



Verification of the Sustainability Quality of the Second Green Bond issued by ABN AMRO NV

12 May 2016

Aim and Scope of this Second Party Opinion

ABN AMRO commissioned oekom research to assist with the issuance of its second Green Bond by verifying and confirming the sustainable added value of this bond using the criteria and indicators of a sustainability framework concept. ABN AMRO has chosen sustainability as one of the core values and business principles of the organisation and the aim of this Green Bond issuance is to finance and refinance projects with an added environmental value.

oekom research's mandate included the following services:

- Definition of an updated verification framework containing a clear description of eligible project categories and the social and environmental criteria assigned to each category for evaluating the sustainability-related performance of the projects (re-) financed through the proceeds of the bond.
- Verification of compliance of the (re-) financed projects with the verification framework criteria.
- Verification of the alignment of the (re-) financed projects with the Green Bond Principles.
- Review and classification of ABN AMRO's sustainability performance on the basis of the oekom Corporate Rating.

Overall Evaluation of the Green Bond

oekom's overall evaluation of the second Green Bond issued by ABN AMRO is positive:

- The Green Bond's formal concept, defined processes and (announced) disclosures are aligned with the Green Bond Principles (Part I of this Second Party Opinion).
- The overall sustainability quality of the bond and the sustainability performance of each of the funded assets in terms of sustainability benefits and risk avoidance and minimisation is good (Part II of this Second Party Opinion).
- The issuer itself shows a good sustainability performance (Part III of this Second Party Opinion).

The overall sustainability quality of the projects included in the bond is good. There are some aspects which could be improved in order to add to the overall quality, such as the integration of stricter minimum energy efficiency requirements in the credit process for mortgage clients (going beyond legal thresholds) and additional environmental criteria for commercial real estate (e.g. sustainable materials).

The total CO₂ performance of the Green Bond programme

	Project area	CO ₂ performance ¹	Ton CO ₂ /per year
A	Mortgage loans for energy efficient residential buildings	CO ₂ emissions savings in comparison to average Dutch residential buildings	2,913 t
B	“Green loans” for renewable energy and energy efficiency upgrades to residential buildings (installation of solar panels) ²	CO ₂ emissions avoidance against carbon intensity of Dutch energy mix	2,383 t
C	Commercial real estate loans for energy efficient building projects (new builds and existing buildings)	CO ₂ emissions savings in comparison to average Dutch commercial buildings	1,322 t
D	Commercial real estate loans for energy efficiency upgrades	CO ₂ emissions avoidance after renovation	946 t

The CO₂ emissions of ABN AMRO’s Green Bond mortgage loan portfolio are 38% lower than the emissions of a portfolio of average Dutch residential buildings. In comparison to the Dutch average residential building, the buildings in ABN AMRO’s portfolio emit 2,913 t less CO₂ per year.

The total predicted electricity production of the solar panels financed by the „green loans“ portfolio will result into annual CO₂ savings of 2,383 t.

The CO₂ emissions of ABN AMRO’s Green Bond commercial real estate portfolio (new builds and existing buildings) are 56% lower than the emissions of a portfolio of average Dutch commercial buildings. In comparison to the Dutch average commercial building, the buildings in ABN AMRO’s portfolio emit 1,322 t less CO₂ per year.

The expected CO₂ emissions reduction of ABN AMRO’s commercial real estate portfolio (energy efficiency upgrades/renovations) is 31% after renovation. After the upgrades, the buildings’ emissions will be 946 t less than beforehand.

The total annual CO₂ performance of the Green Bond portfolio (model portfolio of mEUR 500) comprises of an avoidance of approximately 3,329 t CO₂ due to the installation of solar panels and energy efficiency upgrades and savings of approximately 4,235 t CO₂ due to the comparatively high energy efficiency of the buildings in the portfolio.

¹ All emission factors are based on the carbon intensity of the Dutch energy mix in 2015 (using the same data as ABN AMRO uses for all other sustainability assessments).

² The “green loans” are used for renewable energy and energy efficiency upgrades to residential buildings, for example solar heating, heat pumps, boilers as well as insulation materials and upgrades of windows and doors. As over 95% of the “green loans” are solar panel installations and limited specific information is available on the other measures and the individual energy efficiency measures vary significantly in emissions performance, the impact calculation is based on the solar part of this portfolio. The actual CO₂ performance might therefore be better.

The total annual CO₂ performance per €100m of issuance comprises of an avoidance of approximately 666 t CO₂ per €100m due to the installation of solar panels and energy efficiency upgrades and savings of approximately 847 t CO₂ per €100m due to the comparatively high energy efficiency of the buildings in the portfolio. Compared to the emissions of a portfolio solely consisting of average Dutch residential and commercial buildings (without installed solar capacity), the CO₂ emissions of the ABN AMRO Green Bond are approximately 1,500 t lower per €100m of issuance.

All data on impact indicators is calculated and provided by W/E consultants.

Part I – Green Bond Principles

1) Use of Proceeds

The proceeds of this Green Bond will be used to (re-) finance loans to private costumers, i.e. private mortgage loans for new residential buildings as well as “green loans” for financing renewable energy and energy efficiency upgrades on private buildings that are mainly realized by the installation of solar panels (other upgrades include for example solar heating, heat pumps, boilers as well as insulation materials, upgrades of windows and doors). The proceeds will also be used to finance commercial real estate loans for the construction and financing of energy efficient buildings as well as for energy efficiency upgrades on existing buildings (more information on commercial real estate loans can be found below the following table). All assets are situated in the Netherlands; some of the assets are ABN AMRO premises.

