability with the June 2013 information presented. Total Exposure at Default does not include EAD calculated for equities not held for trading and other non-credit obligations.

ABN AMRO's credit risk exposure is focused primarily on the Netherlands (80.2%). Exposures outside the Netherlands are mainly concentrated in Energy, Commodities & Transportation (ECT), ABN AMRO Clearing and Private Banking International (PBI). International growth is capability-led, focusing on ECT, PBI and asset-based financing. European credit exposure outside the Netherlands of EUR 40.5 billion is concentrated in the countries surrounding the Netherlands: France (25.2%), Belgium (17.1%), the United Kingdom (14.5%) and Germany (11.2%).

The exposure to central governments and central banks in the Netherlands declined by EUR 5.6 billion due to a net reduction of EUR 6.9 billion on exposures to the Dutch central bank. The exposure in the rest of Europe increased by EUR 2.6 billion to EUR 40.5 billion, mainly due to central governments and central banks. This is mostly due to increased exposures on Germany. The exposure to the USA in central governments and central banks increased by EUR 1.7 billion due to a purchase of US treasury bonds.

European government and government-guaranteed exposures

(in billions)		30 June 2013			31 December 2012	
	Government	Government guaranteed	Gross carrying amount	Government	Government guaranteed	Gross carrying amount
Netherlands	12.1		12.1	12.6		12.6
France	4.2		4.2	2.5		2.5
Germany	2.2		2.2	1.8		1.8
Austria	1.4		1.4	1.4		1.4
Greece		0.4	0.4		1.0	1.0
Belgium	2.8		2.8	0.8		0.8
Rest of Europe	1.3		1.3	1.0		1.0
Finland	0.7		0.7	0.7		0.7
Italy	0.4		0.4	0.4		0.4
Poland	0.2		0.2	0.3		0.3
United Kingdom	0.2		0.2	0.2		0.2
Spain	0.1		0.1	0.1		0.1
Total European exposure	**25.6**	**0.4**	**26.0**	**21.8**	**1.0**	**22.8**

ABN AMRO's government and government-guaranteed exposure outside the Netherlands rose to EUR 13.9 billion in the first half of 2013 due to increased exposures in France, Germany and Belgium, party offset by the sale of the Greek goverment-guaranteed corporate exposure. As of 30 June 2013, the Greek government-guaranteed corporate exposures amounted to EUR 0.4 billion. The increase in exposure to France, Germany and Belgium relates to diversification of the bank's liquidity portfolio. The bank remained cautious towards the level of credit risk exposures in Europe, as tension in the eurozone remained high during the first half of 2013.

Industry concentration

Industry concentration is presented both in terms of original obligor and in terms of resultant obligor. Original obligor refers to the counterparty with whom ABN AMRO originally has the contractual relationship, often referred to as the borrower. The resultant obligor is the counterparty to which ABN AMRO has the ultimate credit risk, often referred to as the guarantor.

Industry concentration by Exposure at Default

(in millions, Exposure at Default)	30 June 2013				31 December 2012			
	Original obligor Exposure at Default	Percentage of total	Resultant obligor Exposure at Default	Percentage of total	Original obligor Exposure at Default	Percentage of total	Resultant obligor Exposure at Default	Percentage of total
Industry sector								
Banks	16,935	4.9%	16,955	5.0%	14,597	4.3%	14,251	4.2%
Financial services[1]	9,597	2.8%	9,679	2.8%	10,136	3.0%	10,240	3.0%
Industrial goods and services	19,314	5.6%	19,106	5.6%	18,599	5.3%	18,447	5.4%
Real estate	14,455	4.2%	11,680	3.4%	14,688	4.3%	12,041	3.6%
Oil and gas	7,740	2.3%	7,657	2.2%	8,349	2.5%	8,350	2.5%
Food and beverage	8,888	2.6%	8,809	2.6%	9,093	2.7%	8,997	2.6%
Retail	8,173	2.4%	7,995	2.3%	7,712	2.3%	7,525	2.2%
Basic resources	4,548	1.3%	4,527	1.3%	4,445	1.3%	4,410	1.3%
Healthcare	4,522	1.3%	4,220	1.2%	4,514	1.3%	3,866	1.1%
Construction and materials	3,339	1.0%	3,155	0.9%	3,806	1.1%	3,714	1.1%
Other[2]	30,088	8.7%	31,159	9.1%	43,443	12.8%	43,056	12.6%
Subtotal Industry Classification Benchmark	**127,599**	**37.1%**	**124,942**	**36.4%**	**139,382**	**40.9%**	**134,897**	**39.6%**
Private individuals (non-Industry Classification Benchmark)	177,496	51.7%	177,496	51.7%	170,123	49.9%	170,229	50.0%
Public administration (non-Industry Classification Benchmark)	38,410	11.2%	41,067	11.9%	31,210	9.2%	35,589	10.4%
Subtotal non-Industry Classification Benchmark	**215,906**	**62.9%**	**218,563**	**63.6%**	**201,333**	**59.1%**	**205,818**	**60.4%**
Total Exposure at Default[3]	**343,505**	**100.0%**	**343,505**	**100.0%**	**340,715**	**100.0%**	**340,715**	**100.0%**

1 Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.

2 Other includes travel and leisure, utilities, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.

3 Total Exposure at Default includes the securitisation positions, resulting in adjusted 2012 figures to improve comparability with the June 2013 information presented. Total Exposure at Default does not include EAD calculated for equities not held for trading and other non-credit obligations. EAD on securitisation positions are included in industry sectors 'other' and 'private individuals'.

The industry view based on original obligor and resultant obligor differs strongly for real estate, healthcare and public administration. The government-guaranteed exposures are included in the original obligor view under the applicable industry sector, but in the resultant obligor view these exposures are included in the public administration industry sector, as they concern government-related exposure. This mainly applies to real estate and healthcare exposures as in these sectors exposures are usually guaranteed by government-related parties.

The real estate portfolio includes social housing, and the exposure to social housing amounted to EUR 4.5 billion, of which EUR 2.7 billion is guaranteed by *'Waarborgfonds Sociale Woningbouw (WSW)'*. This explains the difference between real estate exposure in the original obligor view and the resultant obligor view.

The table on the previous page shows that the portfolio is well diversified across the industries. Industrial goods and services comprise a broad variety of sub-sectors, including industrial transportation. The significant concentration of credit risk exposures observed in private individuals consists mainly of residential mortgages and, to a lesser extent, consumer loans.

Credit risk breakdown by specific products and types of financing

Residential mortgages

The following overview shows key figures of the bank's mortgage portfolio.

Residential mortgages indicators

(in millions)	30 June 2013	31 December 2012
Carrying amount[1]	156,255	158,412
Exposure at Default[2]	155,515	152,523
- of which Retail mortgages	110,830	118,554
- of which Securitisation positions[3]	44,685	33,969
Risk-weighted assets[4]	18,267	17,105
Past due but not impaired	3,315	3,562
Past due ratio	2.1%	2.2%
Collateral	218,683	227,065
Collateral/carrying amount	140.0%	143.3%
Coverage ratio	21.7%	19.4%
Impaired ratio	1.1%	0.9%

1 Carrying amount includes fair value adjustment from hedge accounting and loan impairment allowances.

2 Retail mortgages EAD does not include EAD relating to mortgage securitisation positions sold.

3 Securitisation positions include the mortgage securitisation positions and exclude the SME securitisation positions (30 June 2013: EAD EUR 1.1 billion, 31 December 2012: EAD EUR 1.5 billion).

4 Risk-weighted assets include RWA on mortgage securitisation positions and exclude the SME securitisation positions (30 June 2013: RWA EUR 0.4 billion, 31 December 2012: RWA EUR 0.8 billion).

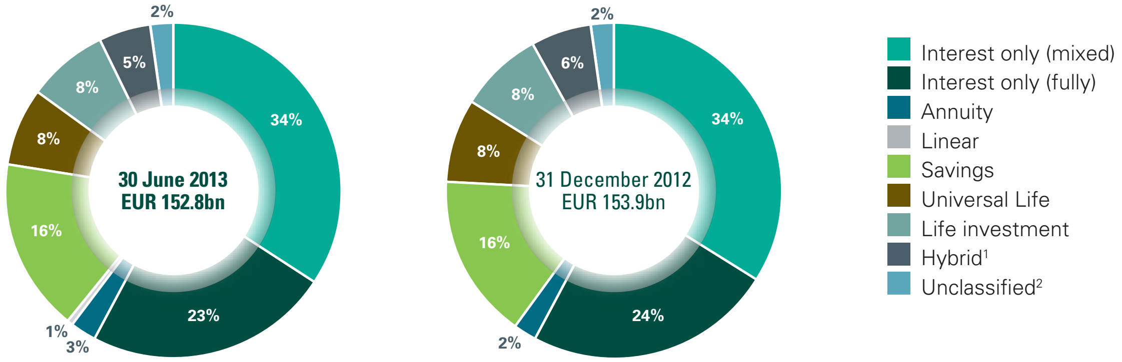
In the first half of 2013, the housing market in the Netherlands continued to suffer from the challenging macro-economic climate, lack of consumer confidence and tightened tax deductibility of mortgage interest following new legislation. House prices continued to decline. At 30 June 2013, house prices were 4.9% lower than at 31 December 2012 and 9.6% lower than at 30 June 2012 (source: Statistics Netherlands (CBS)).

The maximum loan amount for government-guaranteed loans (NHG) was reduced from EUR 320,000 to EUR 290,000 at 1 July 2013 and will be further capped to pre-crisis levels of EUR 265,000 by July 2014.
The government will also restrict residential mortgage financing by reducing the maximum Loan-to-Market Value (LtMV) of a mortgage loan from 105% in 2013 to 100% in 2018 (including 2% transfer tax).

On 30 June 2013, the bank's total mortgage portfolio in the Netherlands was EUR 152.8 billion, 0.7% lower than in in the fourth quarter of 2012. Of the total mortgage book, 23% is NHG-guaranteed. The portfolio breaks down into 57% of interest-only mortgages, of which 23% is 100% interest-only, as shown in the following pie chart.

The impaired mortgage portfolio amounted to EUR 1.7 billion at 30 June 2013 (EUR 1.5 billion at year-end 2012). This resulted in an increase in the impaired rate from 0.9% (year-end 2012) to 1.1% (June 2013). The coverage ratio for mortgages increased to 21.7% from 19.4% to cover for lower recovery results. Impairment charges of residential mortgages amounted to EUR 179 million (30 June 2012: EUR 86 million).

Residential mortgages portfolio breakdown by loan type



[1] The hybrid portfolio consists of a combination of savings and investment mortgages.

[2] The unclassified portfolio of EUR 3,169 million as at 30 June 2013 consists of bridge loans, flexible loans and tailor-made products.

Residential mortgages to indexed market value for 100% interest only

	30 June 2013	31 December 2012
	Percentage of total	Percentage of total
Loan-to-Market Value category[1]		
<50%	9%	10%
50%-70%	7%	8%
70%-100%	6%	5%
>100%	1%	1%
Total	**23%**	**24%**

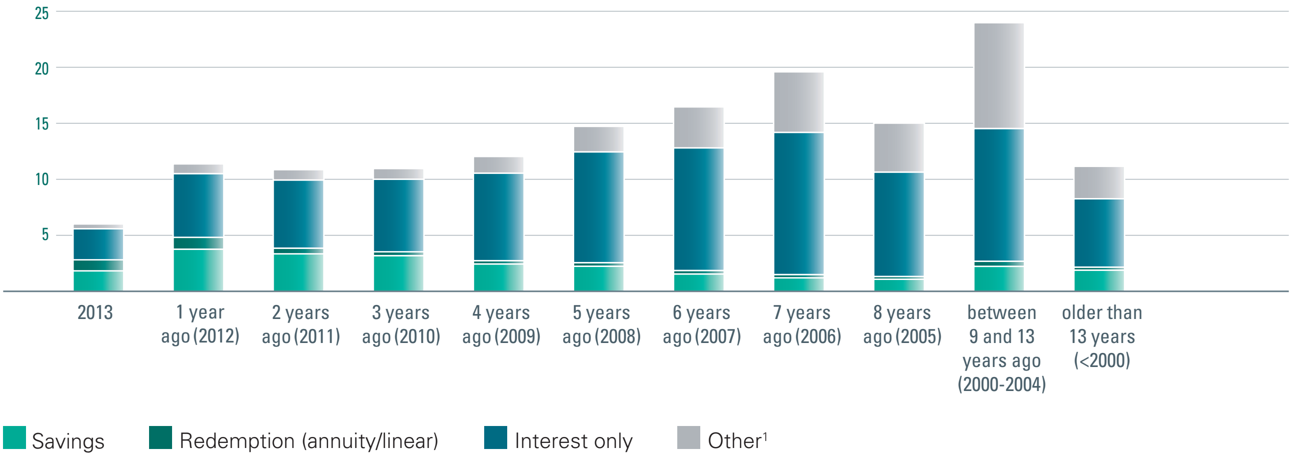
[1] ABN AMRO calculates the Loan-to-Market Value using the indexation of the Dutch Land Registry Office (Kadaster).

The table shows the LtMV for the 100% interest only mortgage portfolio. Clients with interest only (100%) mortgages comprised 23% of the total mortgage portfolio, but only 1% of the total mortgage portfolio was 100% interest only and had an LtMV above 100%. The interest only (100%) mortgages were mainly provided to clients that also had credit balances (savings, investment accounts) with ABN AMRO.

Production volumes of residential mortgages at ABN AMRO decreased by 27% compared to the first half of 2012 and in line with the decline of the total market size for new mortgages by 23% (until 30 June 2013) (source: Dutch Land Registry Office, *Kadaster*). The decline was caused by changes to the Dutch mortgage regime in the beginning of 2013. The bank's production in the second quarter of 2013 was 20% lower than the first quarter of 2013 due to fiscal changes and regular seasonal patterns.

Historically, residential mortgages in the Netherlands are composed of different types of mortgages, e.g. a combination of interest only and savings mortgages. As from January 2013, new mortgages need to have 100% annuity redemption in order to be eligible for tax deduction. As a result, new production consists mainly of annuity mortgages, while interest only mortgages are decreasing further. The graph shows a small shift from interest only and savings mortgages to annuity mortgages in the first half of 2013.

Breakdown of the mortgage portfolio by year of loan origination
(in billions)



[1] Other consists of life, investment, hybrid and part the unclassified mortgage types (EUR 1,086 out of a total unclassified portfolio of EUR 3,169). The remaining unclassified portfolio of EUR 2,083 is not incorporated.

Residential mortgages to indexed market value

(in millions)	30 June 2013		31 December 2012	
	Gross carrying amount	Percentage of total	Gross carrying amount	Percentage of total
Loan-to-Market Value category[1]				
NHG	35,557	23%	34,828	23%
<50%	22,156	15%	23,589	15%
50%-60%	9,042	6%	9,627	6%
60%-70%	10,617	7%	11,373	7%
70%-80%	11,203	7%	11,347	7%
80%-90%	12,285	8%	13,164	9%
90%-100%	13,878	9%	14,612	9%
100%-110%	13,721	9%	13,649	9%
110%-120%	12,273	8%	13,026	9%
120%-130%	7,117	5%	4,404	3%
>130%	1,963	1%	1,453	1%
Unclassified[2]	2,943	2%	2,803	2%
Total	**152,755**	**100%**	**153,875**	**100%**

[1] ABN AMRO calculates the Loan-to-Market Value using the indexation of the Dutch Land Registry Office *(Kadaster)*. Savings pledged for loan repayments are deducted from the loan amount.

[2] The classified portfolio represents 98% of the total mortgage portfolio. The unclassified part of the portfolio still comprises several smaller portfolios administrated by external providers. EUR 226 million of the unclassified portfolio is incorporated into the table above; the remaining EUR 2,943 million unclassified is not incorporated.

The challenging economic conditions in the Netherlands adversely affected the asset quality of ABN AMRO's mortgage portfolio. The decline in residential property value of the mortgages resulted in an increase in the average LtMV of the mortgage portfolio to 83.5% (30 June 2013) from 81.5% (year-end 2012). Although 23% is above an indexed LtMV of 100%, this does not directly imply that clients with these mortgages are facing financial difficulties. Additional voluntary repayments continued to increase in the first half of 2013. These additional voluntary repayments have a positive impact on the LtMV of the portfolio.

Business Banking

Commercial clients with a turnover up to EUR 30 million are served by Business Banking, which is currently in the process of transforming to a sector knowledge-based model. Business Banking has a diversified portfolio across all sectors. Client activities are mostly related to the Netherlands. The loan book of Business Banking contracted in the first half of 2013.

Credit risk in the Business Banking portfolio increased due to further deterioration of the Dutch economy. Impairment charges increased in the first half of 2013, mostly in respect of clients that are already served by Financial Restructuring & Recovery (FR&R). Inflow in FR&R remained relatively high. In 2013, the inflow was seen across all industry sectors. Due to deteriorating collateral value, impaired loans within FR&R needed additional provisions.

ABN AMRO has taken various additional measures to mitigate Business Banking credit risk. All employees at Business Banking are enrolled in a permanent credit risk education programme. Loan approval policies have been tightened and should meet minimum expected risk adjusted return criteria. Early warning procedures to detect risk deterioration have proven their effectiveness, as witnessed by decreasing past due exposures.

Real estate

Real estate includes client's own use, real estate investment and real estate development. At 30 June 2013, ABN AMRO's real estate Exposure at Default based on the original obligor view amounted to EUR 14.5 billion (EUR 14.7 billion at year-end 2012). Original obligor refers to the counterparty with whom ABN AMRO originally has the contractual relationship, often referred to as the borrower. The exposure in the resultant obligor view amounted to EUR 11.7 billion (EUR 12.0 billion at year-end 2012). The resultant obligor is the counterparty to which ABN AMRO has the ultimate credit risk, often referred to as the guarantor.

The real estate portfolio includes social housing, and the exposure to social housing amounted to EUR 4.5 billion, of which EUR 2.7 billion is guaranteed by *'Waarborgfonds Sociale Woningbouw (WSW)'*. This explains the difference between real estate exposure in the original obligor view and the resultant obligor view.

On 30 June 2013, the impaired exposures in real estate amounted to EUR 730 million (up from EUR 696 million year-end 2012). The coverage ratio for the impaired portfolio was 64% at 30 June 2013. Impairment charges related to real estate amounted to EUR 47 million at 30 June 2013.

