

IR / Press Release

Amsterdam, 8 August 2018

ABN AMRO reports net profit of EUR 688 million for Q2 2018

- Net profit of EUR 688 million and ROE of 13.5% for Q2 2018, as Dutch economy continued to flourish
- Net interest income remained strong, despite low interest rate environment
- Impairments were well below the previous quarter, although still elevated
- Strong capital position with CET1 ratio of 18.3% due to active balance sheet management
- Interim dividend has been set at EUR 0.65 per share
- CIB update: RWA reduction of 5 billion and EUR 80 million cost savings
- Private Banking acquisition in Belgium of EUR 6 billion in assets under management

Kees van Dijkhuizen, CEO, comments:

'The Dutch economy continues to flourish and this is reflected in the financial results for the second quarter with a solid net profit of EUR 688 million. Net interest income remained strong, despite the low interest rate environment. Impairments were well below the previous quarter, although still elevated as challenges remain in certain sectors. We continue to expect full-year impairments to be below the through-the-cycle average of 25-30 basis points. The cost/income ratio over the first six months was 56.5% and return on equity was 12.5%. Our capital position increased strongly to a CET1 ratio of 18.3% due to active balance sheet management. The interim dividend has been set at EUR 0.65 per share, in line with the amount paid in the first half of last year, reflecting an increase of the pay-out to 50%. We expect capital generation to continue, improving our position to distribute capital in addition to the targeted dividend pay-out of 50% of profit.'

We have reviewed Corporate & Institutional Banking (CIB). CIB has a well-respected client franchise and is core to the bank. Most activities deliver adequate through-the-cycle returns. However, CIB as a whole does not meet the group ROE target. To improve profitability of CIB to deliver on our target, capital allocated to global sectors (mainly trade and commodity finance) and to highly cyclical sectors with high earnings volatility will be reduced. The risk-weighted assets will be reduced by 5 billion by the end of 2020 to around 34 billion. The CIB cost base will be reduced by EUR 80 million, reflecting a staff reduction of around 250 FTEs and other savings, for which we expect to make a restructuring provision of around EUR 50 million. The plan improves CIB's profitability, is capital accretive and supports group financial targets.'

We want to meet clients' needs, creating solutions that work for them in their daily lives. Innovation and technology are critical enablers in achieving this and we are therefore very pleased that the Vlerick Business School has again named ABN AMRO a front runner in digital transformation in the Netherlands. We will intensify our focus on partnerships to create sustainable business models. We have entered into a strategic partnership with Opportunity Network, an online cross-border platform providing entrepreneurs with insight into opportunities for growth, acquisitions and other plans. The announced bolt-on acquisition doubles our assets under management to EUR 12 billion in Belgium and strengthens our private banking activities, providing more scale to better service our clients and further grow our activities. We are well on track and continue to move forward in achieving our strategic priorities and financial targets.'

Key figures and indicators*(in EUR millions)*

	Q2 2018	Q2 2017¹	Change	Q1 2018	Change	H1 2018	H1 2017¹	Change
Operating income	2,288	2,492	-8%	2,329	-2%	4,617	4,738	-3%
Operating expenses	1,261	1,367	-8%	1,348	-6%	2,609	2,720	-4%
Operating result	1,027	1,124	-9%	981	5%	2,007	2,018	-1%
Impairment charges on financial instruments	134	-96		208		341	-33	
Income tax expenses	204	260	-21%	178	15%	383	475	-19%
Profit/(loss) for the period	688	960	-28%	595	16%	1,283	1,576	-19%
Cost/income ratio	55.1%	54.9%		57.9%		56.5%	57.4%	
Return on average Equity ²	13.5%	20.0%		11.5%		12.5%	16.7%	
Fully-loaded CET1 ratio	18.3%	17.6%		17.5%		18.3%	17.6%	

¹ The result in Q2 2017 includes the proceeds of the Private Banking Asia divestment and high impairment releases.² Based on profit for the period attributable to the owners of the parent company.**ABN AMRO Press Office**

Jarco de Swart
Senior Press officer
pressrelations@nl.abnamro.com
+31 20 6288900

ABN AMRO Investor Relations

Ruud Jaegers
Deputy head of Investor Relations
investorrelations@nl.abnamro.com
+31 20 6282282

This press release is published by ABN AMRO Group N.V. and contains inside information within the meaning of article 7 (1) to (4) of Regulation (EU) No 596/2014 (Market Abuse Regulation)