The following categories have been chosen for allocating the proceeds of this issuance (the percentages relate to a green bond portfolio of mEUR 500):

	Project area	Start date of the loans <i>(first draw date of the loans)</i>	Building/Installation/ Renovation years of the buildings	Share of green bond programme <i>(committed limit or taxation value)</i>
A	Mortgage loans for energy efficient residential buildings	2014-2016	2014-2017	87%
B	“Green loans” for renewable energy and energy efficiency upgrades to residential buildings	2012-2016	2012-2016	2%
C	Commercial real estate loans for energy efficient building projects (new builds and existing buildings)	2015	6 building projects: 3 offices from an existing pool; 3 new builds (1 office, 2 residential housing projects)	7%

Project area	Start date of the loans	Building/Installation/ Renovation years of the buildings	Share of green bond programme
D Commercial real estate loans for energy efficiency upgrades	2015	8 offices	4%
TOTAL			mEUR 500

Project details category C:

ABN AMRO provided oekom research with confidential information on the details of the commercial real estate loans. The following paragraphs summarise the provided information. The commercial real estate portfolio comprises 6 buildings, of which 3 are buildings from an existing pool (offices), 3 are new builds (1 office, 2 residential housing projects).

Regarding energy efficiency, all buildings obtained an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with a minimum energy performance labelled “A”. All newly constructed buildings have at least a 25% better energy performance than the highest energy label “A”. 1 of the newly constructed buildings received/will receive a BREEAM “excellent” certification.

Project details category D:

The energy efficiency upgrades are carried out at 8 buildings, all of which are offices.

The four project categories are positive from a sustainability perspective: The mortgage and the commercial real estate loans aim at an overall increase in energy efficiency. The “green loans” support energy efficiency as well as the roll-out of renewable energy. In addition, all projects meet specific and demanding sustainability standards (see Part II of this document). These criteria are clearly defined and verifiable using quantitative indicators. The criteria ensure a substantial positive impact of the projects that is not impaired by adverse impacts and effects in other areas (e.g. social standards, environmental impacts).

2) Process for Project Evaluation and Selection

The selection of assets for inclusion in the Green Bond is carried out by the respective asset owners: ABN AMRO Mortgage Group, ALFAM GreenLoans, (Commercial) Real Estate Clients and Facility Management, all part of ABN AMRO NV. Besides these departments, other departments participate in the process: ALM Treasury and DCM Green Bonds.

The selection is based on eligibility criteria defined by ABN AMRO. These criteria comprise amongst others eligible project categories, specific selection and reporting criteria. In addition, oekom research has defined a Green Bond Verification Framework (see Annex 1 of this document). For each eligible project category, it lists specific sustainability criteria. On this basis, the sustainability quality of the assets has been verified by oekom research.

During the lifetime of the Green Bond, ABN AMRO will make a new selection of assets based on the eligibility criteria on a monthly basis. In addition, ABN AMRO will consider the oekom Green Bond Verification Framework criteria if sufficient data is available. Based on information provided by the asset owners, existing and new loans will be reviewed in order to make sure that the loans qualify as eligible under the specific eligibility criteria developed by ABN AMRO. Lastly, Management of Treasury will review

and approve allocations of bond proceeds of the eligible assets on a monthly basis.

Prior to issuance all changes of the Green Bond Framework and/or selection criteria are agreed upon with representatives of the Sustainable Banking Department and/or Manager Sustainability Corporate Banking.

3) Management of Proceeds

ABN AMRO states that the net proceeds of the Green Bond will be moved to a specific Green Bond portfolio. Until maturity of the Green Bond, ABN AMRO commits to allocating an amount equivalent to the net proceeds of the bond towards eligible loans. Unallocated proceeds will be invested in short term money market papers from Sovereigns, Supranationals, Agencies, Development Banks and Financial Institutions which are rated 'Prime' by oekom research and thus show a good sustainability performance. Via this choice of investment, ABN AMRO will make sure that no harmful and/or greenhouse gas intensive industries are directly financed.

At the moment of issuance, ABN AMRO seeks to ensure that the bond proceeds can be fully directed to the eligible assets by limiting the total issued amount of the bond proceeds to 80% of the eligible loans. On a monthly basis, the Treasury Mid Office will review existing and new loans. In case loans are no longer eligible or repaid prior to maturity, ABN AMRO intends to replace these assets with other available eligible assets on the basis of the above selection process.

ABN AMRO will appoint an external auditor to provide assurance on the use of proceeds of the bonds. The external auditor will examine if the proceeds of the bonds are either distributed to eligible assets or invested in appropriate financial instruments as described above.

4) Reporting

ABN AMRO commits to a regular reporting towards the Green Bond's investors.

Use of proceeds reporting:

ABN AMRO will provide quarterly reports on the management of flow of funds.

This report provides information about:

- the allocated assets including a breakdown of exposure per type of assets
- the total outstanding of green bond transactions
- unallocated proceeds

This quarterly reporting will be disclosed on ABN AMRO's website (<https://www.abnamro.com/en/investor-relations/debt-investors/unsecured-funding/euro-medium-term-notes-greenbonds.html>).