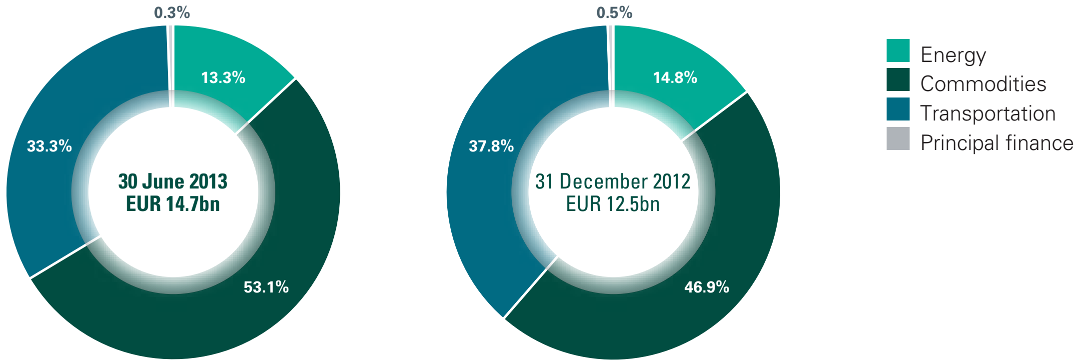
ABN AMRO defines Commercial Real Estate (CRE) as land or property owned by project developers or investors with the purpose to develop, to trade or to rent land or property. The credit quality of the counterparty depends on real estate generating cash flows and income-producing real estate. The majority of the CRE portfolio consists of investments in Dutch property. Around 30% is related to LC&MB clients. The Business Banking CRE portfolio has an exposure comparable in size. In general, exposures to office investments and land banks are limited.

Energy, Commodities & Transportation

ABN AMRO pursues a controlled growth strategy for Energy, Commodities and Transportation (ECT) globally. The combined on- and off-balance sheet growth of 19% was realised as a result of higher business volumes in the commodities sector in Asia and the USA as well as in the energy sector in the USA. The strengthening of the US dollar (+1.6%) contributed to the overall growth as well, although this was offset by a decline in prices for most commodities, generally resulting in a lower utilisation of credit lines.

The carrying amount of the ECT on-balance sheet loan portfolio, which is mainly USD denominated, amounted to an equivalent of EUR 14.7 billion (year-end 2012: EUR 12.5 billion). The off-balance sheet exposure, mainly consisting of short-term letters of credit secured by commodities and uncommitted credit facilities, increased by EUR 4.7 billion to EUR 28,7 billion (2012: EUR 24.0 billion). The bulk of the ECT on-balance loan portfolio was in the commodities sector, while the remainder comprised loans to clients in the transportation (33%) and energy (13%) sectors.

Energy, Commodities & Transportation



Markets remained challenging in certain parts of the shipping industry, in particular the tanker and dry cargo markets. The risk appetite of the dry bulk and tanker sectors includes a conservative deal intake with long-standing well known relationships only.

ABN AMRO monitors and manages the credit risk profile of the portfolio in line with respective market sentiment and trends. To monitor the risks in the portfolio, ABN AMRO continuously conducts deep dives (in-depth analyses) on specific ECT subsectors with increased risk, including stress tests. In the first half of 2013, deep dives were carried out for the metals sector in commodities and for dry bulk and tankers in transportation.

Specific loan impairment charges for ECT over the first half of 2013, mainly attributable to the commodities sector, amounted to EUR 14.5 million (first half of 2012: EUR 0.9 million). The annualised loss rate over the first half year of 2013, expressed as impairment charges over the on-balance sheet outstanding amount, equals 20 basis points. This is relatively low given the current economic environment.

Management of loans at risk and impaired loans

Past due credit risk exposures

A financial asset is past due if a counterparty has failed to make a payment when contractually due or if it has exceeded an agreed limit. ABN AMRO starts counting days past due from the first day that a counterparty is past due on any financial obligation regardless of the amount. Exposures are classified as being in default when the past due trigger of 90 days has been reached and a certain threshold (if applicable) has been exceeded.

Ageing of past due (reviewed)

(in millions)								30 June 2013
	Gross carrying amount	Carrying amount of assets (not classified as impaired)	Of which past due					Past due ratio
			< = 30 days past due	> 30 days & <= 60 days past due	> 60 days & <= 90 days past due	>90 days past due	Total past due but not impaired	
Loans and receivables – banks	**41,719**	**41,696**						**0.0%**
Loans and receivables – customers								
Residential mortgage[1]	156,719	154,986	1,579	1,288	448		3,315	2.1%
Other consumer loans	16,402	15,603	105	29	18	32	184	1.1%
Total consumer loans[2]	**173,121**	**170,589**	**1,684**	**1,317**	**466**	**32**	**3,499**	**2.0%**
Commercial loans[1]	86,276	81,034	111	7	2	3	123	0.1%
Other commercial loans[3]	25,836	25,693	10	2	1	2	15	0.1%
Total commercial loans	**112,112**	**106,727**	**121**	**9**	**3**	**5**	**138**	**0.1%**
Government and official institutions	1,539	1,539						0.0%
Total Loans and receivables – customers	**286,772**	**278,855**	**1,805**	**1,326**	**469**	**37**	**3,637**	**1.3%**
Accrued income and prepaid expenses	3,888	3,888						0.0%
Total accrued income and prepaid expenses	**3,888**	**3,888**						**0.0%**
Other assets	**3,844**	**3,835**	**79**	**6**	**1**		**86**	**2.2%**
Total	**336,223**	**328,274**	**1,884**	**1,332**	**470**	**37**	**3,723**	**1.1%**

[1] Carrying amount includes fair value adjustment from hedge accounting.

[2] Consumer loans in the programme lending portfolio that are more than 90 days past due are immediately impaired.

[3] Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

(in millions)								31 December 2012
	Gross carrying amount	Carrying amount of assets (not classified as impaired)	Of which past due					Past due ratio
			< = 30 days past due	> 30 days & <= 60 days past due	> 60 days & <= 90 days past due	>90 days past due	Total past due but not impaired	
Loans and receivables – banks	**46,426**	**46,402**						**0.0%**
Loans and receivables – customers								
Residential mortgage[1]	158,781	157,277	1,652	1,433	477		3,562	2.2%
Other consumer loans	16,568	15,893	28	14	8	34	84	0.5%
Total consumer loans[2]	**175,349**	**173,170**	**1,680**	**1,447**	**485**	**34**	**3,646**	**2.1%**
Commercial loans[1]	86,395	80,109	145	16	4	23	188	0.2%
Other commercial loans[3]	18,722	18,602	10	1	1	2	14	0.1%
Total commercial loans	**105,117**	**98,711**	**155**	**17**	**5**	**25**	**202**	**0.2%**
Government and official institutions	1,329	1,329						0.0%
Total Loans and receivables – customers	**281,795**	**273,210**	**1,835**	**1,464**	**490**	**59**	**3,848**	**1.4%**
Accrued income and prepaid expenses	3,940	3,940						0.0%
Total accrued income and prepaid expenses	**3,940**	**3,940**						**0.0%**
Other assets	**5,328**	**5,315**	**55**				**55**	**1.0%**
Total	**337,489**	**328,867**	**1,890**	**1,464**	**490**	**59**	**3,903**	**1.2%**

1 Carrying amount includes fair value adjustment from hedge accounting.

2 Consumer loans in the programme lending portfolio that are more than 90 days past due are immediately impaired.

3 Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

The total past due ratio fell by 0.1% to 1.1% at 30 June 2013, mainly due to a decline in the past due exposure in the mortgage portfolio. The mortgage portfolio in arrears (past due up to 90 days) decreased from EUR 3.6 billion at 31 December 2012 to EUR 3.3 billion at 30 June 2013 after an initial increase in the first quarter. This decrease was driven by the payment of the annual holiday allowances in May and June, which clients used to pay their mortgage arrears.

Impaired credit exposures

In the first half of 2013, a total reversal of impairment allowances of EUR 550 million was noted for the Greek government-guaranteed corporate exposures (EUR 297 million) and Madoff-related files (EUR 253 million). Due to the reversals of these impairment allowances, the total impaired charges on loans and receivables were reduced to EUR 216 million in the first half of 2013 compared to EUR 554 million in the first half of 2012.

In the past, ABN AMRO provided loans to various funds that were affected by the Madoff fraud. Following the unveiling of the fraud in 2008, the Madoff-related exposures amounting to EUR 1.0 billion were fully impaired. In addition to recoveries in previous years, ABN AMRO sold collateral on part of the exposures in June 2013, which resulted in a release of EUR 0.3 billion and a write-off of EUR 0.1 million. The remaining fully impaired Madoff-related exposures amounted to EUR 0.5 billion at 30 June 2013.

Following the sale of a second tranche of Greek government-guaranteed corporate exposures, the outstanding notional amount decreased to EUR 0.4 billion. As a result, the related allowances have been released. Additionally, a reassessment of the remaining exposures resulted in a partial release of the allowance for remaining exposures. Including related write-offs and currency exchange differences, the remaining exposure after impairments decreased to EUR 0.2 billion.

Impaired credit risk exposures by industry sector

(in millions)	30 June 2013				31 December 2012		
	Exposure at Default	Impaired exposures	Allowances for impairments for identified credit risk	Impairment charges for the period	Exposure at Default	Impaired exposures	Allowances for impairments for identified credit risk
Industry sector							
Banks	16,935	23	-23	-1	14,597	24	-24
Financial services[1]	9,597	933	-813	-174	10,136	1,237	-1,101
Industrial goods and services	19,314	1,591	-748	-183	18,599	2,275	-1,422
Real Estate	14,455	730	-467	47	14,688	696	-458
Oil and gas	7,740	93	-89	11	8,349	106	-106
Food and beverage	8,888	411	-228	41	9,093	401	-203
Retail	8,173	474	-267	80	7,712	415	-231
Basic Resources	4,548	161	-109	-29	4,445	259	-215
Healthcare	4,522	45	-21	2	4,514	43	-19
Construction and materials	3,339	368	-261	43	3,806	360	-247
Other[2]	30,088	681	-360	15	43,443	661	-354
Subtotal Industry Classification Benchmark	**127,599**	**5,510**	**-3,386**	**-148**	**139,382**	**6,477**	**-4,380**
Private individuals (non-Industry Classification Benchmark)	177,496	2,441	-778	263	170,123	2,095	-617
Public administration (non-Industry Classification Benchmark)	38,410				31,210	57	-53
Subtotal non-Industry Classification Benchmark	**215,906**	**2,441**	**-778**	**263**	**201,333**	**2,152**	**-670**
Total[3, 4]	**343,505**	**7,951**	**-4,164**	**115**	**340,715**	**8,629**	**-5,050**

[1] Financial services include asset managers, credit card companies and providers of personal financial services and securities and brokers.

[2] Other includes travel and leisure, utilities, personal and household goods, media, technology, automobiles and parts, chemicals, telecommunication and insurance, in addition to unclassified.

[3] Total Exposure at Default includes the securitisation positions, resulting in adjusted 2012 figures to improve comparability with the June 2013 information presented. Total Exposure at Default does not include EAD calculated for equities not held for trading and other non-credit obligations. EAD on securitisation positions are included in industry sectors 'other' and 'private individuals'.

[4] Amounts excluding Incurred But Not Identified (IBNI).

Total impaired credit risk exposures decreased by EUR 678 million to EUR 7,951 million in the first half of 2013 from EUR 8,629 million at year-end 2012, with the most significant decline registered in the industry sector industrial goods & services and in financial services. The decrease in industrial goods and services was caused by the sale of Greek government-guaranteed corporate exposures. The decline in financial services reflects the sale of Madoff-related collateral.

Loan impairment charges on- and off-balance sheet (reviewed)

(in millions)	First half 2013	First half 2012
On-balance sheet	215	552
Off-balance sheet	1	2
Total impairment charges on loans and other receivables	**216**	**554**

Loan impairment charges & allowances (reviewed)

(in millions)	Banks	Commercial loans[1]	Consumer loans – mortgages	Other consumer loans	Total
Balance as at 1 January 2013	**28**	**4,697**	**370**	**445**	**5,540**
Impairment charges for the period		670	217	163	1,050
Reversal of impairment allowances no longer required	-4	-756	-36	-14	-810
Recoveries of amounts previously written off		-3	-2	-20	-25
Total impairment charges on loans and other receivables	**-4**	**-89**	**179**	**129**	**215**
Amount recorded in interest income from unwinding of discounting		-13	-2	-4	-19
Currency translation differences		16			16
Amounts written off (net)		-878	-82	-59	-1,019
Reserve for unearned interest accrued on impaired loans		20		3	23
Other adjustments		3	-2		1
Balance as at 30 June 2013	**24**	**3,756**	**463**	**514**	**4,757**

[1] Commercial loans included a release for the Greek government-guaranteed corporate exposures of EUR 297 million and Madoff-related collateral of EUR 253 million.

(in millions)	Banks	Commercial loans[1]	Consumer loans – mortgages	Other consumer loans	Total
Balance as at 1 January 2012	**26**	**4,895**	**281**	**344**	**5,546**
Impairment charges for the period	5	517	117	77	716
Reversal of impairment allowances no longer required	-2	-135	-29	15	-151
Recoveries of amounts previously written off		-4	-2	-7	-13
Total impairment charges on loans and other receivables	**3**	**378**	**86**	**85**	**552**
Amount recorded in interest income from unwinding of discounting		32	-3	8	37
Currency translation differences		26		1	27
Amounts written off (net)		-433	-78	-68	-579
Reserve for unearned interest accrued on impaired loans					
Other adjustments		24	1	-16	9
Balance as at 30 June 2012	**29**	**4,922**	**287**	**354**	**5,592**

[1] Commercial loans included a release for the Greek government-guaranteed corporate exposures of EUR 125 million.

Excluding the reversals and recoveries of Greek government-guaranteed corporate exposures and Madoff-related files, impairment charges in the first half of 2013 increased substantially by 38% compared to the first half of 2012. Write-offs almost doubled; excluding Greek government-guaranteed corporate exposures and Madoff-related files, write-offs were EUR 717 million, up by 24%.

Within consumer loans, the impairment charges for residential mortgages increased by 85%, reflecting the adverse housing market in the Netherlands. Similar developments are visible for other consumer loans.

Within commercial loans, impairment charges increased by 30% mainly for Business Banking clients in line with the increase in the number of Business Banking clients under management by Financial Restructuring & Recovery.

Coverage and impaired ratio (reviewed)

(in millions)	30 June 2013					31 December 2012				
	Gross carrying amount	Impaired expo-sures	Allowances for Impair-ments for identified credit risk	Coverage ratio	Impaired ratio	Gross carrying amount	Impaired expo-sures	Allowances for Impair-ments for identified credit risk	Coverage ratio	Impaired ratio
Loans and receivables – banks	**41,719**	**23**	**-23**	**100.0%**	**0.1%**	**46,426**	**24**	**-24**	**100.0%**	**0.1%**
Loans and receivables – customers										
Residential mortgages[1]	156,719	1,733	-376	21.7%	1.1%	158,781	1,504	-292	19.4%	0.9%
Other consumer loans	16,402	799	-436	54.6%	4.9%	16,568	675	-392	58.1%	4.1%
Total consumer loans	**173,121**	**2,532**	**-812**	**32.1%**	**1.5%**	**175,349**	**2,179**	**-684**	**31.4%**	**1.2%**
Commercial loans[1, 2]	86,276	5,242	-3,240	61.8%	6.1%	86,395	6,286	-4,253	67.7%	7.3%
Other commercial loans[3]	25,836	143	-86	60.1%	0.6%	18,722	120	-85	70.8%	0.6%
Total commercial loans	**112,112**	**5,385**	**-3,326**	**61.8%**	**4.8%**	**105,117**	**6,406**	**-4,338**	**67.7%**	**6.1%**
Government and official institutions	1,539				0.0%	1,329				0.0%
Total Loans and receivables – customers	**286,772**	**7,917**	**-4,138**	**52.3%**	**2.8%**	**281,795**	**8,585**	**-5,022**	**58.5%**	**3.0%**
Accrued income and prepaid expenses	3,888				0.0%	3,940				0.0%
Total accrued income and prepaid expenses	**3,888**				**0.0%**	**3,940**				**0.0%**
Other assets	**3,844**	**9**	**-3**	**33.3%**	**0.2%**	**5,328**	**13**	**-4**	**30.8%**	**0.2%**
Total on-balance sheet	**336,223**	**7,949**	**-4,164**	**52.4%**	**2.4%**	**337,489**	**8,622**	**-5,050**	**58.6%**	**2.6%**
Total off-balance sheet	**102,421**	**2**		**0.0%**	**0.0%**	**106,756**	**7**		**0.0%**	**0.0%**
Total[4]	**438,644**	**7,951**	**-4,164**	**52.4%**	**1.8%**	**444,245**	**8,629**	**-5,050**	**58.5%**	**1.9%**

1 Carrying amounts include fair value adjustment from hedge accounting.

2 Includes impairments on Madoff and the Greek government-guaranteed corporate exposures.

3 Other commercial loans consist of reverse repurchase agreements, securities borrowing transactions, financial lease receivables and factoring.

4 Amounts excluding Incurred But Not Identified (IBNI).

The impaired ratio decreased to 1.8% at 30 June 2013 from 1.9% at 31 December 2012, mainly as a result of the decreased impaired exposures. Within total consumer loans, the impaired ratio increased to 1.5% at June 2013 from 1.2% at 31 December 2012. This increase is explained by the continuing poor economic conditions in the Netherlands in general and the housing market in particular. The coverage ratio for mortgages increased to 21.7% from 19.4% to cover for lower recovery results. Within other consumer loans, there are significant impaired exposures which were well collateralised, resulting in a decrease in the coverage ratio to 54.6% from 58.1%. For commercial loans, the decrease in impaired exposures caused the impaired ratio to come down to 4.8% from 6.1%. The coverage ratio decreased to 61.8% from 67.7% due to the decrease of the loan loss allowances. The changes in ratios are mainly explained by the Greek government-guaranteed corporate exposures and Madoff-related files.

IBNI impairment allowances on loans and receivables increased by EUR 101 million to EUR 596 million in the first half of 2013 from EUR 495 million at year-end 2012. This was mainly due to higher IBNI impairment allowances for Business Banking clients, consumer loans and residential mortgages. The IBNI increase is a reflection of the current economic circumstances.

Market risk

ABN AMRO is exposed to market risk through its trading activities, banking book and pension liabilities.

Market risk (trading book)

Market risk in the trading book refers to the risk resulting from movements in market prices, in particular changes in interest rates, foreign exchange rates, equity prices, commodity prices as well as changes in risk factor volatility.

Exposure to market risk in the trading book arises mainly from facilitating client orders and businesses. These client activities predominantly concern linearly behaving products and instruments. In line with market practice, exposures are reported in terms of Value at Risk (VaR) numbers. VaR calculations involve taking the market price movements of the last 300 days and calculating the impact on profit and loss as result of these movements. ABN AMRO applies a one-day 99% VaR meaning that a VaR of EUR 1 million implies a 1% change of a loss of more than EUR 1 million on any given business day.

Internal aggregated diversified and undiversified VaR for all trading positions

(in millions)	30 June 2013		31 December 2012	
	Diversified	Undiversified	Diversified	Undiversified
VaR at last trading day of period	2.9	3.6	2.2	2.4
Highest VaR	5.4	7.1	6.3	9.0
Lowest VaR	0.9	1.6	1.3	2.2
Average VaR	2.2	3.0	3.0	4.5

From the end of May 2013, reported VaR numbers omit exposure information with regard to equity derivatives, equity facilitation and carbon portfolios. This temporary situation was caused by an IT systems decommissioning. Trading exposure continues to be monitored and reported daily against position, sensitivities and stress test limits. The exposures for these activities will be integrated in the target systems for these risk factor classes.
The influence on the VaR figure was limited as the activity had already been scaled down. The average VaR for equity was 0.7 in the first six months, with the average equity VaR at 30 June 2013 coming to 0.3. The diversified average VaR for June was approximately the same as the average for the first five months.

