

ABN AMRO

Press release

Amsterdam, 16 May 2014

ABN AMRO reports EUR 378 million underlying net profit in Q1 2014

- ▶ Underlying net profit increased EUR 88 million compared with Q1 2013
- ▶ Operating income advanced 11% year-on-year. The cost/income ratio improved to 58% as cost showed only a marginal increase
- ▶ Loan impairments remained elevated at EUR 361 million
- ▶ Reported profit amounted to EUR 311 million
- ▶ The CET1 ratio improved to 14.5%. The fully loaded CET1 ratio amounted to 12.9%

Gerrit Zalm, Chairman of the Managing Board, comments:

“The Dutch economy is showing signs of improvement. The number of residential housing transactions and average house prices have increased since mid-2013. Even though GDP showed negative growth in the first quarter, heavily impacted by lower energy production, other indicators have made a turn for the better. It will take time for loan impairments to return to more normal levels, however, as these lag economic developments.

The first-quarter underlying net profit amounted to EUR 378 million, an increase of EUR 88 million compared with the same period last year. Operating income rose by 11% and expenses remained almost stable against Q1 2013, resulting in an improvement of the cost/income ratio to 58%. We continue to focus on our five strategic priorities set for 2017 and are making progress in this area. All in all, the first quarter was a good start to the year but we caution not to extrapolate this result as Q1 is traditionally the best quarter of the year and also because the bank tax is due in Q4.”

Key figures & indicators

(in millions, unless stated otherwise)	1Q14	1Q13	%	4Q13	%
Operating income	1,983	1,779	11%	1,849	7%
Operating expenses	1,143	1,133	1%	1,316	-13%
Operating result	840	646	30%	533	58%
Impairment charges on loans and receivables	361	259	39%	555	-35%
Underlying net profit¹	378	290	30%	-47	
Special items and divestments	-67	125		-	
Reported net profit	311	415	-25%	-47	
Underlying cost/income ratio (in %)	58%	64%		71%	
Underlying return on average Equity (in %)	10.9%	8.8%		-1.4%	
CET1/CT1 (in %) ²	14.5%	11.6%		14.4%	

¹ Underlying results exclude special items which distort the underlying trend. In Q12014 underlying results excluded EUR 67 million of costs being the first of three instalments of the levy imposed by the government to contribute to the costs of nationalising SNS in 2012.

² 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.