Impact reporting:

On an annual basis, ABN AMRO will provide an impact report. The methodologies and calculation model used to estimate the impact are independently developed by W/E Consultants, a consultancy firm for sustainability in construction, real estate and area development. The results will be published either on ABN AMRO's website (<https://www.abnamro.com/en/investor-relations/debt-investors/unsecured-funding/euro-medium-term-notes-greenbonds.html>), in newsletters or the company's sustainability reporting.

Part II – Sustainability Quality of the Green Bond

1) Green Bond Verification Framework

The Green Bond Verification Framework helps to illustrate the sustainability quality and thus the social and environmental added value of this Green Bond issuance as part of ABN AMRO's Green Bond programme. The verification framework clearly defines the eligible categories and encloses specific sustainability criteria in order to verify the sustainability performance of the Green Bond. With the use of quantitative indicators the sustainability performance of the bond can be measured, ambitious targets set and progress reported. In addition, impact indicators provide investors with concrete information on environmental added value (e.g. CO₂ emissions). Details on the individual criteria and indicators for the four project categories can be found in Annex 1 „Green Bond Verification Framework“.

2) Verification of the Projects refinanced by the Green Bond

Methods

oekom research has verified whether the projects funded through the bond match the project categories and criteria listed in the Green Bond Verification Framework.

The verification was carried out using information and documents provided to oekom research, partly on a confidential basis, by ABN AMRO NV (e.g. ABN AMRO credit guidelines, calculations on energy performance carried out by W/E consultants, green building certificates).

All percentages within the evaluation refer to the share of the refinanced project/s that fulfil/s the requirements of the respective indicator, i.e. volume (committed limit) related the project's/projects' share within one project category.

Findings

A. Mortgage loans for energy efficient residential buildings

Sustainability Risks and Benefits of the Project Category

Private mortgages for energy efficient buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy use. Due to the small scale of work and resources involved in building private homes as well as due to the fact that the buildings are in the Netherlands, environmental and social impacts from the construction of private homes are comparably low.

However, fair banking practices need to be in place in the retail client business in order to mitigate potential social risks, e.g. over-indebtedness or foreclosure.

- A.1. Achieved energy efficiency of buildings
 - ✓ 100% of loans are allocated to residential buildings for which the annual energy consumption for space heating and domestic water is 68 kWh/m² or lower.
 - ✓ 100% of loans are allocated to residential buildings that were built after 2014, fulfil the requirements of the Dutch Building Decree 2012 (Bouwbesluit 2012: Chapter 5 and NEN 7120) and meet the EPC (Energy Performance Coefficient) requirements for residential buildings of a value below 0.6. The European Union's "Energy Performance of Buildings Directive" (EPBD, 2010) is implemented via the Bouwbesluit 2012.
 - ✓ 100% of loans are allocated to residential buildings that obtained an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with an energy performance labelled „A“ (on a scale from G to A).
- A.2. Responsible treatment of customers with debt repayment problems
 - ✓ For 100% of ABN AMRO's mortgage loans and for the loans in this category, preventive measures and sustainable solutions for customers with debt repayment problems are in place (e.g. screening of mortgages, debt counselling, handling of mortgage payment difficulties).

Impact indicator 1: Energy performance

The loans (re-) finance residential buildings with an annual primary energy consumption of 157 kWh/m² or lower. This value is 36% below the Dutch average of 247 kWh/m² for residential buildings (energy consumption refers to natural gas for heating and domestic water plus electricity; the calculations on the Dutch average refer to the average energy use in 2014).

Impact indicator 2: CO₂ emissions performance

The loans (re-) finance residential buildings with annual CO₂ emissions of 26.3 kg/m² or lower. This value is 38% below the Dutch average of 42.6 kg/m² for residential buildings (both values were calculated on the basis of the carbon intensity of the Dutch energy mix: CO₂ emissions of electricity were 0.399 kg/kWh, CO₂ emissions of Dutch natural gas were 1.78 kg/m³ in 2015. This figure does not include CO₂-emissions related to transmission and distribution of electricity).

All data on impact indicators is calculated and provided by W/E consultants.

B. “Green Loans”

Sustainability Risks and Benefits of the Project Category

Loans for energy efficiency upgrades on residential buildings (e.g. solar panels, insulation materials, upgrades of windows and doors) are positive from an environmental point of view as energy use is optimised and the transition to renewable energies is supported.

Some environmental and social risks are linked to the projects, mainly to electrical equipment (specifically solar panels) and insulation materials. As concerns electrical equipment, possible negative environmental impacts are caused by hazardous substances used in products and the disposal of electrical waste. Regarding insulation materials, some materials might cause health problems, are made from non-renewable resources and are hard to recycle. From a social point of view, fair banking practices need to be in place in the retail client business in order to mitigate potential social risks, e.g. over-indebtedness.

- B.1. Environmental aspects of equipment and/or materials
 - ✓ For 100% of electronic equipment (e.g. solar panels) financed through these loans, collection schemes exist so that customers can return the equipment free of charge at their end of life (in accordance with the European Waste Electrical and Electronic Equipment Directive – WEEE).
 - No information is available on whether there is a voluntary commitment by the manufacturers of the solar panels that the panels financed through the loans are in line with the requirements of the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).
 - No information is available on whether information on impacts of insulation materials (especially polystyrene) is provided to the customer.
- B.2. Responsible treatment of customers with debt repayment problems
 - ✓ For 100% of ABN AMRO’s loans to retail clients and the loans in this category preventive measures and sustainable solutions for customers with debt repayment problems are in place (e.g. screening of loans, debt counselling).