During the first half of 2013 the VaR was driven by a combination of the low interest rate environment and the VaR methodology based on relative shifts. On average, more positions are concentrated in the short end of the curve. This has a large impact on the VaR. Due to relatively low business volumes, only a few large deals are settled, which generally take a few days before they are fully hedged. This caused fewer VaR spikes in the first half of 2013 compared to 2012.

Market risk exposure and risk-weighted assets

(in millions)	30 June 2013				31 December 2012			
	Capital requirement	Risk-weighted assets	Assets held for trading[1]	Liabilities held for trading	Capital require-ment	Risk-weighted assets	Assets held for trading[1]	Liabilities held for trading
Position risk in traded debt instruments	138	1,727	13,262	11,538	141	1,765	16,544	14,551
Position risk in equities	50	624	12,340	4,146	45	563	5,465	3,138
Foreign exchange risk			224	522			289	517
Commodity risk	32	398	510		15	187	506	
Other				626				576
Add-on	320	4,000			250	3,125		
Total	**540**	**6,749**	**26,336**	**16,832**	**451**	**5,640**	**22,804**	**18,782**

1 Included in the assets are also the MtM of derivatives. More information is provided in the Risk management section of the Annual Report 2012.

The capital requirement increased mainly due to an add-on of EUR 70 million for reasons of prudence (equivalent to EUR 875 million RWA) following the temporary application of the Standardised Approach to the equities portfolio instead of the Internal Models Approach (IMA). The add-on does not signify any change in the risk profile. ABN AMRO is currently applying for IMA approval.

Market risk (banking book)

Market risk in the banking book, predominantly interest rate risk, mainly refers to the potential negative impact on bank's interest income and the market value of its equity, due to yield curve movements. Other market risks in the banking book are mitigated through hedging (i.e. FX risk).

Interest rate risk metrics

	30 June 2013	31 December 2012
Duration of equity (in years)	3.3	1.6
Absolute sensitivity (in millions)	24.1	22.0
VaR banking book[1] (in millions)	694	564

1 ABN AMRO applies a two-months 99% VaR for the banking book, meaning that a VaR of EUR 1 million implies a 1% chance of a loss of more than EUR 1 million within a two-months period.

In the first half of 2013, interest rates remained persistently low. The duration increase was mainly attributable to pre-payment model adjustments pursued to better reflect actual and anticipated client behaviour in the Dutch mortgage market. In line with ABN AMRO's moderate risk profile, the duration of equity was managed at 3 to 4 years. Banking book VaR and absolute sensitivity changed in line with the duration development.

Market risk (foreign exchange risk)

FX risk refers to the potential adverse impact on the net income and capital ratios due to unfavorable exchange rate developments. ABN AMRO does not take FX risk in its banking book, except for positions resulting from capital hedging and residual positions occurring for operational reasons. FX capital hedging is pursued to mitigate the capital ratios' volatility due to adverse FX movements.

Market risk (pension fund)

The bank's exposure to pension risk is that ABN AMRO must provide additional funds to its employee pension fund as a result of guarantees and commitments to this fund. As such, ABN AMRO is exposed to adverse changes in interest rates, credit spreads, long-term inflation rates, mortality rates and investment risk. A detailed account of the changes can be found in note 15 of the Condensed Consolidated Interim Financial Statements 2013.

Operational risk

In the first half of 2013 ABN AMRO noted a number of trends in operational risk. In general, there is an increase in events related to the continuing economic crisis (for example credit fraud attempts and claims). ABN AMRO employees are encouraged to be alert to the operational risks they face and to rigorously apply controls and security measures.

In 2012, Retail Banking suffered from operational losses due to cybercrime such as skimming and phishing. ABN AMRO has continued to improve security precautions, which led to a sharp decrease in related losses in the first half of 2013. Business continuity threats such as the DDoS-attacks (distributed denial-of-service) captured headlines in the Netherlands in the first half of the year, potentially interrupting the bank's service via the internet. ABN AMRO's defences against these attacks proved to be effective and led to very limited interruption of client services. ATM explosive gas attacks on ABN AMRO premises in the Netherlands led ABN AMRO to implement various counter-measures in the first half of 2013. At this point, the damage has been contained, and measures taken are already helping to reduce damage levels. Further improvements are expected.

ABN AMRO is implementing the Advanced Measurement Approach (AMA) in the organisation, in order to calculate regulatory capital levels using the AMA model. In the first half of 2013, various projects were completed in support of the AMA approach, such as a converged approach of risk and control assessments in which various risks are combined into one holistic overview for the entire bank.

ABN AMRO's capital according to TSA is increased by a regulatory add-on amount to AMA implementation. Under TSA, the full regulatory capital requirements for 2013 amounted to EUR 1.3 billion (year-end 2012: EUR 1.2 billion). Translated to risk-weighted assets, the amount is EUR 16.4 billion (year-end 2012: EUR 15.5 billion). The increase in the regulatory capital requirement for operational risk was caused by higher gross income over the reference period.

capital management 4

In the first half of 2013, ABN AMRO was well capitalised and well positioned to meet the upcoming Basel III requirements. ABN AMRO continues to actively manage its risk-bearing exposures along with its capital liabilities to ensure comfortable compliance with the new CRD IV regulatory framework. ABN AMRO's capital position remains supportive of its strategic ambitions.

Capital adequacy

At 30 June 2013, ABN AMRO's core Tier 1 and Tier 1 ratios were 13.3% and 14.2% respectively and its total capital ratio was 19.2%. The following tables present the development of Basel II regulatory capital and risk-weighted assets (RWA) in the first half of 2013.

Basel II regulatory capital

(in millions)	30 June 2013	31 December 2012
Total Equity – IFRS (EU)	**13,514**	**12,883**
Goodwill and other intangible assets	-117	-121
IRB provisions shortfall	-151	-114
Participations in financial institutions > 10%	-329	-323
Valuation differences in available-for-sale Equities	-153	-109
Valuation differences in available-for-sale Loans and assets	5	14
Cash flow hedge reserve	1,653	1,873
Dividend reserve	-300	-262
Other regulatory adjustments	1,285	859
Core Tier 1 capital	**15,407**	**14,700**
Innovative hybrid capital instruments	1,000	997
Tier 1 Capital	**16,407**	**15,697**
Subordinated liabilities Upper Tier 2	175	183
Valuation differences in available-for-sale Equities	153	109
Subordinated liabilities Lower Tier 2	5,899	6,848
Participations in financial institutions > 10%	-329	-323
IRB provisions shortfall	-151	-114
Total regulatory capital	**22,154**	**22,400**

Risk-weighted assets

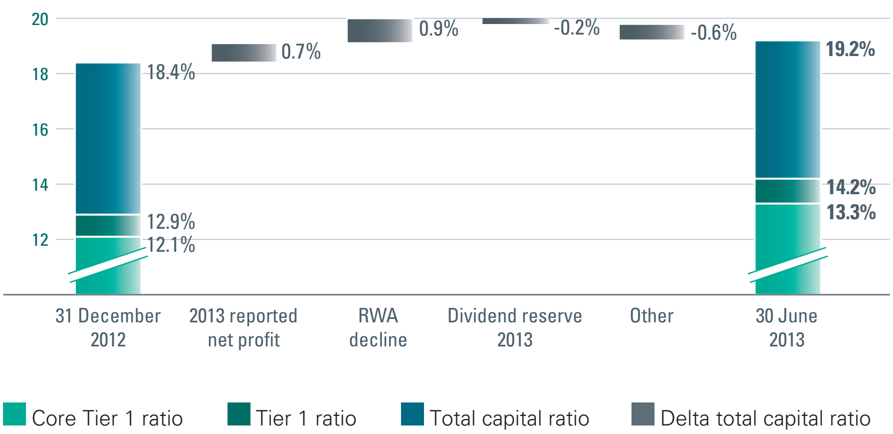
(in millions)	30 June 2013	31 December 2012
Credit risk	**92,461**	**100,405**
Advanced	81,251	67,835
Standardised	11,210	32,570
Operational risk	**16,415**	**15,461**
Advanced		
Standardised	16,415	15,461
Market risk	**6,749**	**5,640**
Advanced		500
Standardised	6,749	5,140
Total risk-weighted assets	**115,625**	**121,506**

Main changes in capital position

Capital

In the first half of 2013, the core Tier 1 ratio improved to 13.3% compared with 12.1% at year-end 2012, while the Tier 1 ratio increased to 14.2% from 12.9%. The increase in capital ratios is attributed to profit accumulation and a substantial RWA decrease, partially offset by the dividend reserve. The total capital ratio improved to 19.2% compared with 18.4% at year-end 2012. This improvement reflects the positive impact of the RWA decrease that offset the total capital amount decrease due to the call of Tier 2 instruments. These capital ratios are well above the regulatory minimum requirements. The main items impacting the capital ratios in the first half of 2013 are illustrated below.

Developments impacting capital ratios in the first half of 2013
(in %)



Retained earnings

Net reported profit attributable to the owner of ABN AMRO in the first half of 2013 amounted to EUR 817 million. Net profit excluding intended dividend is included in the core Tier 1 capital. In the first half of 2013, EUR 300 million was deducted from core Tier 1 capital for a potential dividend payment to the shareholder over the year 2013.

Preference shares repurchase

In March 2013, ABN AMRO exercised the call option to repurchase EUR 210 million preference shares. The acquired repurchased shares were cancelled and NL Financial Investments (NLFI) consequently became the sole holder of all ABN AMRO Group N.V. shares. As these class A non-cumulative preference shares were already excluded from the regulatory capital position at year-end 2012, the repurchase had no impact on the capital ratios reported per 30 June 2013.

Call of Tier 2 capital instruments

The call and coupon ban on capital instruments imposed by the European Commission in the state aid ruling expired on 11 March 2013. While preparing for Basel III compliance, a number of lower Tier 2 capital instruments were called in the first half of the year, totalling EUR 1.5 billion notional and of EUR 0.9 billion regulatory capital value.

Risk-weighted assets

Total Basel II RWA from on- and off-balance sheet activities decreased by almost 5% in the first half of 2013. The RWA fall reflects the substantial decrease in credit risk RWA partially offset by increases in the operational and market risk RWA.

Credit risk RWA came down primarily due to migration of the large corporates and institutions portfolios from standardised to advanced approach under the Basel II regulations. Market risk RWA increased in anticipation of the transition from the standardised to the advanced approach. Operational risk RWA increase reflects the update of the average gross income figures as part of the annual reassessment.

Further detailed information on RWA developments in the first half of 2013 is provided in the Risk management section.

Update on share capital, dividend and capital instruments

Share capital

In the first half of 2013, EUR 210 million of class A non-cumulative preference shares were repurchased and cancelled, resulting in a decline of share capital and share premium reserve of EUR 75 million and EUR 135 million respectively. The Annual Report 2012 provides a detailed description of all issued shares. An explanation of the movements in the first half of 2013 is provided in the Condensed consolidated statement of changes in equity in the Condensed Consolidated Interim Financial Statements.

Dividend

For reasons of prudence and in close consultation with the shareholder, ABN AMRO has adopted a temporary reduction of the payout ratio. The targeted payout ratio will gradually increase again to 40% of the net profit by financial year 2015. In the first half of 2013, EUR 300 million was deducted from core Tier 1 capital for a potential dividend payment to the shareholder over the year 2013. Part of this could be paid as an interim dividend following the third-quarter results. Any dividend decision is subject to, among other factors, the third-quarter and full-year results.

Capital instruments

At 30 June 2013, ABN AMRO had the following capital instruments outstanding.

Capital instruments

(in millions)	ISIN/CUSIP	Maturity date	First possible call date[1]	30 June 2013 Nominal amount	31 December 2012 Nominal amount
Tier 1					
EUR 1,000 million 4.31% per annum	XS0246487457	Perpetual	March 2016	1,000	1,000
Total Tier 1 capital instruments				**1,000**	**1,000**
Upper Tier 2					
GBP 150 million (originally GBP 750 million) 5.00% per annum	XS0244754254	Perpetual	February 2016	175	183
Lower Tier 2					
EUR 1,650 million (originally EUR 2,000 million)[2]		October 2017	October 2012	1,650	1,650
EUR 1,228 million 6.375% per annum	XS0619548216	April 2021		1,228	1,228
USD 595 million 6.250% per annum	XS0619547838	April 2022		457	451
USD 113 million 7.75% per annum	00080QAD7/ N0028HAP0	May 2023		87	86
EUR 1,000 million 7.125% per annum	XS0802995166	July 2022		996	1,000
USD 1,500 million 6.25% per annum	XS0827817650	September 2022	September 2017	1,130	1,137
SGD 1,000 million 4.7% per annum	XS0848055991	October 2022	October 2017	589	621
EUR various smaller instruments		2015-2020		280	313
Various Tier 2 capital instruments[3]					1,464
Total Tier 2 capital instruments				**6,592**	**8,133**
Of which eligible for regulatory capital:					
Basel II, Tier 1				1,000	997
Basel II, Tier 2				6,074	7,031
Basel III, Tier 1				800	797
Basel III, Tier 2				5,966	5,002

[1] The call dates refer to the first possible call date per instrument, taking into account the EC call and coupon payment restrictions expired on 11 March 2013.

[2] The EUR 1,650 million instrument is owned by the Dutch State and was acquired from Fortis Bank SA/NV in Belgium in October 2008; please refer to note 19 in the Condensed Consolidated Interim Financial Statements.

[3] Tier 2 capital instruments called in the first half of 2013.

Regulatory developments

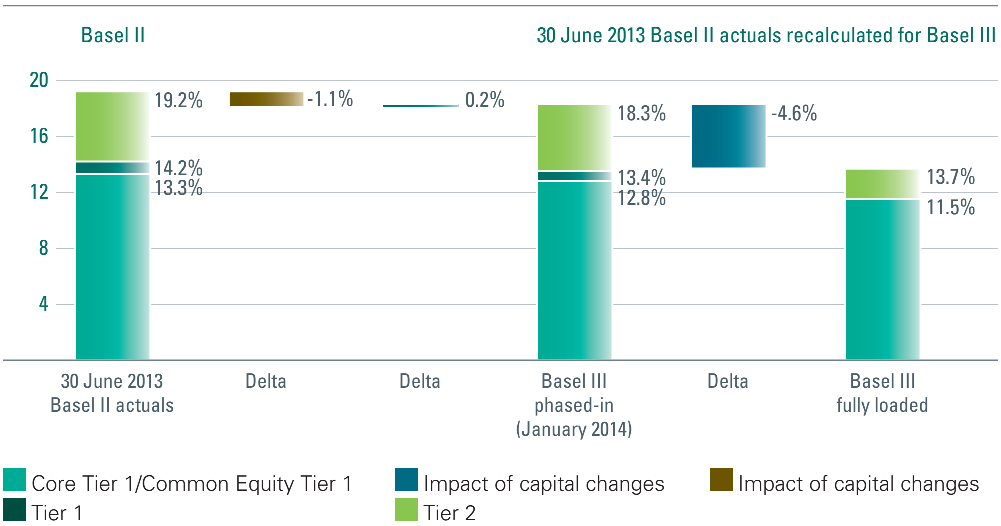
Basel III/CRD IV

The Capital Requirements Directive IV and the Capital Requirements Regulation IV, as published in June 2013, set the framework for the implementation of Basel III within the European Union. The new rules will be phased in as from 1 January 2014 and will be fully effective by January 2019. Under the new rules, capital requirements are expected to increase due to the introduction of stricter capital eligibility criteria, capital requirements for derivatives, additional capital buffers and the leverage back stop.

The regulatory capital adequacy position is already managed in anticipation of Basel III requirements. ABN AMRO expects to be compliant with the more restrictive capital requirements.

The following graph presents the impact of the Basel III phase-in and Basel III fully loaded rules on the capital adequacy ratios as at 30 June 2013. The Basel III impact has been calculated based on current information and regulatory guidance.

Basel III estimated capital ratios
(in %)



Under the current interpretation of Basel III phase-in rules (as per January 2014), the 30 June 2013 regulatory capital ratios would be impacted as follows:

- RWA are expected to increase resulting in a 1.1 percentage point decline in the total capital ratio. The increase in RWA is caused by, among other factors, an increase in the capital requirement for potential mark-to-market counterparty credit risk losses (credit valuation adjustment (CVA) capital charge), the capital requirement for exposure to central counterparties and the capital requirement for the deferred tax assets related to temporary differences;
- Total capital is expected to increase, resulting in a 0.2 percentage point increase in the total capital ratio. This increase is mainly caused by the transition of certain exposures from capital deductions to RWA and is partly offset by the expected loss of eligibility of EUR 0.2 billion of Tier 1 instruments and EUR 0.1 billion of Tier 2 instruments.

Under the Basel III fully loaded rules for capital deductions, prudential filters and RWA, the impact on the capital ratios is as follows:

- RWA are virtually the same as under the phase-in rules;
- Total capital is expected to decrease by an additional EUR 5.6 billion, resulting in an additional decline of the total capital ratio of 4.6 percentage points. This decrease is primarily due to the loss of eligibility of EUR 0.8 billion of Tier 1 instruments and EUR 4.0 billion of Tier 2 instruments. The rest of the impact is caused by the deduction of deferred tax assets, defined benefit pension fund assets, and a different treatment of capital deductions and prudential filters.

The Basel III fully loaded Common Equity Tier 1 ratio amounts to 11.5%.

Impact of Basel III on capital ratios

30 June 2013	Basel II	Basel III January 2014	Basel III fully loaded
Risk-weighted assets	115,625	122,270	122,205
Core Tier 1/Common Equity Tier 1 capital	15,407	15,641	14,026
Core Tier 1/Common Equity Tier 1 ratio	13.3%	12.8%	11.5%
Tier 1 capital	16,407	16,442	14,027
Tier 1 ratio	14.2%	13.4%	11.5%
Total capital	22,154	22,370	16,777
Total capital ratio	19.2%	18.3%	13.7%
Leverage ratio	3.5%	3.5%	3.0%

CRD IV introduces a non-risk based leverage ratio to be monitored by 2017 and to be further refined and calibrated before becoming a binding measure. The leverage ratio is defined as Tier 1 capital divided by an exposure measure comprising on- and off-balance sheet items. ABN AMRO's Basel III phase-in leverage ratio was 3.5% on 30 June 2013. The amended treatment of securities financing exposures proposed by most recent update of CRD IV had a positive impact on the reported leverage ratio.