Impact indicator 1: Energy production of financed solar panels

The loans (re-) finance solar panels with a total annual energy production of 5,900 MWh/year (based on assumptions regarding the installation costs per solar module, the output power per module in Wp and an average annual energy production of solar panels of 875 kWh/kWp. These assumptions are based on actual production data in scientific literature as well as a sample from the loan data).

Impact indicator 2: Avoidance of CO₂ emissions of financed solar panels

The total avoidance of CO₂ emissions related to these loans is 2,383 kg CO₂/year. Over the lifespan of a solar panel of about 25 years, the avoided CO₂ emissions are approximately 60,000 t (based on the carbon intensity of the Dutch energy mix: CO₂ emissions of electricity were 0.399 kg/kWh in 2015. This figure does not include CO₂ emissions related to transmission and distribution of electricity).

All data on impact indicators is calculated and provided by W/E consultants.

C. Commercial real estate loans for energy efficient building projects (new builds and existing buildings)

Sustainability Risks and Benefits of the Project Category

Green buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy efficiency and air quality. Further, green buildings help to conserve natural resources and reduce environmental impact through the reduction of waste and wastewater. From a social point of view, green buildings can improve occupant health and comfort.

At the same time, there are possible sustainability risks that need to be taken into account. Possible social risks stem from working conditions at construction sites, the integration of new buildings into the social context and the safety of building users. Environmental risks stem from impacts on biodiversity at the planning stage, as well as from poor resource efficiency during construction phase and at the use stage.

- C.1. Involvement of local residents at the planning stage (only applicable for new builds)
 - ✓ 100% of loans are allocated to building projects for which the Dutch provisions on environmental law (“Wabo legislation”) ensure involvement of local residents. Residents have to be informed about building projects and given the possibility to object to the plans (depending on the type of project, objections can be raised before or after the decision by the authority in charge).
- C.2. Environmental standards for site selection (only applicable for new builds)
 - ✓ 100% of loans are allocated to large-scale building projects (more than 5000 m²) that are located inside metropolitan areas.
 - ✓ 100% of loans are allocated to newly constructed buildings developed on brownfield sites.
- C.3. Access to public transport (only applicable for new builds)
 - ✓ 100% of loans are allocated to newly constructed offices that are located within a maximum of 1 km from two or more modalities of public transport.
 - ✓ 100% of loans are allocated to building projects that are located within a maximum of 1 km from one or more modalities of public transport.
- C.4. Social standards for construction (only applicable for new builds)
 - ✓ 100% of loans are allocated to building projects for which the Collective Bargaining Agreement for the Construction Industry 2015 (“CAO voor de Bouwnijverheid”) provides binding and adequate standards including minimum paid annual leave, minimum rates of pay, maximum working hours per week and day and minimum rest periods.
 - ✓ 100% of loans are allocated to building projects for which the Dutch Working Conditions Legislation (“Arbo Legislation”) ensures adequate working conditions regarding health and safety, including special regulations regarding construction sites.
- C.5. Environmental standards for construction (only applicable for new builds)
 - ✓ 100% of loans are allocated to building projects for which high environmental standards regarding waste management and noise mitigation during the construction phase are in place. For example, waste management is provided for by regulations within the European and Dutch waste legislation. Noise emissions are regulated by the Dutch Building Decree.
 - No information regarding resource efficiency on construction sites is available (e.g. water, energy).
- C.6. Sustainable building materials
 - For 1 building project, representing 17% of the loans’ volume, sustainable procurement measures regarding building materials are in place (e.g. certified wood, circular materials). For 5 building

projects, representing 83% of the loans' volume, no information on sustainable building materials is available.

- C.7. Safety of building users
 - ✓ 100% of loans are allocated to building projects for which the Dutch Building Decree ensures operational safety for constructional measures (e.g. fire safety, elevator safety).
- C.8. Water use minimisation in buildings
 - For 1 building project, accounting for 17% of the loans' volume, measures to reduce water use are in place (e.g. water-saving appliances, policies). For 5 building projects, accounting for 83% of the loans' volume, only basic measures are in place.
- C.9. Energy efficiency of buildings
 - ✓ 100% of loans are allocated to building projects that are part of the top 15% of the local market in terms of energy efficiency.
 - ✓ 100% of loans are allocated to building projects that obtained an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with an energy performance labelled „A“ (on a scale from G to A++++ for non-residential buildings). 1 building project, accounting for 14% of the loans' volume, obtained A+++.
- C.10. Labels / Certificates
 - 1 building project, accounting for 17% of the loans' volume (29% of newly constructed buildings), obtained a BREEAM “Very Good” certificate or better. 5 building projects, accounting for 83% of the loans' volume did not obtain a green building label.
- C.11. Sustainable use / purpose of buildings (if already determined)
 - ✓ For 100% of loans, controversial building uses such as production facilities of armaments, pesticides, tobacco and environmentally controversial energy forms such as nuclear power or fossil fuel energy generation can be excluded.

Impact indicator 1: Energy performance

The loans (re-) finance:

- offices with an average primary energy consumption of 130 kWh/m² (existing buildings) and 36 kWh/m² (newly constructed buildings). This value is 39%/83% below the Dutch average of 213 kWh/m² for offices,
- retail housing with an average primary energy consumption of 68 kWh/m². This value is 75% below the Dutch average of 273 kWh/m² for this type of retail housing.