The Basel III fully loaded leverage ratio as at 30 June 2013 is estimated at 3.0%. The difference with the phase-in leverage ratio is mainly attributed to the lower Tier 1 capital level due to additional capital deductions and Tier 1 capital eligibility loss under the fully loaded rules.

liquidity & funding 5

The Loan-to-Deposit ratio improved in the first half of 2013 due to continued inflow of client deposits. The average remaining maturity of our outstanding debt increased to 4.6 years. The liquidity buffer was rebalanced while its size remained stable in anticipation of new LCR guidelines and the regulatory focus on strengthening buffers in general.

Liquidity

ABN AMRO takes a two-step approach to liquidity risk management, which is outlined in the Annual Report 2012: a going concern and a contingency liquidity risk approach.

Going concern liquidity management

Going concern liquidity management entails management of the day-to-day liquidity position within specified parameters to ensure all liabilities can be met on a timely basis. Indicators used in going concern liquidity management are stress testing, regulatory liquidity, survival period and the Loan-to-Deposit (LtD) ratio. More information on stress testing can be found in the Annual Report 2012.

Regulatory liquidity requirement

The regulatory liquidity requirement measures the one-month liquidity position in a severe stress scenario. This stress scenario is defined by the Dutch central bank and it requires the one-month liquidity position to always exceed the minimum required regulatory level. As of 30 June 2013, the number was EUR 35.1 billion, well above the minimum regulatory requirement.

Survival period

The survival period on 30 June 2013 was >11 months, comfortably meeting the internally set minimum target.

Loan-to-Deposit ratio

The LtD measures the relative size of the customer loan book compared to customer deposits. The LtD ratio improved to 122.5%, down from 125.0% on 31 December 2012, due to a 7.4% increase in Due to customers and only a slight increase in Loans and receivables – customers over the first half of 2013. The following table shows the LtD ratio as per 30 June 2013, compared with the situation on 31 December 2012.

Loan-to-Deposit ratio

(in millions)		30 June 2013		31 December 2012
Loans and receivables – customers		**282,039**		**276,283**
Less: Reverse repurchase agreements	11,200		7,346	
Less: Securities borrowing	10,178		7,149	
Less: Fair value adjustment from hedge accounting	4,883		6,041	
		-26,261		**-20,536**
Add: Gross up savings in mortgage linked saving products		6,946		6,574
Adjusted Loans and receivables – customers		**262,724**		**262,321**
Due to customers		**232,017**		**216,021**
Less: Repurchase agreements	21,111		12,148	
Less: Securities lending transactions	3,399		2,994	
Less: Deposits from Dutch State Treasury Agency (DSTA)	2,100		2,100	
		-26,610		**-17,242**
Add: Gross up savings in mortgage linked saving products	6,946		6,574	
Add: Debt certificates issued through Groenbank NV	227		353	
Add: Fiduciary deposits	1,866		4,233	
		9,039		**11,160**
Adjusted Due to customers		**214,446**		**209,939**
Loan-to-Deposit ratio (LtD)		122.5%		125.0%

Contingency liquidity risk management

Contingency liquidity risk management aims to ensure that ABN AMRO can generate sufficient liquidity to withstand a short-term or long-term liquidity crisis. Tools used by ABN AMRO in contingency liquidity risk management are the Liquidity Contingency Plan (LCP, outlined in the Annual Report 2012) and the liquidity buffer.

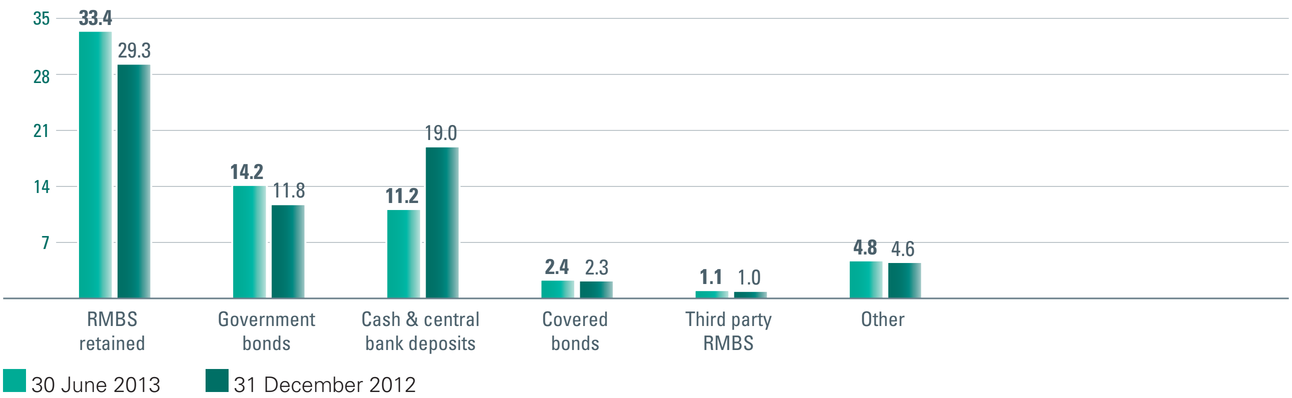
Liquidity buffer

A liquidity buffer with sufficient collateral is retained as a safety cushion in the event of severe liquidity stress. The liquidity buffer portfolio mainly consists of retained RMBS, government bonds and cash, all unencumbered.

The buffer amounted to EUR 67.1 billion at liquidity value on 30 June 2013, compared to EUR 68.0 billion on 31 December 2012.The composition of the liquidity buffer changed: the cash and central bank deposits component fell to EUR 11.2 billion on 30 June 2013 from EUR 19 billion on 31 December 2012 whereas government bonds increased to EUR 14.2 billion from EUR 11.8 billion. Retained RMBS also increased in the first half of 2013 to EUR 33.4 billion from EUR 29.3 billion. The increase in retained RMBS is the result of externally placed RMBS transactions that were called and not replaced in the market, but re-issued for liquidity purposes.

The following graph shows the composition of the liquidity buffer on 30 June 2013 and 31 December 2012.

Composition of liquidity buffer
(in billions, liquidity value)



Basel III/CRD IV

The Basel III/CRD IV framework introduces two new liquidity ratios, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The minimum requirements for both the LCR and the NSFR are expected to be 100% under Basel III. The LCR for ABN AMRO increased to 91% on 30 June 2013, coming from 89% on 31 December 2012 and the NSFR decreased to 101% on 30 June 2013, coming from 108% on 31 December 2012.

In January 2013, the Basel Committee published an update on the LCR guidelines, indicating a delayed and staged implementation of the LCR ratio. Taking this into account ABN AMRO now targets an LCR of 90-95% by the end of 2013 and compliance with an LCR of 100% as of 2014. A variety of wholesale funding instruments will be used to manage the LCR.

Liquidity indicators

	30 June 2013	31 December 2012
Going concern indicators		
Loan-to-Deposit ratio	123%	125%
NSFR	101%	108%
Survival period (months)	>11 months	>12 months
Contingency indicators		
LCR	91%	89%
Liquidity buffer (in billions)	67	68

Funding

ABN AMRO raises a significant part of its funding through its R&PB and C&MB networks. Total customer deposits grew by EUR 6.7 billion, particularly in Retail Banking in the Netherlands due to consumers being cautious in response to the ongoing economic uncertainty. The increase in deposits improved the Loan-to-Deposit ratio and allowed the bank to reduce the size of funds raised in the wholesale market.

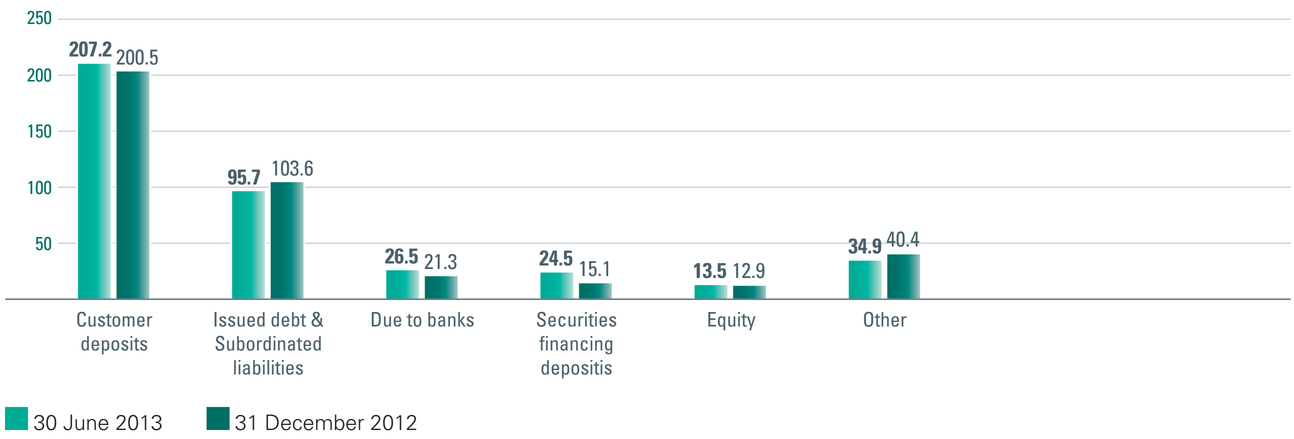
Credit spreads were relatively stable in the first half of 2013, due to a lack of issuance as a result of the deleveraging of banks and the ECB Longer Term Refinancing Operations in 2012. In June, credit spread levels increased slightly after the US Federal Reserve hinted at slowing the pace of asset purchases. ABN AMRO raised EUR 5.8 billion in the first 6 months of 2013, at competitive spreads. Virtually all of this funding was raised in senior unsecured format.

Liability breakdown

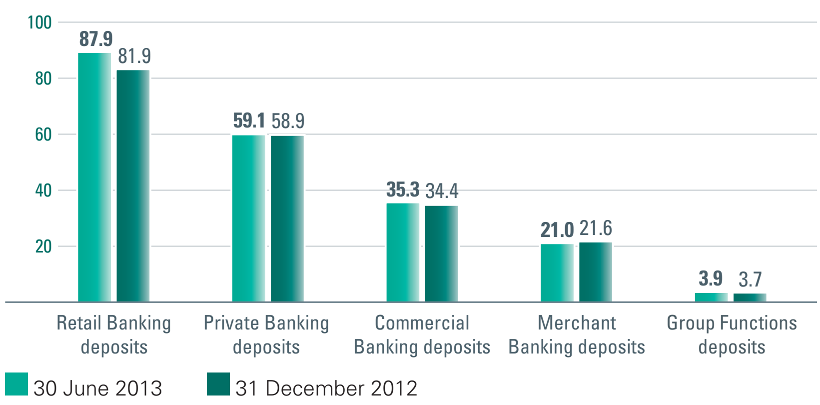
ABN AMRO benefits from a solid core retail funding base and well diversified wholesale funding sources with R&PB and C&MB deposits serving as the bank's main sources of funding. Customer deposits grew to EUR 207 billion on 30 June 2013 from EUR 201 billion on 31 December 2012. Customer deposits as a percentage of balance sheet total grew from 50.9% to 51.6% in the first half of 2013, allowing the bank to reduce the amount of wholesale funding (issued debt and subordinated liabilities) from EUR 104 billion to EUR 96 billion.

The graph below provides a total overview of liabilities and equity composition of ABN AMRO's balance sheet on 30 June 2013 and 31 December 2012.

Liability and equity breakdown
(in billions)



Customer deposits breakdown
(in billions)



Funding strategy

ABN AMRO's funding strategy aims to further optimise and diversify the bank's funding sources, in order to maintain the targeted long-term funding position, liquidity profile and compliance with regulatory requirements. The bank also focuses on optimising Net interest income while complying with anticipated regulatory requirements.

More details on the funding guidelines can be found in the Annual Report 2012.

Available funding programmes

The main wholesale funding types can be specified as follows.

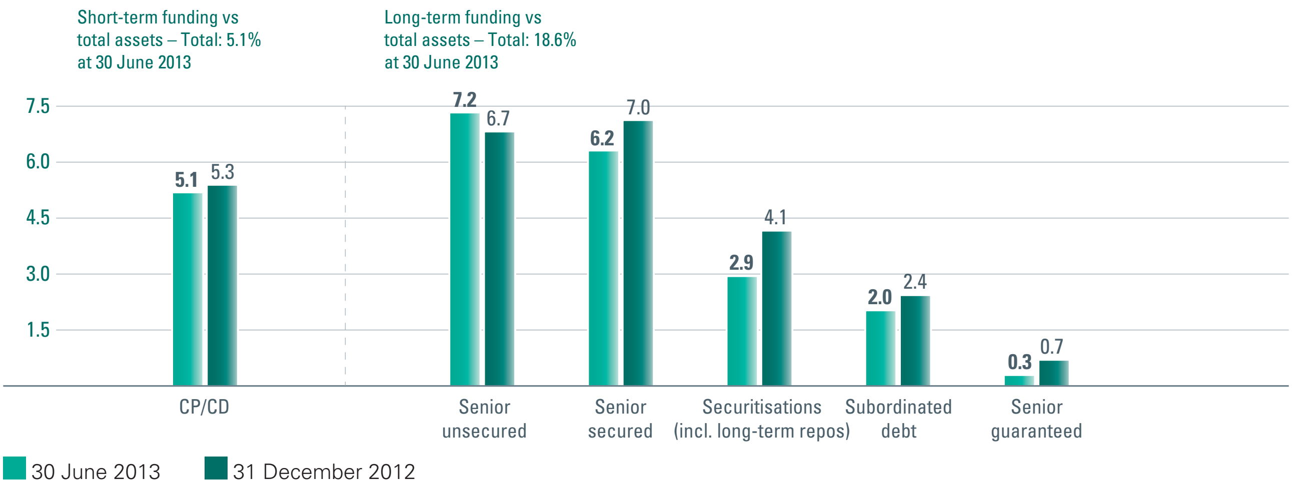
Overview of funding types

(in millions)	30 June 2013	31 December 2012
Saving certificates	472	686
Commercial Paper/Certificates of Deposit		
Euro Commercial Paper	4,055	5,238
London Certificates of Deposit	5,465	4,510
French Certificats de Dépôt	7,385	7,522
US Commercial Paper	3,837	3,788
Total Commercial Paper/Certificates of Deposit	**20,742**	**21,058**
Senior guaranteed		
Dutch State guaranteed medium-term notes	1,416	2,692
Senior unsecured		
Unsecured medium-term notes	28,318	25,808
Senior secured		
Senior secured bonds (excl. asset-backed securities)	25,095	27,654
Securitisations[1]		
Residential mortgage-backed securities (Dutch)	11,548	15,964
Other asset-backed securities	174	181
Total issued debt	**87,765**	**94,043**
Total subordinated liabilities	7,897	9,566
Total funding types	**95,662**	**103,609**

[1] Excluding long-term repos.

The Dutch State-guaranteed medium-term notes decreased to EUR 1.4 billion on 30 June 2013 from EUR 2.7 billion on 31 December 2012. This was due to a cash tender offer for the EUR 2.5 billion government-guaranteed notes. The participation rate in the cash tender was 49%.

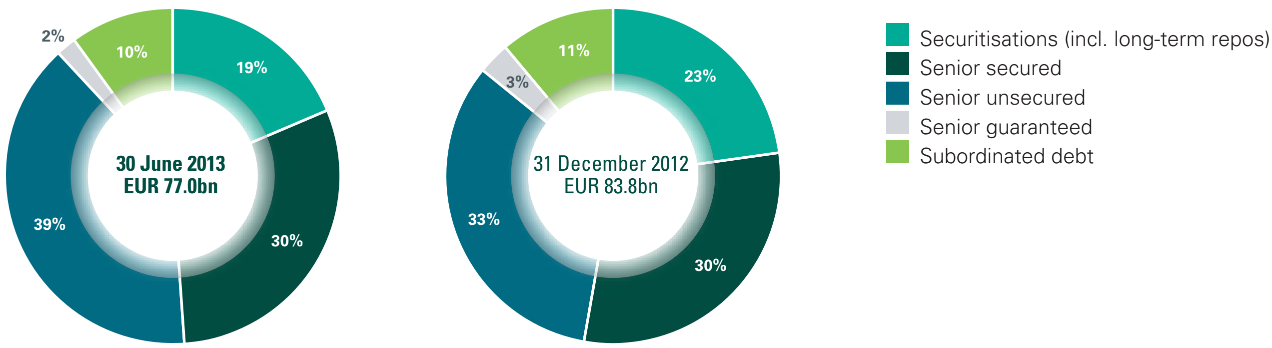
Funding vs balance sheet total
(% of total assets)



The following information is based on notional values. The main differences compared to the information above are differences between nominal value and issue price and fair value hedge accounting adjustments.

The graph below gives an overview of the outstanding long-term funding on 30 June 2013 and 31 December 2012.

Long-term funding components



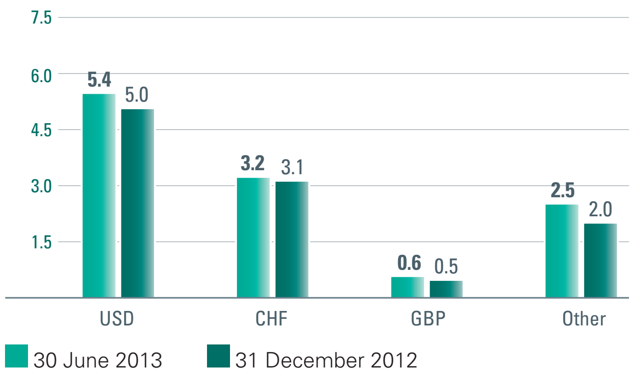
Funding issuance

In the first half of 2013, ABN AMRO raised EUR 5.8 billion in long-term debt with an average maturity of 5.4 years. Seventy per cent of the funding raised in the first half of 2013 was attracted through private placements and 30% through benchmark transactions and tap issuances on existing benchmarks. ABN AMRO raised funds in EUR, USD, GBP, JPY, NOK, CAD, NZD and AUD, with 73% raised in EUR.

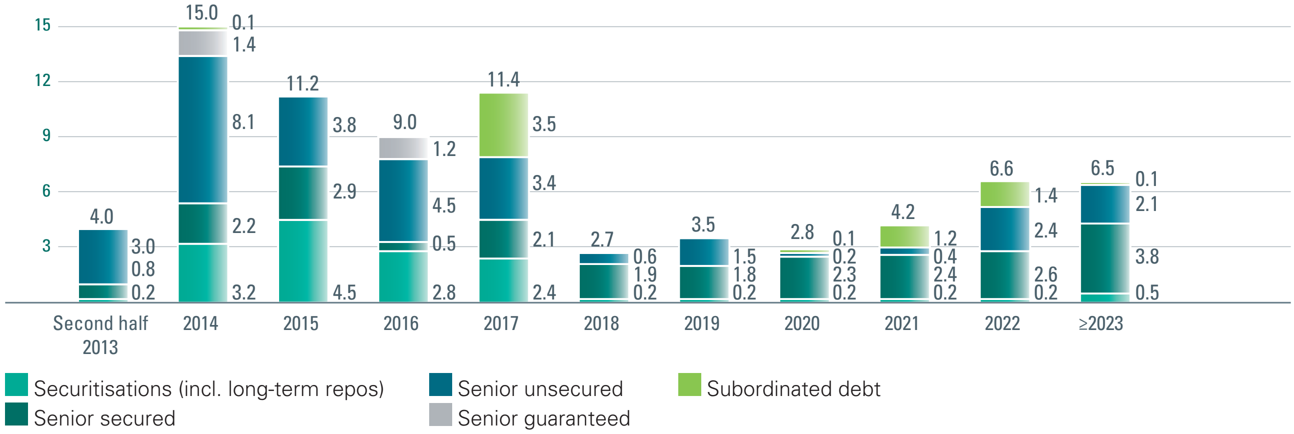
The average remaining maturity of ABN AMRO's wholesale funding increased to 4.6 years by 30 June 2013, compared to 4.3 years on 31 December 2012.

Long-term funding raised
(in billions)

Non-Euro currency diversification of total outstanding long-term funding
(in billions)



Maturity calender at 30 June 2013
(in billions)



responsibility statement 6

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

- The Condensed Consolidated Interim Financial Statements for the period ended 30 June 2013 give a true and fair view of the assets, liabilities, financial position and profit or loss of ABN AMRO Group N.V. and the companies included in the consolidation; and
- The Interim Financial Report for the period ended 30 June 2013 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 of ABN AMRO Group N.V. and the companies included in the consolidation.

Amsterdam, 22 August 2013

The Managing Board

Gerrit Zalm, Chairman
Johan van Hall, Vice-Chairman
Kees van Dijkhuizen, Member
Caroline Princen, Member
Wietze Reehoorn, Member
Chris Vogelzang, Member
Joop Wijn, Member

cautionary statement on forward-looking statements 7

The Group has included in this Interim Financial Report, and from time to time may make certain statements in its public filings, press releases or other public statements that may constitute "forward-looking statements" within the meaning of the safe-harbour provisions of the United States Private Securities Litigation Reform Act of 1995. This includes, without limitation, such statements that include the words "expect", "estimate", "project", "anticipate", "should", "intend", "plan", "aim", "believe ", desire", "strive", "probability", "risk", "Value-at-Risk" ("VaR"), "target", "goal", "objective", "will", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations on such expressions.

In particular, this document includes forward-looking statements relating, but not limited, to ABN AMRO's potential exposures to various types of operational, credit and market risk, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk. Such statements are subject to risks and uncertainties. These forward-looking statements are not historical facts and represent only ABN AMRO's beliefs regarding future events, many of which by their nature are inherently uncertain and beyond the bank's control.

Other factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in this document include, but are not limited to:

- The extent and nature of future developments and continued volatility in the credit and financial markets and their impact on the financial industry in general and ABN AMRO in particular;
- The effect on ABN AMRO's capital of write-downs in respect of credit exposures;
- General economic conditions in the Netherlands and in other countries in which ABN AMRO has, directly or indirectly, significant business activities, investments or other exposures, including the impact of recessionary economic conditions on ABN AMRO's performance, liquidity, and financial position;
- Macro-economic and geopolitical risks;
- Reductions in ABN AMRO's credit ratings;
- Actions taken by governments and their agencies to support individual banks and the banking system;
- Monetary and interest rate policies of the European Central Bank and G20 central banks;
- Inflation or deflation;
- Unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices;
- Liquidity risks and related market risk losses;
- Potential losses associated with an increase in the level of substandard loans or non-performance by counterparties to other types of financial instruments, including systemic risk;
- Changes in Dutch and foreign laws, regulations, policies and taxes;

- Changes in competition and pricing environments;
- Inability to hedge certain risks economically;
- Adequacy of loss reserves and impairment allowances;
- Technological changes;
- Changes in consumer spending, investment and saving habits;
- Effective capital and liquidity management; and
- The success of ABN AMRO in managing the risks involved in the foregoing.

The forward-looking statements made in this Interim Financial Report are only applicable as from the date of publication of this document. ABN AMRO does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this report, and ABN AMRO does not assume any responsibility to do so. The reader should, however, take into account any further disclosures of a forward-looking nature that ABN AMRO may make in ABN AMRO's reports.

condensed consolidated interim financial statements 2013

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Condensed consolidated income statement

(in millions)	Note	First half 2013	First half 2012
Income			
Interest income		5,979	6,870
Interest expense		3,314	4,355
Net interest income		**2,665**	**2,515**
Fee and commission income		1,324	1,308
Fee and commission expense		495	520
Net fee and commission income		**829**	**788**
Net trading income		4	207
Results from financial transactions		-16	48
Share of result in equity accounted investments		37	33
Other income		82	222
Operating income	4	**3,601**	**3,813**
Expenses			
Personnel expenses[1]		1,199	1,009
General and administrative expenses		1,017	1,089
Depreciation and amortisation of tangible and intangible assets		95	131
Operating expenses	5	**2,311**	**2,229**
Impairment charges on loans and other receivables		216	554
Total expenses		**2,527**	**2,783**
Operating profit/(loss) before taxation		**1,074**	**1,030**
Income tax expense[1]		257	190
Profit/(loss) for the period		**817**	**840**
Attributable to:			
Owners of the company		818	842
Non-controlling interests		-1	-2

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amendments to IAS 1 represent changes in the presentation of other comprehensive income and the amended pension accounting standard IAS 19.

The notes to the Condensed Consolidated Interim Financial Statements, including the reviewed Risk management sections, are an integral part of these statements.

Condensed consolidated statement of comprehensive income

(in millions)	First half 2013	First half 2012
Profit/(loss) for the period	**817**	**840**
Other comprehensive income:		
Items that will not be reclassified to the income statement		
Remeasurement gains/(losses) on defined benefit plans[1]	80	-2,026
Items that will not be reclassified to the income statement before taxation	**80**	**-2,026**
Income tax relating to items that will not be reclassified to the income statement[1]	19	-506
Items that will not be reclassified to the income statement after taxation	**61**	**-1,520**
Items that may be reclassified to the income statement		
Currency translation reserve	-10	31
Available-for-sale reserve	25	62
Cash flow hedge reserve	294	-355
Share of other comprehensive income of associates	6	38
Other changes	-4	-3
Other comprehensive income for the period before taxation	**311**	**-227**
Income tax relating to components of other comprehensive income	84	-69
Other comprehensive income for the period after taxation	**227**	**-158**
Total comprehensive income/(expense) for the period after taxation	**1,105**	**-838**
Total comprehensive income attributable to:		
Owners of the company	1,106	-836
Non-controlling interests	-1	-2

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard IAS 19.

The notes to the Condensed Consolidated Interim Financial Statements are an integral part of these statements.

Condensed consolidated statement of financial position

(in millions)	Note	30 June 2013	31 December 2012
Assets			
Cash and balances at central banks		12,767	9,796
Financial assets held for trading	6	26,336	22,804
Financial investments	7	24,776	21,407
Loans and receivables – banks	8	41,695	46,398
Loans and receivables – customers	9	282,039	276,283
Equity accounted investments		1,077	1,011
Property and equipment		1,483	1,519
Goodwill and other intangible assets		203	223
Assets held for sale		29	55
Accrued income and prepaid expenses		3,888	3,940
Current tax assets		125	278
Deferred tax assets[1]		903	1,241
Other assets[1]		6,996	8,803
Total assets		**402,317**	**393,758**
Liabilities			
Financial liabilities held for trading	6	16,832	18,782
Due to banks	10	26,500	21,263
Due to customers	11	232,017	216,021
Issued debt	12	87,765	94,043
Subordinated liabilities	13	7,897	9,566
Provisions[1]	14	1,429	1,915
Accrued expenses and deferred income		5,134	5,698
Current tax liabilities		103	99
Deferred tax liabilities		30	47
Other liabilities		11,096	13,441
Total liabilities		**388,803**	**380,875**
Equity			
Share capital		940	1,015
Share premium		12,970	13,105
Other reserves (incl. retained earnings/profit for the period)[1]		4,360	3,811
Other components of equity[1]		-4,775	-5,067
Equity attributable to owners of the parent company		**13,495**	**12,864**
Equity attributable to non-controlling interests		19	19
Total equity		**13,514**	**12,883**
Total liabilities and equity		**402,317**	**393,758**
Committed credit facilities	17	14,366	17,635
Guarantees and other commitments	17	16,878	16,777

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard IAS 19.

The notes to the Condensed Consolidated Interim Financial Statements are an integral part of these statements.

Condensed consolidated statement of changes in equity

(in millions)	Share capital	Share premium reserve	Other reserves including retained earnings	Other comprehensive income	Net profit attributable to shareholders	Total	Non-controlling interests	Total equity
Balance at 31 December 2011	**1,015**	**11,505**	**153**	**-1,938**	**665**	**11,400**	**20**	**11,420**
Impact IAS 19R adoption[1]			1,925			1,925		1,925
Balance at 1 January 2012	**1,015**	**11,505**	**2,078**	**-1,938**	**665**	**13,325**	**20**	**13,345**
Total comprehensive income			-3	-1,675	842	-836	-2	-838
Transfer			665		-665			
Dividend			-63			-63		-63
Increase/(decrease) of capital	0[2]							
MCS conversion		2,000				2,000		2,000
Ageas settlement		-400				-400		-400
Balance at 30 June 2012	**1,015**	**13,105**	**2,677**	**-3,613**	**842**	**14,026**	**18**	**14,044**
Balance at 31 December 2012	**1,015**	**13,105**	**733**	**-1,783**	**948**	**14,018**	**19**	**14,037**
Impact IAS 19R adoption[1]			1,925	-3,284	205	-1,154		-1,154
Balance at 1 January 2013	**1,015**	**13,105**	**2,658**	**-5,067**	**1,153**	**12,864**	**19**	**12,883**
Total comprehensive income			-4	292	818	1,106	-1	1,105
Transfer			1,153		-1,153			
Dividend			-262			-262		-262
Increase/(decrease) of capital	-75	-135	-3			-213		-213
Other changes in equity							1	1
Balance at 30 June 2013	**940**	**12,970**	**3,542**	**-4,775**	**818**	**13,495**	**19**	**13,514**

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard IAS 19.

[2] In connection with the MCS Conversion, ABN AMRO Group N.V. issued one class A ordinary share (nominal value of EUR 1.00) to NLFI.

Specification of other comprehensive income is as follows:

(in millions)	Remeasurement gains/(losses) on post-employee benefit plans[1]	Currency translation reserve	Available-for-sale reserve	Cash flow hedge reserve	Share of OCI of associates and joint ventures	Total
Balance at 31 December 2011		**6**	**-253**	**-1,691**		**-1,938**
Net gains/(losses) arising during the period	-2,026	31	144	-416	38	-2,229
Net realised (gains)/losses included in income statement			-82	61		-21
Related income tax	506	-1	-19	89		575
Balance at 30 June 2012	**-1,520**	**36**	**-210**	**-1,957**	**38**	**-3,613**
Balance at 31 December 2012		**5**	**24**	**-1,873**	**61**	**-1,783**
Impact adoption IAS19R	-3,284					-3,284
Balance at 1 January 2013	**-3,284**	**5**	**24**	**-1,873**	**61**	**-5,067**
Net gains/(losses) arising during the period	80	-10	25	242	6	343
Net realised (gains)/losses included in income statement				52		52
Related income tax	-19	-2	-8	-74		-103
Balance at 30 June 2013	**-3,223**	**-7**	**41**	**-1,653**	**67**	**-4,775**

[1] All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard IAS 19.

The notes to the Condensed Consolidated Interim Financial Statements are an integral part of these statements.

2013

ABN AMRO adopted IAS 19 Employee Benefits as per 1 January 2013 and adjusted 2012 accordingly.
Total comprehensive income includes EUR 817 million profit for the first half of 2013.
Transfer includes the allocation of the profit/loss of the prior period to the other reserves.
In 2013 a final dividend of EUR 250 million for the year 2012 was paid to the ordinary shareholders and EUR 12 million to the holders of preference shares A.

In the first half of 2013, EUR 210 million of class A non-cumulative preference shares were repurchased and cancelled, resulting in share capital and share premium decrease of EUR 75 million and EUR 135 million. In addition, EUR 3 million was paid to preference share A holders for accrued rights in the first half of 2013 due to the repurchase of the preference shares.

Share of OCI of associates and joint ventures are mainly related to the revaluation of associates.

2012

The share premium reserve increased by EUR 2.0 billion due to the conversion of the EUR 2.0 billion Mandatory Convertible Securities. ABN AMRO Group N.V. issued one share (nominal value of EUR 1) to NLFI in connection with the settlement.

The settlement on 28 June 2012 of all legal proceedings between ABN AMRO, the Dutch State and Ageas led to a one-off cash payment by ABN AMRO to Ageas of EUR 400 million. This transaction is classified as a shareholders transaction under IFRS and the amount of EUR 400 million charged directly to equity (deduction from the share premium reserve).

Total equity grew by EUR 2.1 billion, mainly driven by the EUR 1.6 billion increase in equity following the Ageas settlement and EUR 842 million profit in the first half of 2012.

In 2012, a final dividend of EUR 50 million for the year 2011 was paid to ordinary shareholders and EUR 13 million to the holders of preference shares A.

Condensed consolidated statement of cash flows

(in millions)	First half 2013	First half 2012
Profit/(loss) for the period[1]	**817**	**840**
Adjustments on non-cash items included in profit:		
(Un)realised gains/(losses)	-442	616
Share of profits in associates and joint ventures	-43	-33
Depreciation, amortisation and accretion	169	221
Provisions and impairment losses	311	604
Income tax expense	257	190
Changes in operating assets and liabilities:		
Assets held for trading	-3,505	-2,828
Liabilities held for trading	-1,964	1,103
Loans and receivables – banks	6,460	10,605
Loans and receivables – customers	-6,036	-15,934
Other assets[1]	1,201	-1,919
Due to banks	5,376	69
Due to customers	16,045	14,969
Liabilities arising from insurance and investment contracts	-125	-150
Net changes in all other operational assets and liabilities[1]	-3,024	2,011
Dividend received from associates	31	47
Income tax paid	118	-128
Cash flow from operating activities	**15,646**	**10,283**
Investing activities:		
Purchases of financial investments	-6,534	-662
Proceeds from sales and redemptions of financial investments	2,740	1,031
Acquisition of subsidiaries (net of cash acquired), associates and joint ventures	-33	-24
Divestments of subsidiaries (net of cash sold), associates and joint ventures	13	33
Purchases of property and equipment	-108	-180
Proceeds from sales of property and equipment	85	28
Purchases of intangible assets	-10	-14
Proceeds from sales of intangible assets		
Other changes		
Cash flow from investing activities	**-3,847**	**212**

continued >

(in millions)	First half 2013	First half 2012
Financing activities:		
Proceeds from the issuance of debt	22,710	45,485
Repayment of issued debt	-27,831	-48,813
Proceeds from subordinated liabilities issued		
Repayment of subordinated liabilities issued	-1,497	-10
Ageas settlement		-400
Preference shares settlement	-210	
Dividends paid to the owners of the parent company	-262	-63
Dividends paid to non-controlling interests		
Repayment of capital	-3	
Cash flow from financing activities	**-7,093**	**-3,801**
Net increase/(decrease) of cash and cash equivalents	**4,706**	**6,694**
Cash and cash equivalents as at 1 January	14,072	11,397
Effect of exchange rate differences on cash and cash equivalents	-9	53
Cash and cash equivalents as at 30 June	**18,769**	**18,144**
Supplementary disclosure of operating cash flow information		
Interest paid	-3,939	-4,483
Interest received	6,204	6,836
Dividend received from investments	14	52

1 All 2012 figures have been adjusted for comparison purposes following adoption of the amended pension accounting standard IAS 19.

The notes to the Condensed Consolidated Interim Financial Statements are an integral part of these statements.

notes to the condensed consolidated interim financial statements

1 General information

Corporate information

ABN AMRO Group N.V. (referred to as 'ABN AMRO Group') is the parent company of ABN AMRO Bank N.V., and a related consolidated group of companies ('the Group' or 'ABN AMRO'). ABN AMRO Group is a public limited liability company, incorporated under Dutch law on 18 December 2009, and registered at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands. ABN AMRO provides a broad range of financial services to retail, private and commercial banking customers. These activities are primarily in the Netherlands and selectively abroad.

All ordinary shares in ABN AMRO Group N.V., representing 100% of the voting rights, are held by a foundation named *Stichting administratiekantoor beheer financiële instellingen* ('NLFI'). On 11 March 2013, the non-cumulative preference shares were repurchased. On 16 May 2013, the non-cumulative preference shares were cancelled.

The Condensed Consolidated Interim Financial Statements of ABN AMRO Group for the six months ended 30 June 2013 incorporate financial information of ABN AMRO Group N.V., its controlled entities, interests in associates and joint ventures. The Condensed Consolidated Interim Financial Statements were prepared by the Managing Board and authorised for issue by the Supervisory Board and Managing Board on 22 August 2013.

Basis of presentation

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

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's 2012 Consolidated Annual Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The accounting policies used in these Condensed Consolidated Interim Financial Statements are consistent with those set out in the notes to the 2012 Consolidated Annual Financial Statements of ABN AMRO except for the changes in accounting policies described below.

The Condensed Consolidated Interim Financial Statements are presented in euros, which is ABN AMRO's presentation currency, rounded to the nearest million (unless otherwise noted).

Changes in accounting policies

On 1 January 2013, ABN AMRO adopted the following standards as described below:

Amended IAS 19 Employee Benefits

ABN AMRO has adopted the amended IAS 19 Employee Benefits in accordance with the transitional provisions which require retrospective application. The opening statements of financial position (1 January 2012) have been adjusted. Further details are included in note 15.

IFRS 7 Financial Instruments: Disclosures – Offsetting

The amendments to IFRS 7 are intended to enable users of financial statements to better evaluate the effects or potential effects of netting arrangements on the entity's financial position. The additional disclosures are included in the Risk management section, including comparable figures of 2012.

IFRS 13 Fair Value Measurement

On 1 January 2013, ABN AMRO adopted IFRS 13 Fair Value Measurement. In accordance with its transitional provisions, IFRS 13 is applied prospectively. Fair value is defined in IFRS 13 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. The change had no significant impact on the measurement of assets and liabilities. However, new disclosures required under IFRS 13 are included in note 18.

IAS 1 Presentation of Financial Statements

Amendments to IAS 1 represent changes in the presentation of other comprehensive income. Amendments are addressed in the Condensed consolidated statement of changes in equity of these Interim Financial Statements.

New accounting standards and interpretations

Since December 2012, the IASB has issued the following new interpretation and amendments to existing standards, which are not yet effective for these Condensed Consolidated Interim Financial Statements.

IFRIC 21 Levies

In May 2013 the IASB issued IFRIC 21 Levies. This IFRS interpretation applies to all government related levies that are accounted for in accordance with IAS 37 provisions, contingent liabilities and contingent assets. The timing of charging levies to the income statement is clarified compared to IAS 37. The interpretation is effective for periods after 1 January 2014 but is not endorsed by the European Union yet. Therefore this interpretation is not open for early adoption.