(The calculations on the Dutch average refer to the average energy use in 2014 and average data for the energy index in March 2016.)

Impact indicator 2: CO₂ emissions performance

The loans (re-) finance:

- offices with average annual CO₂ emissions of 21.2 kg/m² (existing buildings) and 5.7 kg/m² (newly constructed buildings). This value is 42%/84% below the Dutch average of 36.4 kg/m² for offices,
- retail housing with average annual CO₂ emissions of 11.7 kg/m². This value is 76% below the Dutch average of 48.9 kg/m² for this type of retail housing.

(All values were calculated on the basis of the carbon intensity of the Dutch energy mix: CO₂ emissions of electricity were 0.0433 kg/MJ_{primary} in 2016 and CO₂ emissions of Dutch natural gas were 0.506kg/MJ_{primary} in 2015.)

All data on impact indicators is calculated and provided by W/E consultants.

D. Commercial real estate loans for energy efficiency upgrades

Sustainability Risks and Benefits of the Project Category

Green buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy efficiency and air quality. Further, green buildings help to conserve natural resources and reduce environmental impact through the reduction of waste and wastewater. From a social point of view, green buildings can improve occupant health and comfort.

At the same time, there are possible sustainability risks that need to be taken into account. Possible social risks stem from working conditions at construction sites during renovation works and the safety of building users. Environmental risks stem from possible negative impacts from construction materials as well as from poor resource efficiency during the renovation and at the use stage.

- D.1. Social standards for construction
 - ✓ 100% of loans are allocated to building projects for which the Collective Bargaining Agreement for the Construction Industry 2015 (“CAO voor de Bouwnijverheid”) provides binding and adequate standards including minimum paid annual leave, minimum rates of pay, maximum working hours per week and day and minimum rest periods.
 - ✓ 100% of loans are allocated to building projects for which the Dutch Working Conditions Legislation (“Arbo Legislation”) ensures adequate working conditions regarding health and safety, including special regulations regarding construction sites.
- D.2. Environmental standards for construction
 - ✓ 100% of loans are allocated to building projects for which high environmental standards regarding waste management and noise mitigation during the construction phase are in place. For example, waste management is provided for by regulations within the European and Dutch waste legislation. Noise emissions are regulated by the Dutch Building Decree.
 - No information regarding resource efficiency on construction sites is available (e.g. water, energy).
- D.3. Sustainable building materials
 - ✓ 100% of loans are allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. certified wood, circular materials).
- D.4. Safety of building users
 - ✓ 100% of loans are allocated to building projects for which the Dutch Building Decree ensures operational safety for constructional measures (e.g. fire safety, elevator safety).
- D.5. Water use minimisation in buildings
 - ✓ 100% of loans are allocated to building projects for which measures to reduce water use are in place (e.g. water-saving appliances).
- D.6. Energy efficiency of buildings
 - ✓ 100% of loans are allocated to building projects for which energy efficiency will improve by at least 20% after renovation. Energy efficiency will improve by at least 30% for 6 building projects, accounting for 79% of the loans’ volume.
 - ✓ 100% of loans are allocated to building projects that obtained/will obtain an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with an energy performance labelled „A“ (on a scale from G to A++++ for non-residential buildings) after renovation.

- D.7. Labels / Certificates
 - 4 building projects, accounting for 10% of the loans' volume, obtained a BREEAM "very good" certificate or better. 4 building projects, accounting for 90% of the loans' volume did not obtain a green building label.
- D.8. Sustainable use / purpose of buildings (if already determined)
 - ✓ For 100% of loans, controversial building uses such as production facilities of armaments, pesticides, tobacco and environmentally controversial energy forms such as nuclear power or fossil fuel energy generation can be excluded.

Impact indicator 1: Energy consumption

The loans (re-) finance renovated offices with an average primary energy consumption of 167 kWh/m². This value is 31% lower than the average primary energy consumption of these buildings before the renovation.

Impact indicator 2: Avoidance of CO₂ emissions

The loans (re-) finance renovated offices with average annual CO₂ emissions of 28.9 kg/m². This value is 31% lower than the average annual CO₂ emissions of these buildings before the renovation.

All data on impact indicators is calculated and provided by W/E consultants.

Part III – Assessment of ABN AMRO’s Sustainability Performance

In the oekom Corporate Rating with a rating scale from A+ (excellent) to D- (poor), ABN AMRO NV was awarded a score of C and classified as “Prime”. This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by oekom research. In oekom research’s view, the securities issued by the company thus all meet the basic requirements for sustainable investments.



As at 11.05.2016, this rating puts ABN AMRO in place 15 out of 363 companies rated by oekom research in the “Financials/Commercial Banks and Capital Markets” sector.

In this sector, oekom research has identified the following issues as the key challenges facing companies in term of sustainability management:

- Sustainability standards for the lending business
- Costumer and product responsibility
- Sustainable investment criteria
- Employee relations and work environment
- Business ethics

In all of these key issues, ABN AMRO NV achieved a rating that was above the average for the sector.

The company has a controversy level that is comparatively low. Yet, the company is involved in controversial environmental practices through a USD 50m loan to the pulp and paper producer APRIL which is involved in widespread deforestation in Indonesia. In March 2015 ABN AMRO announced that it would not renew the current funding to APRIL and that any future loans would be conditional on APRIL implementing new sustainability measures which address its involvement with deforestation.