IAS 36 Impairment of Assets

In May 2013 the IASB issued amendments to IAS 36. These amendments address disclosure requirements for recoverable amount information if this amount is based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The amendment is not endorsed yet by the European Union and is therefore not open for early adoption.

IAS 39 Financial Instruments: Recognition and Measurement

In June 2013 the IASB issued amendments to IAS 39 with the title 'Novation of derivatives and continuation of hedge accounting'. This amendment allows hedge accounting to continue in a situation where a derivative, designated as a hedging instrument, is novated to effect clearing with a central counterparty as result of laws and regulations. The effective date is 1 January 2014. The amendment is not endorsed yet by the European Union and is therefore not open for early adoption.

2 Segment reporting

The primary segment information is presented in respect of ABN AMRO business segments. The operating segments are consistent with ABN AMRO management and internal reporting structure.

ABN AMRO is organised into Retail & Private Banking (R&PB), Commercial & Merchant Banking (C&MB) and Group Functions. For financial reporting purposes, based on the components of the business that management monitors in making decisions about operating matters, segment reporting is further refined as follows:

- Retail Banking;
- Private Banking;
- Commercial Banking;
- Merchant Banking;
- Group Functions.

Segment assets, liabilities, income and results are measured on the basis of the ABN AMRO accounting policies. Segment assets, liabilities, income and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are conducted at arm's length. Geographical data is presented according to the location of the transacting Group entity.

Interest income is reported as net interest income, as management primarily relies on net interest income as a performance measure, not on gross income and expenses.

In 2012 or 2013 to date, no proceeds from transactions with a single external client or counterparty exceeded 10% of the bank's total revenues.

Retail Banking
Retail Banking serves mass retail and preferred banking clients and offers a wide variety of banking and insurance products and services through ABN AMRO's branch network, online, via contact centres and through subsidiaries.

Private Banking
Private Banking provides total solutions to its clients' global wealth management needs and offers a rich array of products and services designed to address their individual requirements. Private Banking operates under the brand name ABN AMRO MeesPierson in the Netherlands and internationally under ABN AMRO Private Banking and local brands such as Banque Neuflize OBC in France and Bethmann Bank in Germany. The Private Banking segment includes the activities of the International Diamond & Jewelry Group (ID&JG).

Commercial Banking
Commercial Banking serves commercial clients with annual turnover up to EUR 500 million and clients in the public sector, commercial finance and leasing. Commercial Banking consists of two business lines: Business Banking and Corporate Clients.

Merchant Banking
Merchant Banking serves Netherlands-based corporates, financial institutions and real estate investors as well as international companies active in Energy, Commodities & Transportation (ECT). Merchant Banking is organised into two business lines: Large Corporates & Merchant Banking (LC&MB) and Markets.

Group Functions
Group Functions supports the business segments and consists of Technology, Operations & Property Services (TOPS); Finance; Risk Management & Strategy; Integration, Communication & Compliance (ICC); Group Audit and the Corporate Office. The majority of the Group Functions costs are allocated to the business. Group Functions' results include those of ALM/Treasury.

Segment information for the first half year 2013

Income statement

(in millions)	Retail & Private Banking		Commercial & Merchant Banking		Group Functions	Total
	Retail Banking	Private Banking	Commercial Banking	Merchant Banking		First half 2013
Net interest income	1,460	282	677	333	-87	2,665
Net fee and commission income	229	267	133	199	1	829
Net trading income		16		2	-14	4
Results from financial transactions		1		11	-28	-16
Share of result in equity accounted investments	19	6		6	6	37
Other income		9	14	2	57	82
Operating income	**1,708**	**581**	**824**	**553**	**-65**	**3,601**
Personnel expenses	243	224	150	160	422	1,199
General and administrative expenses	153	108	34	81	641	1,017
Depreciation and amortisation of tangible and intangible assets	3	8	2	7	75	95
Intersegment revenues/expenses	442	98	262	198	-1,000	
Operating expenses	**841**	**438**	**448**	**446**	**138**	**2,311**
Impairment charges on loans and other receivables	284	38	392	54	-552	216
Total expenses	**1,125**	**476**	**840**	**500**	**-414**	**2,527**
Operating profit/(loss) before taxation	**583**	**105**	**-16**	**53**	**349**	**1,074**
Income tax expenses	144	20	-5	31	67	257
Profit/(loss) for the period	**439**	**85**	**-11**	**22**	**282**	**817**
Attributable to:						
Owners of the company	439	85	-11	23	282	818
Non-controlling interests				-1		-1

An explanation of the numbers is provided in the Operating and financial review of this Interim Financial Report.

The methodology for determining the internal liquidity compensation applied to deposits was changed in 2013. This has led to a decline in net interest income within Group Functions of EUR 133 million and a corresponding increase within the business sections, mainly Retail Banking, followed by Private Banking and Commercial Banking.

Retail Banking

Operating income was EUR 178 million higher than in 2012, due to the abovementioned change in the liquidity compensation as well as higher margins on mortgages and higher saving volumes. Total expenses increased by EUR 41 million on higher Personnel expenses due to the impact of higher pensions costs. Loan impairment charges were EUR 131 million higher, of which mortgages increased by EUR 94 million; the remainder of the increase took place within consumer lending due to provision within a specific niche of the portfolio.

Private Banking

Operating income advanced EUR 14 million, especially Net fee and commission income (EUR 15 million) as a result of increased client activity and higher Assets under Management. Total expenses were stable, as higher Personnel expenses (pensions) were offset by lower project costs. Loan impairment charges were EUR 16 million lower, due to lower loan impairments within the international businesses.

Commercial Banking

Operating income increased EUR 40 million despite the divestment of the insurance activities in 2012. The increase was driven by higher margins on loans as well as rising commitment fees being charged on current accounts. Total expenses decreased by EUR 26 million. Personnel expenses increased primarily as a result of higher pension costs partly offset by a reduction in the number of FTEs.

Loan impairment charges continued to increase. Loan impairment levels for Commercial Clients (clients with a turnover between EUR 30 million and EUR 500 million) remained flat, with the full increase in loan impairments due to SMEs.

Merchant Banking

Operating income was EUR 242 million lower. Interest income from ECT, Real Estate and Large Corporates increased, partly offset by Securities Financing. Securities Financing showed lower results as the 2012 results benefited from the higher margin trades entered into late 2011 following the European sovereign debt crisis. Within Markets, trading income was lower across the board, although this was in part due to the strategic decision to terminate the non-client related part of the equity derivatives business, bringing down income compared to 2012. Total expenses were slightly higher than last year. The decline in loan impairment charges was due to a significant provision which was booked in 2012 for a single housing association client.

Group Functions

Net interest income decreased by EUR 107 million mainly as a result of the previously mentioned change to the liquidity compensation of EUR 133 million. Other operating income in 2012 included significant EC Remedy related gains of EUR 129 million. Operating expenses increased by EUR 78 million, mainly resulting from higher 2013 costs concerning pensions and an additional C&MB related restructuring provision. Loan impairment charges (EUR 552 million) 2013 were positively impacted by the partial sale of the Greek government-guaranteed loan portfolio (EUR 297 million) and Madoff related sale (EUR 253 million).

Selected statement of financial position

(in millions)						30 June 2013
	Retail & Private Banking		Commercial & Merchant Banking		Group Functions	Total
	Retail Banking	Private Banking	Commercial Banking	Merchant Banking		
Assets						
Financial assets held for trading	59	192	156	26,046	-117	26,336
Loans and receivables – customers	160,209	17,408	42,234	57,333	4,855	282,039
Total assets	**162,504**	**22,568**	**43,935**	**117,809**	**55,501**	**402,317**
Liabilities						
Financial liabilities held for trading	60	177	1	16,594		16,832
Due to customers	87,871	59,148	35,269	45,772	3,957	232,017
Total liabilities[1]	**162,504**	**22,568**	**43,935**	**117,809**	**41,987**	**388,803**

1 Total liabilities per segment are after elimination of intercompany transactions and may therefore be lower than the line items specified above.

Segment information for the first half year 2012

Income statement

(in millions) — First half 2012

	Retail & Private Banking		Commercial & Merchant Banking		Group Functions	Total
	Retail Banking	Private Banking	Commercial Banking	Merchant Banking		
Net interest income	1,286	275	614	320	20	2,515
Net fee and commission income	231	253	160	193	-49	788
Net trading income		14		223	-30	207
Results from financial transactions		6		38	4	48
Share of result in equity accounted investments	5	6		5	17	33
Other income	8	13	10	16	175	222
Operating income	**1,530**	**567**	**784**	**795**	**137**	**3,813**
Personnel expenses[1]	202	209	138	141	319	1,009
General and administrative expenses	179	111	33	87	679	1,089
Depreciation and amortisation of tangible and intangible assets	3	9	1	12	106	131
Separation and integration-related items						
Intersegment revenues/expenses	437	108	302	197	-1,044	
Operating expenses	**821**	**437**	**474**	**437**	**60**	**2,229**
Impairment charges on loans and other receivables	153	54	241	106		554
Total expenses	**974**	**491**	**715**	**543**	**60**	**2,783**
Operating profit/(loss) before taxation	**556**	**76**	**69**	**252**	**77**	**1,030**
Income tax expenses[1]	138	12	18	37	-15	190
Profit/(loss) for the period	**418**	**64**	**51**	**215**	**92**	**840**
Attributable to:						
Owners of the company	418	64	51	217	92	842
Non-controlling interests				-2		-2

[1] All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19.

Selected statement of financial position

(in millions)						31 December 2012
	Retail & Private Banking		Commercial & Merchant Banking		Group Functions	Total
	Retail Banking	Private Banking	Commercial Banking	Merchant Banking		
Assets						
Financial assets held for trading	42	148	189	22,528	-103	22,804
Loans and receivables – customers	161,668	17,310	42,378	49,557	5,370	276,283
Total assets[1]	**164,100**	**22,689**	**44,063**	**102,276**	**60,630**	**393,758**
Liabilities						
Financial liabilities held for trading	42	169	1	18,570		18,782
Due to customers	81,905	58,911	34,444	37,029	3,732	216,021
Total liabilities[1, 2]	**164,100**	**22,689**	**44,063**	**102,276**	**47,747**	**380,875**

1 All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19.
2 Total liabilities per segment are after elimination of intercompany transactions and may therefore be lower than the line items mentioned above.

3 Acquisitions and divestments

The following table shows the acquisitions and divestments made in the first half of 2013 and 2012.

(in millions)	First half 2013		First half 2012	
	Acquisitions	Divestments	Acquisitions	Divestments
Net assets acquired/Net assets divested	**33**	**-4**	24	-19
Cash used for acquisitions/received for divestments	**-33**	**13**	**-24**	**33**

Acquisitions and divestments first half 2013 and first half year 2012

The acquisitions and divestments figures were related to in the investments in equity accounted investments mainly in Commercial and Merchant Banking.

4 Operating income

(in millions)	First half 2013	First half 2012
Net interest income	2,665	2,515
Net fee and commission income	829	788
Net trading income	4	207
Results from financial transactions	-16	48
Share of result in equity accounted investments	37	33
Other income	82	222
Total operating income	**3,601**	**3,813**

Net interest income increased by 6% driven by improved margins. These positive developments were partly offset as funding costs and capital costs increased.

Net fee and commission income increased by 5%, due to increased brokerage fees in Private Banking, higher management fees due to increasing Assets under Management, and higher fees within the Clearing business.

Net trading income decreased. Within Markets, the trading activities showed lower results across the board. In addition, termination of the non-client related equity derivatives business (Equity Delta 1) caused a decline in income compared with the previous year. The wind-down of these activities led to total costs of EUR 52 million before tax (EUR 39 million after tax).

Results from financial transactions decreased mainly due to the upfront losses booked on the buy-back of government guaranteed bonds offset by higher CVA for certain public sector loans. Private equity also contributed to the decline as favourable revaluations in 2012 were followed by negative revaluations this year.

The decrease in other income was mainly due to releases from the Credit Umbrella and other EC Remedy-related provisions totalling EUR 129 million in 2012, offset by a gain on the sale of an office property in the centre of Amsterdam in 2013.

5 Operating expenses

(in millions)	First half 2013	First half 2012
Personnel expenses[1]	1,199	1,009
General and administrative expenses	1,017	1,089
Depreciation and amortisation of tangible and intangible assets	95	131
Total operating expenses	**2,311**	**2,229**

[1] All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19.

Personnel expenses increased by EUR 190 million, mainly due to higher pension expenses and restructuring provisions (see the following table).

The decrease of EUR 72 million in General and administrative expenses was mainly caused by lower expenses in IT, housing, marketing and office expenses of EUR 58 million and lower external staffing of EUR 62 million.

Total depreciation and amortisation decreased by EUR 36 million. The amortisation of purchased software decreased by EUR 12 million due to fully amortised in-house software and development costs on software.

Personnel expenses

(in millions)	First half 2013	First half 2012
Salaries and wages	829	841
Social security charges	115	121
Pension expenses relating to defined benefit plans[1]	129	-40
Defined contribution plan expenses	14	18
Other	112	69
Total personnel expenses	**1,199**	**1,009**

[1] All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19.

Salaries and wages decreased by EUR 12 million mainly due to a reduction in the number of employees. This was offset by wage inflation caused by the collective labour agreement.

Pension expenses relating to defined benefit plans increased by EUR 169 million as a result of a decrease in the discount rate. ABN AMRO adopted the amended pension accounting standard IAS 19 as from 1 January 2013.

Other includes a EUR 38 million addition to the restructuring provision due to a planned reorganisation in Commercial & Merchant Banking in 2013.

6 Financial assets and liabilities held for trading

Financial assets held for trading

ABN AMRO's financial assets and liabilities held for trading mainly relates to client-facilitating activities carried out by the Markets business. Moreover, these contracts are managed on a combined basis and should therefore be assessed on a total portfolio basis and not as stand-alone assets and liability classes.

(in millions)	30 June 2013	31 December 2012
Trading securities:		
Government bonds	4,409	2,127
Corporate debt securities	1,101	799
Equity securities	6,830	2,539
Total trading securities	**12,340**	**5,465**
Derivatives held for trading:		
Over the counter (OTC)	12,227	15,437
Exchange traded	224	289
Total derivatives held for trading	**12,451**	**15,726**
Trading book loans	1,035	1,107
Commodities	510	506
Total assets held for trading	**26,336**	**22,804**

Financial assets held for trading increased by EUR 3.5 billion to EUR 26.3 billion, mainly due to higher equity positions related to the client-driven equity derivatives business and higher government bond positions. This was partly offset by lower valuation of the interest rate derivative positions. The latter two also explain the movements in financial liabilities held for trading.

Financial liabilities held for trading

(in millions)	30 June 2013	31 December 2012
Short security positions	4,146	3,138
Derivatives held for trading:		
Over the counter (OTC)	11,538	14,551
Exchange traded	522	517
Total derivatives held for trading	**12,060**	**15,068**
Other liabilities held for trading	626	576
Total liabilities held for trading	**16,832**	**18,782**

7 Financial investments

Financial investments break down as follows:

(in millions)	30 June 2013	31 December 2012
Financial investments:		
Available-for-sale	24,364	21,056
Held at fair value through profit or loss	432	370
Total, gross	**24,796**	**21,426**
Less: Available-for-sale impairment allowance	20	19
Total financial investments	**24,776**	**21,407**

Financial investments available-for-sale

The fair value of ABN AMRO's financial investments available-for-sale including gross unrealised gains and losses is as follows:

(in millions)	30 June 2013	31 December 2012
Interest-earning securities:		
Dutch government	4,976	5,304
US Treasury and US government	1,693	1,544
Other OECD government	11,633	7,665
Non OECD government	111	117
Mortgage and other asset-backed securities	3,601	3,688
Financial institutions	2,052	2,417
Non financial institutions	101	125
Subtotal	**24,167**	**20,860**
Equity instruments	197	196
Total investment available-for-sale	**24,364**	**21,056**

The increase in investments in government bonds relates to preparations to comply with the Liquidity Coverage Ratio (LCR) under Basel III. Extra funding has been taken up and invested mainly in Belgian and French bonds. ALM has received a mandate to invest in various countries to avoid concentration risk.

Most of these instruments are part of the liquidity buffer and are held for liquidity contingency purposes (also refer to Liquidity and funding section of this Interim Financial Report).

8 Loans and receivables – banks

(in millions)	30 June 2013	31 December 2012
Interest-bearing deposits	13,192	21,461
Loans and advances	8,642	10,207
Professional securities transactions	19,568	14,277
Mandatory reserve deposits with central banks	204	287
Other	113	194
Total	**41,719**	**46,426**
Less: loan impairment allowance	24	28
Loans and receivables – banks	**41,695**	**46,398**

Interest-bearing deposits decreased mainly as a result of lower deposits placed with the ECB. This decrease was partially offset by an increase in the securities financing client volumes.

Mandatory reserve deposits with central banks are not available for use in the bank's day-to-day operations.

Details on loan impairment charges and allowances are provided in the Risk management section of this Interim Financial Report.

9 Loans and receivables – customers

(in millions)	30 June 2013	31 December 2012
Government and official institutions	1,539	1,329
Residential mortgages	152,755	153,875
Fair value adjustment from hedge accounting on residential mortgages	3,964	4,906
Consumer loans	16,402	16,568
Commercial loans	85,357	85,260
Fair value adjustment from hedge accounting on commercial loans	919	1,135
Professional securities transactions	21,378	14,495
Financial lease receivables	3,051	3,045
Factoring	1,398	1,182
Other loans	9	
Total	**286,772**	**281,795**
Less: loan impairment allowance	4,733	5,512
Loans and receivables – customers	**282,039**	**276,283**

Loans and receivables – customers increased mainly due to the increase in securities financing volumes.

Residential mortgages decreased by EUR 1.1 billion due to increased redemptions of mortgages and lower inflow of new mortgages.

Professional securities transactions were higher primarily due to an increase in client volumes in securities financing activities.

Details on loan impairment charges and allowances are provided in the Risk management section of this Interim Financial Report.

10 Due to banks

(in millions)	30 June 2013	31 December 2012
Deposits from banks:		
Demand deposits	3,909	2,755
Time deposits	6,870	9,436
Other deposits	4,898	4,663
Total deposits	**15,677**	**16,854**
Professional securities transactions	10,780	4,360
Other	43	49
Total due to banks	**26,500**	**21,263**

Due to banks include positions due to financial institutions, central banks and multilateral development banks.

Demand deposits and other deposits increased as a result of higher positions with banks, credit institutions at Large Corporates & Merchant Banking business and banks in the Clearing business.

Time deposits decreased mainly due to the lower amounts placed at the ECB (EUR 1.4 billion) and lower fiduciary loans (EUR 1.1 billion).

Professional securities transactions increased primarily driven by an increase in client volumes.