Details on the rating of the issuer can be found in Annex 2 “Issuer rating results”.

A handwritten signature in blue ink, appearing to read 'A. Geyer', is written over a faint, circular official stamp.

oekom research AG

Munich, 12 May 2016

Disclaimer

1. oekom research AG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
2. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of oekom research AG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
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About oekom research

oekom research is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries with regard to their environmental and social performance. oekom research has extensive experience as a partner to institutional investors and financial service providers, identifying issuers of securities and bonds which are distinguished by their responsible management of social and environmental issues. More than 100 asset managers and asset owners routinely draw on the rating agency's research in their investment decisionmaking. oekom research's analyses therefore currently influence the management of assets valued at over 600 billion euros.

As part of our Green Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria. We verify the compliance with the criteria in the selection of projects and draw up an independent second party opinion so that investors are as well informed as possible about the quality of the loan from a sustainability point of view.

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Annexes

Annex 1: oekom Green Bond Verification Framework

Annex 2: oekom Corporate Rating ABN AMRO NV

Green Bond Verification Framework

Green Bond Verification Framework

The Green Bond Verification Framework helps to illustrate the sustainability quality and thus the social and environmental added value of ABN AMRO's second Green Bond issuance. The verification framework clearly defines the eligible categories and encloses specific sustainability criteria in order to verify the sustainability performance of the Green Bond. With the use of quantitative indicators the sustainability performance of the bond can be measured, ambitious targets set and progress reported. In addition, impact indicators provide investors with concrete information on environmental added value (e.g. energy consumption, CO₂ emissions).

Use of Proceeds

- A. Mortgage loans for energy efficient residential buildings
- B. "Green loans" for renewable energy and energy efficiency upgrades to residential buildings
- C. Commercial real estate loans for energy efficient building projects (new builds and existing buildings)
- D. Commercial real estate loans for energy efficiency upgrades

Sustainability Criteria and Quantitative Indicators for Use of Proceeds

In order to ensure that the environmental and social risks linked to the financed projects are prevented and the opportunities clearly fostered, a set of sustainability criteria has been established for each project category. A possible quantitative indicator, allowing for measurement of progress and regular reporting, completes each criterion.

Project category A: Mortgage loans for energy efficient residential buildings

A.1 Achieved energy efficiency of buildings

Quantitative indicators:

- Percentage of residential buildings for which the annual primary energy consumption for space heating and domestic water is below 70 kWh/m².

- Percentage of residential buildings that comply with the Dutch Building Decree 2012 (Bouwbesluit 2012: Chapter 5 and NEN 7120) and meet the EPC (Energy Performance Coefficient) requirements for residential buildings of a value below 0.6. The European Union's "Energy Performance of Buildings Directive" (EPBD, 2010) is implemented via the Bouwbesluit 2012 (EPC value below 0.4 if buildings are constructed after 01/2015).
- Percentage of residential buildings that obtained an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with a minimum energy performance labelled "A" (on a scale from G to A).

A.2 Responsible treatment of customers with debt repayment problems

Quantitative indicator:

- Percentage of loans for which preventive measures and sustainable solutions for customers with debt repayment problems are in place.

Impact indicator 1: Energy performance

- Average energy consumption of residential buildings (in kWh/m²) financed through the loans compared to the average energy consumption of residential buildings in the Netherlands.

Impact indicator 2: CO₂ emissions performance

- Average CO₂ emissions of residential buildings (in kg/m²) financed through the loans compared to the average CO₂ emissions of residential buildings in the Netherlands (based on the carbon intensity of the Dutch energy mix).

Project category B: "Green loans" for renewable energy and energy efficiency upgrades to residential buildings

B.1 Environmental aspects of equipment

Quantitative indicators:

- Percentage of loans that meet high environmental standards regarding take-back and recycling of electronic equipment at end-of-life stage.
- Percentage of loans that are in line with the requirements of the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).
- Percentage of loans for which information on impacts of insulation materials (especially polystyrene) is provided to the customer.

B.2 Responsible treatment of customers with debt repayment problems

Quantitative indicator:

- Percentage of loans for which preventive measures and sustainable solutions for customers with debt repayment problems are in place.

Impact indicator 1: Energy production of financed solar panels

- Total annual energy production (in kWh) of installed solar panels that are financed through the loans.¹

Impact indicator 2: Avoidance of CO₂ emissions of financed solar panels

- Total annual avoidance of CO₂ emissions (in kg) related to loans for solar panels (based on the average carbon intensity of the Dutch energy mix).

¹ Due to feasibility reasons and as the majority of green loans are solar panels (more than 90%), impact reporting refers to the impact of installed solar panels only.

Project category C: Commercial real estate loans for energy efficient building projects (new builds and existing buildings)

C.1. Involvement of local residents at the planning stage (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects for which residents are involved at the planning stage (e.g. information of residents, dialogue platforms).

C.2. Environmental standards for site selection (only applicable for new builds)

Quantitative indicators:

- Percentage of loans allocated to large-scale building projects (> 5,000 m²) outside metropolitan areas for which an environmental impact assessment is carried out.
- Percentage of loans allocated to building projects that are developed on brownfield sites.

C.3. Access to public transport (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects that are located within a maximum of 1 km from one or more modalities of public transport.