11 Due to customers

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

(in millions)	30 June 2013	31 December 2012
Demand deposits	76,599	73,511
Saving deposits	85,366	81,142
Time deposits	24,519	25,996
Other deposits	20,714	19,892
Total deposits	**207,198**	**200,541**
Professional securities transactions	24,510	15,142
Other borrowings	309	338
Total due to customers	**232,017**	**216,021**

Due to customers increased by EUR 16.0 billion to EUR 232.0 billion, primarily due to increased client inflow in securities financing activities (up by EUR 9.4 billion). Total client deposits grew by EUR 6.7 billion, particularly in Retail Banking in the Netherlands due to consumers being cautious in response to the ongoing economic uncertainty. MoneYou also showed growth in deposits mainly in Belgium and Germany. Commercial Banking managed to post a small increase in deposits. Private Banking deposits remained flat.

12 Issued debt

The following table shows the types of debt certificates issued by ABN AMRO and the amounts outstanding as at 30 June 2013.

(in millions)	30 June 2013	31 December 2012
Bonds and notes issued	64,415	70,018
Certificates of deposit and commercial paper	20,742	21,058
Saving certificates	472	686
Total at amortised cost	**85,629**	**91,762**
Designated at fair value through profit or loss	2,136	2,281
Total issued debt	**87,765**	**94,043**

The total amount of issued debt decreased by EUR 6.3 billion. The main decrease was in bonds and notes (EUR 5.6 billion) due to matured funding as well as the buy-back of government-guaranteed bonds.

The amounts of debt issued and redeemed during the period are specified in the Consolidated Statement of Cash Flows. The decrease is also due to a cash tender offer for the EUR 2.5 billion government-guaranteed notes. The participation rate in the cash tender was 49%. Further details of the funding programmes are provided in the Liquidity and funding section.

Financial liabilities designated at fair value through profit or loss

The cumulative change in fair value of the structured notes attributable to change in credit risk amounted to EUR 8 million (31 December 2012: EUR 10 million).

13 Subordinated liabilities

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of ABN AMRO.

The following table specifies the issued and outstanding subordinated liabilities.

(in millions)	30 June 2013	31 December 2012
Perpetual loans	1,269	1,172
Other subordinated liabilities	6,628	8,394
Total subordinated liabilities	**7,897**	**9,566**

Subordinated liabilities showed a net decrease of EUR 1.7 billion, resulting from the call of several lower Tier 2 capital instruments. The Capital management section provides more information on the regulatory capital position of ABN AMRO.

14 Provisions

The following table breaks down provisions as at 30 June 2013.

(in millions)	30 June 2013	31 December 2012
Insurance fund liabilities	389	401
Provision for pension commitments[1]	169	560
Restructuring	327	360
Other staff provision	172	182
Other	372	412
Total provisions	**1,429**	**1,915**

[1] All 2012 figures have been adjusted for comparison purposes following the adoption of the amended pension accounting standard IAS 19.

Insurance fund liabilities include insurance companies' actuarial reserves, premium and claims reserves. The expected cash outflow for 2013 is approximately EUR 67 million and approximately EUR 86 million for the 2014-2017 period.

For further details on provisions for pension commitments, please refer to note 15 Pensions.

Restructuring provisions cover the costs of restructuring plans for which implementation has been formally announced. These are related to the integration and further streamlining of the organisation and infrastructure and include allowances for staff and other operating expenses. The restructuring provisions are expected to be used before the end of 2014.

Other staff provisions relate to disability and other post-employee benefits in particular, except early retirement benefits payable to non-active employees, which are included in the provision for pensions commitments.

Other provisions consist mainly of provisions for litigation on tax and legal matters. These are based on best estimates available at period-end according to legal and tax advisors. The timing of the outflow of cash related to these provisions is uncertain by nature, given the unpredictability of the outcome and the time involved in completing litigation.

15 Pensions

ABN AMRO has adopted the amended IAS 19 Employee Benefits in accordance with the transitional provisions which require retrospective application. The amended IAS 19 states that changes in the defined benefit obligation and fair value of plan assets are recognised in the period as they occur. The corridor method has been abandoned, and actuarial gains and losses and unrecognised past service costs are recognised directly in other comprehensive income. Actuarial gains and losses are highly volatile by their very nature.

The opening statements of financial position as at 1 January 2012 have been adjusted. The amended IAS 19 had a negative impact (net of tax) of EUR 1,154 million on total equity as per 31 December 2012. Furthermore, the net result for the year 2012 would have been EUR 205 million higher. See the tables below for more details of the impact of amended IAS 19.

The full-year effect on the balance sheet of 2012 is as follows:

(in millions)	Net defined pension asset	Deferred tax liability	Equity
Balance as per 1 January 2012	674	41	11,420
Effect of IAS 19 adoption (as revised in 2011)	2,566	641	1,925
Adjusted balance at 1 January 2012	**3,240**	**682**	**13,345**
Balance as per 31 December 2012	**979**	**47**	**14,037**
Effect of IAS 19 adoption (as revised in 2011)	2,566	641	1,925
Effect on profit/(loss) for the year	273	68	205
Effect on Other comprehensive income for the year	-4,378	-1,094	-3,284
Adjusted balance at 31 December 2012	**-560**	**-338**	**12,883**

The half-year effect on the balance sheet of 2012 is as follows:

(in millions)	Net defined pension asset	Deferred tax liability	Equity
Balance as per 30 June 2012	**936**	**52**	**13,542**
Effect of IAS 19 adoption (as revised in 2011)	2,566	641	1,925
Effect on profit/(loss) for the period	130	33	97
Effect on Other comprehensive income for the period	-2,026	-506	-1,520
Adjusted balance at 30 June 2012	**1,606**	**220**	**14,044**

The half-year and full-year effect on the income statement 2012 is as follows:

(in millions)	First half 2012	2012
Effect on pension expenses	-130	-273
Effect on income tax expense	33	68
Increase/(decrease) of profit for the year	**97**	**205**

The half-year and full-year effect on the statement of comprehensive income 2012 is as follows:

(in millions)	First half 2012	2012
Remeasurement of defined benefit obligation	-2,026	-4,378
(Increase)/decrease of income tax relating to components of other comprehensive income	506	1,094
Increase of profit/(loss) for the year	97	205
Increase/(decrease) of total comprehensive income for the year after taxation	**-1,423**	**-3,079**

The movement in the net defined benefit (liabilities)/assets during the first half of 2013 is as follows:

(in millions)	Net defined pension (liabilities)/asset
Net Defined benefit (liabilities)/assets as per 1 January 2013	**-560**
Profit/(loss) for the period	-129
Remeasurement gains/(losses) recognised in Other comprehensive income	80
Contributions	466
Other	-22
Net Defined benefit (liabilities)/assets as per 30 June 2013	**-165**

(in millions)	30 June 2013	31 December 2012
Plan assets	17,455	17,281
Defined benefit obligations	17,620	17,841
Net Defined benefit (liabilities)/assets	**-165**	**-560**

The effect on Other comprehensive income for the period of EUR 80 million in the first half of 2013 is mainly a result of the following:

- The discount rate increased by 0.2% to 3.7% as per June 2013 resulting in a remeasurement gain of EUR 692 million;
- Indexation in 2013 of 3% related to 2012 resulted in a remeasurement loss of EUR 216 million;
- Actual return on plan was EUR 396 million lower than the expected return on plan assets based on the discount rate as per 31 December 2012 of 3.5%.

Actuarial gains and losses are highly volatile by nature, with changes in discount and indexation rates influencing the net defined benefit liability.
The following table shows the change in the defined benefit obligation, the plan assets and the net defined benefit liability resulting from a change in the risk-free interest rate, leaving all other assumptions equal. As the pension fund hedges most of the risk-free rate, the impact on the net defined benefit liability is relatively limited.

	Defined benefit obligation	Plan assets	Net defined benefit (liability)/asset
Change in risk free rate			
+0.50%	16,061	16,354	293
0.00%	17,620	17,455	-165
-0.50%	19,416	18,656	-760

The following table shows the change in the defined benefit obligation, the plan assets and the net defined benefit liability resulting from a change in the credit spread, leaving all other assumptions equal.

	Defined benefit obligation	Plan assets	Net defined benefit (liability)/asset
Change in credit spread			
+0.50%	16,061	17,455	1,394
0.00%	17,620	17,455	-165
-0.50%	19,416	17,455	-1,961

The following table shows the change in the defined benefit obligation, the plan assets and the net defined benefit liability resulting from a change in the expected indexation, holding all other assumptions equal.

	Defined benefit obligation	Plan assets	Net defined benefit (liability)/asset
Expected indexation			
+0.50%	19,416	17,455	-1,961
0.00%	17,620	17,455	-165
-0.50%	16,061	17,455	1,394

16 Professional securities transactions

Professional securities transactions include balances relating to reverse repurchase activities and cash collateral on securities borrowed. ABN AMRO controls 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 or returned to ABN AMRO when deemed necessary.

An explanation of the numbers is provided in notes 8, 9, 10 and 11.

(in millions)	30 June 2013		31 December 2012	
	Banks	Customers	Banks	Customers
Assets				
Reverse repurchase agreements	9,704	11,200	7,082	7,346
Securities borrowing transactions	9,161	6,841	6,493	4,535
Unsettled securities transactions	703	3,337	702	2,614
Total	**19,568**	**21,378**	**14,277**	**14,495**
Liabilities				
Repurchase agreements	7,584	21,111	3,096	12,148
Securities lending transactions	2,412	2,307	1,121	2,517
Unsettled securities transactions	784	1,092	143	477
Total	**10,780**	**24,510**	**4,360**	**15,142**

17 Commitments and contingent liabilities

(in millions)	30 June 2013	31 December 2012
Committed credit facilities	14,366	17,635
Guarantees and other commitments:		
Guarantees granted	3,733	3,817
Irrevocable letters of credit	5,324	5,474
Recourse risks arising from discounted bills	7,821	7,486
Total guarantees and other commitments	**16,878**	**16,777**
Total	**31,244**	**34,412**

The decrease in committed credit lines is mainly due to fewer credit offers on residential mortgages.

Other contingencies

ABN AMRO is involved in a number of legal proceedings in the ordinary course of business in a number of jurisdictions. In presenting the condensed consolidated interim financial information, management makes estimates regarding the outcome of legal, regulatory and arbitration matters, and takes charges to income to cover for probable losses. Charges, other than those taken periodically for defence costs, are not established for matters when losses cannot be reasonably estimated.

On the basis of information currently available, and having taken legal counsel, ABN AMRO believes that the outcome of these proceedings is unlikely to have a materially adverse effect on the interim financial position and interim result. For a list of the main relevant legal proceedings, see note 38 of the 2012 Annual Financial Statements.

Cross liability

Section 2:334t of the Dutch Civil Code requires that in the event of an entity being divided into two or more parts through a legal demerger, each part remains liable to the creditors of the other demerged part. Such liabilities relate only to obligations existing as at the date of the legal demerger. As explained in more detail in note 38 of the 2012 Annual Financial Statements, ABN AMRO was subject to two demergers, one in 2008 with New HBU II N.V. and one in 2010 with RBS N.V. In the first half of 2013, the contingent liability related to New HBU II N.V. decreased to EUR 156 million while the contingent liability related to RBS N.V. remained unchanged at EUR 950 million.

18 Fair value of financial instruments

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.

Portfolios of financial assets and liabilities exposed to market and credit risk and managed on the net exposure to either market or credit risk are measured on the basis of the price that would be received when selling out of a net long position or paid when settling a net short position for a particular risk exposure.

The internal controls of fair value valuation and the valuation techniques used are consistent with those set out in the notes to ABN AMRO's 2012 Annual Financial Statements.

Fair value hierarchy

ABN AMRO analyses financial instruments held at fair value, broken down into the three categories from the fair value hierarchy as 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 which are not considered to be active; or valuation techniques where all the 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 techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

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

(in millions)				30 June 2013
	Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs	Total fair value
Assets				
Financial assets held for trading	13,053	13,283		26,336
Available-for-sale interest earning securities	17,095	7,072		24,167
Available-for-sale equities	125	18	34	177
Equities designated at fair value through profit or loss	112	187	133	432
Derivatives not held for trading		2,452		2,452
Unit-linked investments	1,070	1,020		2,090
Total financial assets	**31,455**	**24,032**	**167**	**55,654**
Liabilities				
Financial liabilities held for trading	4,654	12,178		16,832
Issued debt		2,136		2,136
Derivatives not held for trading		8,283		8,283
Unit-linked investments	1,070	1,020		2,090
Total financial liabilities	**5,724**	**23,617**		**29,341**

Financial assets and liabilities held for trading valued by quoted market prices in active markets consisted mainly of equity securities, exchange traded derivatives and corporate debt securities. Valuation techniques by observable inputs are mainly comprised of OTC derivatives.

(in millions)				31 December 2012
	Quoted market prices in active markets	Valuation techniques -observable inputs	Valuation techniques -significant unobservable inputs	Total fair value
Assets				
Financial assets held for trading	5,984	16,820		22,804
Available-for-sale interest earning securities	13,619	7,241		20,860
Available-for-sale equities	116	27	34	177
Equities designated at fair value through profit or loss	118	118	134	370
Derivatives not held for trading		3,563		3,563
Unit-linked investments	542	1,628		2,170
Total financial assets	**20,379**	**29,397**	**168**	**49,944**
Liabilities				
Financial liabilities held for trading	3,620	15,162		18,782
Issued debt		2,281		2,281
Derivatives not held for trading		10,208		10,208
Unit-linked investments	542	1,628		2,170
Total financial liabilities	**4,162**	**29,279**		**33,441**

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

Transfers between levels 1 and 2

During 2013 a reassessment of ABN AMRO's unit-linked investments was performed and consequently an amount of EUR 619 million was transferred from level 2 to level 1.

Transfers from levels 1 and 2 into level 3

During the first half year of 2013 there were no material transfers from levels 1 and 2 to level 3.

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 recorded at fair value.

(in millions)		2013		2012
	Equities designated at fair value through profit or loss	Available for sale equities	Equities designated at fair value through profit or loss	Available for sale equities
Opening balance	**134**	**34**	**113**	**66**
Purchases	7		2	5
Sales	-2			-31
Gains/losses recorded in profit and loss[1]			-4	-1
Unrealised gains/losses	-6		12	
Transfer between levels				
Other movements			11	-5
Closing balance	**133**	**34**	**134**	**34**

[1] Included in Results from financial transactions. All assets were held at balance sheet date.

Level 3 sensitivity information

The following tables present the level 3 financial instruments carried at fair value as at the balance sheet date for which fair value is measured in full or in part using valuation techniques based on assumptions that are not supported by market observable inputs. There may be uncertainty about a valuation, resulting from the choice of the valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting the valuation technique or model. At 30 June 2013 and 31 December 2012, ABN AMRO performed a sensitivity analysis to assess the range of reasonably possible alternative assumptions that would have a significant impact (i.e. increase or decrease) on the fair value of the instrument.

(in millions)	Valuation technique	Main assumptions	Carrying value	Reasonably possible alternative assumptions	
				Increase in fair value	Decrease in fair value
30 June 2013					
Equity shares	Private equity – valuation statements	EBITDA multiples	167	20	-20
31 December 2012					
Equity shares	Private equity – valuation statements	EBITDA multiples	168	20	-20

Below follows a description of the types of products that comprise the portfolio and the valuation techniques that are applied in determining fair value of the equity shares shown in the table, including a description of models used and inputs to those models. Where reasonably possible alternative assumptions of unobservable inputs used in models would change the fair value of the portfolio significantly, the alternative inputs are indicated along with the impact these would have on the fair value. Where there have been significant changes to valuation techniques during the year, a discussion of the reasons for this is also included.

Equities designated at fair value through income

Equities designated at fair value through profit or loss classified as level 3 mainly comprise private equity investments. In general, private equity investments cannot be valued directly from quoted market prices or by using valuation techniques supported by observable market prices or other market data. The fair value is determined using a valuation technique applied in accordance with the European Private Equity and Venture Capitalist Association (EVCA) guidelines.

The EBITDA multiples, the main assumption for calculation of the fair value, has a range between 6.9 and 10.7 as at 30 June 2013 (31 December 2012: 6.1 and 10.3).

The fair value of the private equity investments is calculated by using company specific data and (listed) peer company data. As a consequence the fair value calculation of an investment is strongly linked with movements on the public (share) markets. In general, when the public markets on average go up with 17% this would have a positive effect on the fair value of the private equity investments of EUR 20 million. The opposite is also true, when the public markets go down with 17% this will also have an negative fair value impact of EUR 20 million.

Own credit

An own credit adjustment is applied to positions where it is believed that counterparties will consider ABN AMRO's creditworthiness when pricing trades. The adjustment for ABN AMRO's own credit spread represents the difference between the interbank offered rate and the rate which includes ABN AMRO's own market perceived risk of default. In general, ABN AMRO anticipates that gains and losses arising from changes in ABN AMRO's own credit spread will reverse over the life of the instrument unless repurchased.

For issued debt securities, this adjustment is based on independent quotes from market participants for the debt issuance spreads above average interbank rates (at a range of tenors) which the market would demand when purchasing new senior or sub-debt issuances from ABN AMRO. Where necessary, these quotes are interpolated using a curve shape derived from CDS prices (please refer to note 12).

Financial assets and liabilities not carried at fair value

The methods and significant assumptions applied to estimate the fair values of financial instruments carried at cost are described in note 39 of the Annual Financial Statements 2012.

The estimated fair value of financial assets and liabilities recorded at amortised cost have not materially changed related to the figures as published in note 39 of the Annual Financial Statements 2012.

19 Related parties

Parties related to ABN AMRO include NLFI with control, the Dutch State with significant influence, associates, pension funds, joint ventures, the Managing 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 pursuant to IAS 24 paragraphs 25-27.
As part of its business operations, ABN AMRO frequently enters into transactions with related parties. Transactions conducted directly 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.

Balances with joint ventures and associates

(in millions)	30 June 2013				31 December 2012			
	Joint ventures	Associates	Other	Total	Joint ventures	Associates	Other	Total
Assets	19	284		303	12	167	987	1,166
Liabilities	112	1,941	109	2,162	88	1,853		1,941
Irrevocable facilities		24		24		15		15
Income received	17	24		41	34	56		90
Expenses paid		2	125	127	14	3	334	351

The column other includes pension fund-related amounts.

Balances with the Dutch State[1]

(in millions)	30 June 2013	31 December 2012
Assets		
Financial assets held for trading	2,356	821
Financial investments – available-for-sale	4,976	5,304
Loans and receivables – customers	1,037	815
Accrued income and deferred charges	335	435
Liabilities		
Due to customers[2]	2,108	2,111
Subordinated loans[2]	1,650	1,650
Deferred revenues and accrued interest expenses	29	83

	First half 2013	First half 2012
Income statement		
Interest income	87	86
Interest expense	37	58
Net trading income	42	-69
Net fee and commission income	-13	-13

1 Excluding balances related to tax positions.

2 Part of Due to customers (EUR 2,100 million) and the full amount of Subordinated loans are related to liabilities the Dutch State acquired from Ageas on 3 October 2008.