C.4. Social standards for construction (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects with high labour and health and safety standards for construction work conducted by own employees and contractors (e.g. ILO core conventions).

C.5. Environmental standards for construction (only applicable for new builds)

Quantitative indicator:

- Percentage of loans allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste and noise is guaranteed by the implementing construction companies.

C.6. Sustainable building materials

Quantitative indicator:

- Percentage of loans allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

C.7. Safety of building users

Quantitative indicator:

- Percentage of loans allocated to building projects for which the operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

C.8. Water use minimisation in buildings

Quantitative indicator:

- Percentage of loans allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

C.9. Energy efficiency of buildings

Quantitative indicators:

- Percentage of loans allocated to building projects that received good scores in the energy efficiency ratings of the respective building certificates (BREEAM, LEED etc.) or that are proven to be part of the top 15% of the local market in terms of energy efficiency.
- Percentage of buildings which obtained an Energy Performance Certificate by the Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland) with a minimum energy performance labelled “A” (on a scale from G to A++++ for non-residential buildings).

C.10. Labels / Certificates

Quantitative indicator:

- Percentage of loans allocated to building projects that obtained a BREEAM “Very Good”, DGNB “Silver / Gold”², LEED “Gold” certificate, HQE “excellent”, GPR Building “7.5/3 stars” or a RVO Green funds sustainable buildings funding scheme 2010 label.

C.11. Sustainable use / purpose of buildings (if already determined)

Quantitative indicator:

- Percentage of building projects for which production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded.

Controversies

- Description of controversial projects (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Impact indicator 1: Energy performance

- Average energy consumption of commercial buildings (offices, retail stores, logistics, data centres, leisure) (in kWh/m²) financed through the loans compared to the average energy consumption of commercial buildings (offices, retail stores, logistics, data centres, leisure) in the Netherlands.

Impact indicator 2: CO₂ emissions performance

- Average CO₂ emissions of commercial buildings (offices, retail stores, logistics, data centres, leisure) (in kg/m²) financed through the loans compared to the average CO₂ emissions of commercial buildings (offices, retail stores, logistics, data centres, leisure) in the Netherlands (based on the carbon intensity of the Dutch energy mix).

² With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from “Bronze” to “Platinum”: The “Bronze” certificate will be replaced by “Silver”, “Silver” by “Gold” and “Gold” by “Platinum” for new certifications with immediate effect. “Bronze” will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

Project category D: Commercial real estate loans for energy efficiency upgrades

D.1. Social standards for construction

Quantitative indicator:

- Percentage of funds allocated to building projects with high labour and health and safety standards for construction work conducted by direct employees and contractors of the implementing construction companies (e.g. ILO core conventions).

D.2. Environmental standards for construction

Quantitative indicator:

- Percentage of funds allocated to building projects for which resource efficiency (e.g. water, energy) and adequate management of waste and noise is guaranteed by the implementing construction companies.

D.3. Sustainable building materials

Quantitative indicator:

- Percentage of funds allocated to building projects for which sustainable procurement measures regarding building materials are in place (e.g. recycled materials, third-party certification of wood based materials).

D.4. Safety of building users

Quantitative indicator:

- Percentage of funds allocated to building projects for which the operational safety is ensured by constructional measures (e.g. fire safety, elevator safety).

D.5. Water use minimisation in buildings

Quantitative indicator:

- Percentage of funds allocated to building projects for which measures to reduce water use are in place (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

D.6. Energy efficiency of buildings

Quantitative indicator:

- Percentage of funds allocated to building projects for which energy efficiency improved / will improve by at least 20% after renovation.

D.7. Labels / Certificates

Quantitative indicator:

- Percentage of loans allocated to building projects that obtained a BREEAM “Very Good”, DGNB “Silver / Gold”³, LEED “Gold” certificate, HQE “excellent”, GPR Building “7.5/3 stars” or a RVO Green funds sustainable buildings funding scheme 2010 label.

³ With effect from 1 July 2015, DGNB updated its certification scheme, now ranging from “Bronze” to “Platinum”: The “Bronze” certificate will be replaced by “Silver”, “Silver” by “Gold” and “Gold” by “Platinum” for new certifications with immediate effect. “Bronze” will only be used for existing buildings in the future. The evaluation system and the assessment methodology remain unchanged.

D.8. Sustainable use / purpose of buildings (if already determined)

Quantitative indicator:

- Percentage of building projects for which production facilities of armaments, pesticides, tobacco and generation facilities for environmentally controversial energy forms such as nuclear power or fossil fuelled power can be excluded.

Controversies

- Description of controversial projects (e.g. due to labour rights violations, environmental accidents, adverse biodiversity impacts).

Impact indicator 1: Energy performance

- Average primary energy consumption of commercial buildings (offices, retail stores, logistics, data centres, leisure) (in kWh/m²) before and after renovation.