Transactions conducted directly with the Dutch State are limited to normal banking transactions, taxation and other administrative relationships.
Moreover ABN AMRO has Medium Term Notes of EUR 1.4 billion (2012: EUR 2.7 billion) outstanding that are guaranteed by the Dutch State under the EUR 200 billion government bond scheme. These notes will mature in Q2 2014.

In addition, RBS continues to legally own certain Consortium shared assets and liabilities. This means that these assets and liabilities are for the risk and reward of RBS, Santander and the Dutch State as shareholder of RFS Holdings B.V. On 1 April 2010 ABN AMRO signed an indemnity agreement with the Dutch State for a shortfall in capital above a certain amount related to specific assets and liabilities of RFS Holding. ABN AMRO has assessed the risk for such a shortfall and considers the risk to be remote.

As stated in note 38 of the Annual Financial Statements 2012, ABN AMRO took over the cross-liability exposure for NEW HBU II N.V. on Royal Bank of Scotland N.V. for a period of five years. ABN AMRO received an indemnity from the Dutch State for this exposure.

Financial assets held for trading increased due to primary dealerships. Financial investments – available-for-sale decreased mainly as result of acquisition and sale transactions aiming to optimize the Dutch government bonds portfolio. Accrued income and deferred charges decreased mostly due to the settlement of the interest related to the outstanding positions with the Dutch State. Net trading income was higher as a result of the increase of the market interest rates while interest expense decreased mainly due to a catch-up effort related to covered bond guarantees in 2012.

20 Other information

Post balance sheet events

On 11 July 2013, ABN AMRO announced that it would discontinue its Curaçao-based Private Banking activities and would close the operation by the end of this year. ABN AMRO Private Banking's strategic focus is to be a leading European private bank with growth ambitions in Asia. As such, a presence in Curaçao is no longer in line with this strategy. Also, the scale and growth opportunities of MeesPierson in Curaçao are too limited for ABN AMRO.

On 1 August 2013, ABN AMRO announced that the acquisition of Banco CR2 S.A., a small privately owned commercial bank based in Brazil, was closed on 31 July 2013. The initial transaction was announced on 25 October 2012. The acquisition fits with the strategy to selectively grow the existing international businesses and allows ABN AMRO to offer on-shore products authorised under Brazilian banking regulations to its existing clients in the Energy, Commodities and Transportation sector.

Review report

To: The shareholders, Supervisory Board and Management Board of ABN AMRO Group N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of ABN AMRO Group N.V., Amsterdam, included on pages 66 up to 102 which comprises the condensed consolidated statement of financial position as at 30 June 2013, the condensed consolidated income statement, the condensed consolidated statements of comprehensive income, changes in equity, and cash flows for the six month period ended 30 June 2013, and the notes. The Management Board of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2013 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 22 August 2013

KPMG ACCOUNTANTS N.V.
D. Korf RA

other

definitions of important terms 8

ABN AMRO or the Group
ABN AMRO Group N.V. incorporated on 18 December 2009 ('ABN AMRO Group' or 'the Company') and its consolidated subsidiaries.

ABN AMRO Bank
ABN AMRO Bank N.V. (formerly known as 'ABN AMRO II N.V.').

ABN AMRO Holding
ABN AMRO Holding N.V. and its consolidated subsidiaries, which was acquired by the Consortium and renamed RBS Holdings N.V. upon the Legal Separation. RBS Holdings N.V. is part of The Royal Bank of Scotland Group plc.

Absolute sensitivity
The absolute sensitivity adds up the different positions on the yield curve, regardless of whether they are positive or negative. It measures the absolute interest rate position.

Advanced Internal Ratings Based (AIRB)
The highest and most detailed level of credit risk calculation for determining capital adequacy levels under Basel II, based on the use of internal models to assess risk.

Advanced Measurement Approach (AMA)
The highest and most detailed level of operational risk calculation for determining capital adequacy levels under Basel II, based on the use of internal models to assess risk.

Ageas
Refers to ageas SA/NV (formerly known as Fortis SA/NV) and ageas N.V. (formerly known as Fortis N.V.) together.

Assets under Management (AuM)
Assets, including investment funds and assets of private individuals and institutions, which are professionally managed with the aim of maximising the investment result.

Basel I
The Basel Capital Accord is the 1988 agreement among the G10 central banks to apply common minimum capital standards to the banking industry.

Basel II
The Basel II Framework offers a new set of standards for establishing minimum capital requirements for banks. It was prepared by the Basel Committee on Banking Supervision.

Basel III
The third set of Basel accords, which was developed in response to the financial crisis of the late 2000's. The Basel III standards include higher and better-quality capital, better risk coverage and the introduction of a maximum leverage ratio.

Basis point (bp)
One hundredth of 1 percentage point.

Capital adequacy
Measure of a company's financial strength, often expressed in equity as a percentage of balance sheet total or – for banks – in the BIS ratio.

Cash and balances at central banks
This item includes all cash and only credit balances with central banks that are available on demand.

Certificate of deposit (CD)
Certificate of deposit is an unsecured short-term funding instrument with maturities up to one year.

Clearing
Refers to the clearing businesses of ABN AMRO.

Commercial paper (CP)
Commercial paper is an unsecured short-term funding instrument with maturities up to one year.

Consortium
Refers to The Royal Bank of Scotland Group plc ('RBS Group'), Ageas and Banco Santander S.A. ('Santander'), which jointly acquired ABN AMRO Holding on 17 October 2007 through RFS Holdings B.V. ('RFS Holdings'). On 3 October 2008 the State of the Netherlands became the successor of Ageas.

Core Tier 1 ratio
The bank's core capital, excluding preference shares, expressed as a percentage of total risk-weighted assets.

Cost of risk
The cost of risk is defined as annualised impairment charges on loans and other receivables divided by average risk-weighted assets.

Country risk
Country risk is part of credit risk and is defined as the risk of losses due to country-specific events or circumstances (political, social, economic) relevant for credit exposures that are cross-border in nature.

Coverage ratio
The coverage ratio shows to which extent the impaired exposures are covered by impairment allowances for identified credit risk.

Covered bonds
Covered bonds (CB) are secured long-term funding instruments. This type of bond differs from a standard bond by recourse to a pool of assets. In a default event, the bondholder has recourse to the issuer and this pool of assets.

Credit rating
Assessment of a credit rating agency expressed in a combination of letters and/or figures indicating the creditworthiness of a country, company or institution.

Credit risk
Credit risk is the risk of a financial loss that occurs if a client or counterparty fails to meet the terms of a contract or otherwise fails to perform as agreed.

Credit Umbrella
Financial guarantee covering part of the potential credit losses on the portfolio that existed at the time of closing the sale under the EC Remedy.

Credit valuation adjustments
Market value adjustments for counterparty credit risk.

Derivatives
Financial instruments whose value is derived from the price of one or several underlying assets (e.g. currencies, securities, indices).

Duration of equity
Duration of equity indicates the sensitivity of the market value of equity to a 1% parallel change in the yield curve. The targeted interest risk profile results in a limit of the duration of equity between 0 and 7 years.

EC Remedy
The divestment of the EC Remedy Businesses by ABN AMRO Bank Standalone in order to satisfy the conditions imposed by the European Commission for approval of the integration of FBN with ABN AMRO Bank Standalone through the Legal Merger. The EC Remedy Businesses consist of New HBU II N.V. and IFN Finance B.V.

EC Remedy Businesses
Refers to New HBU II N.V. and IFN Finance B.V.

Encumbered assets
Assets that were pledged or subject to an arrangement, either explicitly or implicitly, in any way to secure, collateralise or credit enhance a transaction.

Exposure at Default (EAD)
EAD models estimate the expected exposure at the time of a counterparty default.

FBN
The legal entity Fortis Bank (Nederland) N.V., previously named Fortis Bank Nederland (Holding) N.V., which merged with ABN AMRO Bank Standalone pursuant to the Legal Merger.

Goodwill
The difference between the purchase price of a participation and the fair value of the individual net assets and liabilities.

Hedge
Protecting a financial position by going either long or short, often using derivatives.

Impaired exposures
Exposures for which not all contractual cash flows are expected and/or exposures more than 90 days past due for which impairments are determined on a portfolio basis.

Impaired ratio
The impaired ratio shows which fraction of the gross carrying amount of a financial asset category consists of impaired exposures.

Impaired EAD ratio
The impaired EAD ratio shows which fraction of an EAD category consists of impaired exposures.

Impairment charges on loans and other receivables
Charge to the income statement to cover possible loan losses on non-performing loans.

Internal Ratings Based (IRB)
IRB approach is a method to calculate required capital by means of own estimated risk parameters. This approach can be used with explicit permission of the supervising authority only.

International Financial Reporting Standards (IFRS)
IFRS, formerly known as International Accounting Standards, are drawn up and recommended by the International Accounting Standards Board. The European Union requires that IFRS be used by all exchange-listed companies in the EU starting from the financial year 2005.

Legal demerger
The legal demerger effectuated on 6 February 2010 in accordance with the demerger proposal filed with the Amsterdam Chamber of Commerce on 30 September 2009, thereby demerging the majority of the Dutch State-acquired businesses held by RBS N.V. into ABN AMRO Bank Standalone.

Legal merger
The legal merger effectuated on 1 July 2010 between ABN AMRO Bank Standalone and FBN. ABN AMRO Bank was the surviving entity and FBN was the disappearing entity.

Liquidity coverage ratio (LCR)
The LCR is intended to promote resilience to potential liquidity disruptions over a thirty-day horizon. The LCR requires banks to hold sufficient highly-liquid assets equal to or greater than the net cash outflow during a thirty-day period.

Loan impairment allowance
Balance sheet allowance held against non-performing loans.

Market risk (banking book)
Market risk in the banking book, mainly interest rate risk, is the risk of yield curve development that is unfavourable for the bank. Other market risks are limited in the banking book either through hedging (foreign rate exchange risk) or in general (other market risk types).

Market risk (trading book)
Market risk in the trading book is the risk of loss resulting from unfavourable market price movements which can arise from trading or holding positions in financial instruments in the trading book.

Medium-term notes (MTN)
Medium-term notes are unsecured funding instruments with maturities up to ten years issued in several currencies.

NII-at-Risk
The NII-at-Risk metric indicates the change in net interest income during the coming 12 months, comparing the NII calculated using a constant yield curve with the NII calculated using a yield curve that is gradually shifted to a total of 200 basis points. The net interest income is negatively impacted when rates rise.

NLFI
Stichting administratiekantoor beheer financiële instellingen (NL Financial Investments (foundation)). On 29 September 2011 the Dutch State transferred its shares in ABN AMRO Group N.V. and in ABN AMRO Preferred Investments B.V. to NLFI. NLFI is set up as a means to avoid potential conflicting responsibilities that the Minister of Finance might otherwise face, as a shareholder and as a regulator, as well as to avoid political influence being exerted.

Notional amounts
The value of the principal of the underlying financial derivatives contracts.

Operational risk
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

Past due exposure
A financial asset is past due if a counterparty has failed to make a payment when contractually due, if it has exceeded an advised limit or if it has been advised of a limit lower than its current outstanding.

Past due ratio
The past due ratio shows which fraction of the gross carrying amount of a financial asset category is past due but not impaired.

Preference share
Share that receives a fixed rate of dividend prior to ordinary shares.

Qualifying revolving exposures
Qualifying revolving exposures are revolving, unsecured, and uncommitted exposures to private individuals that meet additional criteria specified in the CRD. These outstanding balances are permitted to fluctuate based on their decisions to borrow and repay, up to a limit established by the bank.

RBS
The Royal Bank of Scotland N.V., formerly known as ABN AMRO Bank N.V. prior to the Legal Demerger.

Regulatory capital adequacy
Measure of a bank's financial strength, often expressed in risk-bearing capital as a percentage of total risk-weighted assets.

Regulatory liquidity requirement
The regulatory liquidity requirement measures the one-month liquidity position in the scenario of a severe and short stress as defined by DNB. It requires the one-month liquidity position to exceed the minimum required regulatory level of zero.

Repo
A repo, also known as a repurchase agreement, is the sale of securities together with an agreement for the seller to buy back the securities at a later date.

Residential mortgage backed securities
Residential mortgage backed securities (RMBS) are secured long-term funding instruments. A pool of underlying assets, in this case own-originated residential mortgages, provides the cash flows to bondholders.

Return on average RWA
Annualised underlying profit for the period divided by average RWA.

Return on equity (ROE)
Net profit attributable to ordinary shareholders of the parent company divided by shareholders' equity.

Risk-weighted assets (RWA)
Total assets and off-balance sheet items calculated on the basis of the risks relating to the various balance sheet items.

Saving certificates
Saving certificates are non-exchange traded instruments with an annual coupon payment and have the same characteristics as bonds.

Savings mortgages
Savings mortgages are mortgages with a separate savings account whereby the balance of savings is used for redemption of the principal at maturity.

Securities financing transaction (also referred to as 'professional securities transaction')
A transaction whereby securities are temporarily transferred from a lender to a borrower, with the commitment to re-deliver the securities.

Securitisation
Restructuring credits in the form of marketable securities.

Standardised Approach (SA)
The standardised approach for credit risk measures credit risk in a standardised manner, supported by external credit assessments.

Stress testing
Method of testing the stability of a system or entity when exposed to exceptional conditions.

Survival period
The survival period indicates for what period the Group's liquidity position will remain positive in a situation where stress is observed in wholesale funding markets, but funds attracted through retail and commercial clients remain stable.

Tier 1 ratio
Tier 1 capital of the bank expressed as a percentage of total risk-weighted assets.

Uniform Counterparty Rating (UCR)
The UCR is an obligor rating and refers to the probability of default by an obligor, i.e. the likelihood that a counterparty fails to pay interest and/or principal and/or other financial obligations to the bank.

Value-at-Risk banking book
Value-at-Risk banking book (VaR banking book) is used as a statistical measure for assessing interest risk exposure. It estimates potential losses and is defined as the predicted maximum loss that might be caused by changes in risk factors under normal circumstances, over a specified period of time, and at a specified level of statistical confidence. A VaR for changes in the interest rate for the banking book is calculated at a 99% confidence level and a two-month holding period.

Volatility
Statistical measure for the degree to which items (market rates, interests) fluctuate over time.

403-Declaration
Section 2:403 of the Dutch Civil Code, which states that companies part of a consolidating group entity may publish limited annual accounts if the parent company, among other things, assumes joint and several liability for all liabilities of the group company.

abbreviations 9

AA	ABN AMRO
AAC	ABN AMRO Clearing
AAHG	ABN AMRO Hypotheken Groep
AAL	ABN AMRO Lease
ACF	ABN AMRO Commercial Finance
AACF	ABN AMRO Capital Finance
AFM	*Autoriteit Financiële Markten* (Netherlands Authority for the Financial Markets)
AFS	Available-for-sale
AIRB	Advanced Internal Ratings Based (Approach)
ALCO	(ABN AMRO's) Asset & Liability Committee
ALM	Asset & Liability Management
AMA	Advanced Measurement Approach
AUD	Australian Dollar
AuM	Assets under Management
BIS	Bank for International Settlements
bn	Billion
bp(s)	Basis point(s)
CAD	Canadian Dollar
CBI	Commercial Banking International
CBS	*Centraal Bureau voor de Statistiek* (Statistics Netherlands)
CD	Certificate of Deposit
CDO	Collateralised Debt Obligation
CDS	Credit Default Swap
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CGU	Cash-Generating Units
CHF	Swiss Franc
C&MB	(ABN AMRO's) Commercial & Merchant Banking
CP	Commercial Paper
CRD	(the EU's) Capital Requirements Directive
CRE	Commercial Real Estate
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CVA	Credit Value Adjustment
CUSIP	Committee on Uniform Security Identification Purposes
DDos	Distributed-denial-of-service
DGS	Deposit Guarantee Scheme
DIGH	Dutch International Guarantees for Housing
DNB	*De Nederlandsche Bank N.V.* (Dutch Central Bank)
DSTA	Dutch State Treasury Agency
DTA	Deferred Tax Asset
DTL	Deferred Tax Liability
DVA	Debt Valuation Adjustment
EAD	Exposure At Default
EBA	European Banking Authority
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EC	European Commission
ECB	European Central Bank
ECT	(ABN AMRO's) Energy, Commodities & Transportation
EU	European Union
EUR	Euro
EVCA	European Private Equity and Venture Capitalist Association
FBN	Fortis Bank Nederland
FIRB	Foundation Internal Ratings-Based (Approach)
FR&R	(ABN AMRO's) Financial Restructuring & Recovery
FTE	Full-Time Equivalent (a measurement of number of staff)

FX	Foreign exchange
GBP	British pound
GDP	Gross Domestic Product
GIIPS	Greece, Italy, Ireland, Portugal and Spain
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBNI	Incurred But Not Identified
ICC	(ABN AMRO's) Integration, Communication & Compliance
ID&JG	(ABN AMRO's) International Diamond & Jewelry Group
IFRS	International Financial Reporting Standards
IMA	Internal Models Approach
IPD	Investment Property Databank
IRB	Internal Ratings-Based (Approach)
ISDA	International Swaps and Derivatives Association
ISIN	International Securities Identification Number
IT	Information Technology
JPY	Japanese Yen
LC&MB	(ABN AMRO's) Large Corporates & Merchant Banking
LCP	Liquidity Contingency Plan
LCR	Liquidity Coverage Ratio
LtD	Loan-to-Deposit (ratio)
LtMV	Loan-to-Market-Value
LtV	Loan-to-Value
LT2	Lower Tier 2
m	Million
MCS	Mandatory Convertible Securities
MtM	Mark-to-Market
MTN	Medium-Term Notes
NHG	*Nationale Hypotheek Garantie* (Dutch State-guaranteed mortgages)
NII	Net Interest Income
NLFI	NL Financial Investments (foundation)
NOK	Norwegian Krone
NSFR	Net Stable Funding Ratio
NYSE	New York Stock Exchange
NZD	New Zealand Dollar
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
OOE	One Obligor Exposure
OTC	Over-The-Counter
PBI	Private Banking International
PBNL	(ABN AMRO's) Private Banking Netherlands
PD	Probability of Default
PWM	(ABN AMRO's) Private Wealth Management
QoQ	Quarter-on-quarter
RBA	Ratings-Based Approach
RBS	The Royal Bank of Scotland plc
RMBS	Residential Mortgage-Backed Security
RM&S	(ABN AMRO's) Risk Management & Strategy
ROE	Return on Equity
R&PB	(ABN AMRO's) Retail & Private Banking
RWA	Risk-Weighted Assets
SA	Standardised Approach
SCE	Special Component of Equity
SEC	Securities and Exchange Commission
SFT	Securities Financing Transactions
SGD	Singapore dollar
SiFi	Systematically important Financial institution
SMEs	Small and Medium-sized Enterprises
SPE	Special Purpose Entity
SPV	Special Purpose Vehicle
TOPS	(ABN AMRO's) Technology, Operations & Property Services
TSA	The Standardised Approach
UCR	Uniform Counterparty Rating
USD	US Dollar
UT2	Upper Tier 2
VaR	Value-at-Risk
YE	Year-end
YoY	Year-on-year

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