Impact indicator 2: CO₂ emissions performance

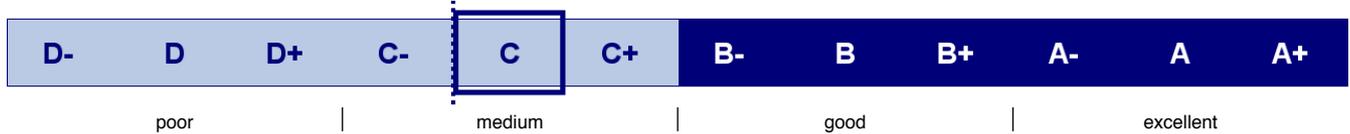
- Annual CO₂ emissions (in kg/m²) of commercial buildings (offices, retail stores, logistics, data centres, leisure) before and after renovation.

oekom Corporate Rating

ABN AMRO Group NV

Industry: Financials/Commercial Banks & Capital Markets
 Country: Netherlands
 ISIN: NL0011540547
 Bloomberg Ticker: ABN NA Equity

Status **Prime**
 Rating **C**
 Prime Threshold **C**



Competitive Position

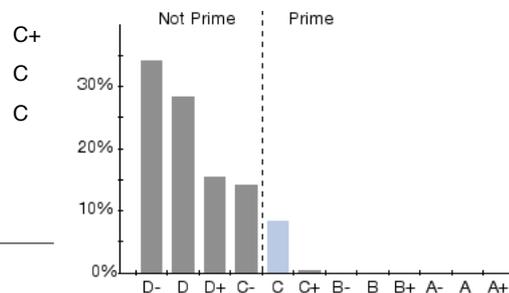
Industry Leaders

(in alphabetical order)

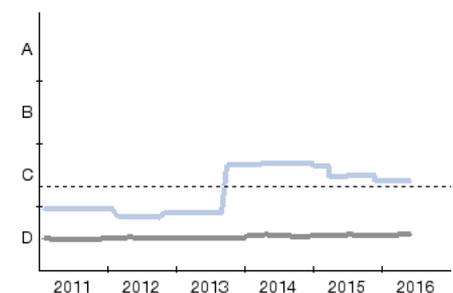
- DNB ASA (NO)
- HVB Group (DE)
- SNS Bank NV (NL)

Distribution of Ratings

(292 companies in the industry)



Rating History



Key Issues

Key Issue Performance



Strengths and Weaknesses

- + reasonable measures regarding responsible treatment of customers with debt repayment problems
- + several measures taken to guarantee responsible sales practices
- + sound integration of environmental and social aspects into the lending and investment banking business
- + reasonable range of sustainable investment products and services
- lack of transparency regarding the integration of environmental and social aspects into asset management
- no strict and comprehensive strategy concerning the integration of environmental and social aspects into the company's own investment portfolio

Controversy Monitor

Company

Controversy Score -5
 Controversy Level Moderate



Industry

Maximum Controversy Score -38
 Controversy Risk Significant



Disclaimer

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ABN AMRO Group NV

Methodology - Overview

oekom Corporate Rating	<p>The oekom Universe comprises more than 3,500 companies (mostly companies in important national and international indices, but also small & mid caps drawn from sectors with links to sustainability as well as significant non-listed bond issuers).</p> <p>The assessment of the social and environmental performance of a company is generally carried out with the aid of approx. 100 social and environmental criteria, selected specifically for each industry. All criteria are individually weighted, evaluated and aggregated to yield an overall score (Rating). In case there is no relevant or up-to-date company information available on a certain criterion, it is graded with a D-.</p> <p>In order to generate a comprehensive picture of each company, our analysts collect information relevant to the rating both from the company itself and from independent sources. During the rating process, considerable importance is attached to cooperating extensively with the company under evaluation. Companies are regularly given the opportunity to comment on the results and provide additional information.</p> <p>An external rating committee assists the analysts at oekom research with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.</p>
Controversy Monitor	<p>The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.</p> <p>The controversy score is a measure of the number and extent of the controversies in which a company is currently involved: all controversial business areas and business practices are assigned a negative score, which varies depending on the significance and severity of the controversy. Both the score of the portrayed company and the maximum score obtained in the industry are displayed.</p> <p>For better classification, the scores are assigned to different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.</p> <p>Only controversies, for which reliable information from trustworthy sources is available, are recorded. It should be noted that large international companies are more often the focus of public and media attention and available information is often more comprehensive than for less prominent companies.</p>
Distribution of Ratings	<p>Overview of the distribution of all company ratings of an industry from the oekom Universe (company portrayed in this report: light blue). The industry-specific Prime threshold (vertical dotted line) is also shown.</p>
Industry Classification	<p>The social and environmental impacts of industries differ. Therefore, subject to its relevance, each industry analysed is classified in a Sustainability Matrix.</p> <p>Depending on this classification, the two dimensions of the oekom Corporate Rating, i.e. the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).</p>
Industry Leaders	<p>List (in alphabetical order) of the top three companies in an industry from the oekom Universe at the time of generation of this report.</p>
Key Issue Performance	<p>Overview of the company's performance with regard to important social and environmental issues that are key to the industry, compared to the industry average.</p>
Rating History	<p>Trend in the company's rating over time and comparison to the average rating in the industry.</p>
Rating Scale	<p>Companies are rated on a twelve-point scale from A+ to D-: A+: the company shows excellent performance. D-: the company shows poor performance.</p> <p>Overview of the range of scores achieved in the industry (light blue) and display of the industry-specific Prime threshold (vertical dotted line).</p>
Sources of Information	<p>Data for the Bloomberg Ticker, Company Name, Country and ISIN was sourced from Bloomberg.</p>
Status & Prime Threshold	<p>Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by oekom for a specific industry (absolute best-in-class approach) in the oekom Corporate Rating. Prime companies rank among the leaders in that industry.</p>
Strengths & Weaknesses	<p>Overview of selected strengths and weaknesses of a company with regard to relevant social and environmental criteria.</p>

