

IR / Press Release

Amsterdam, 13 May 2015

ABN AMRO reports EUR 543 million underlying net profit for Q1 2015

- Underlying net profit for Q1 2015 was up 44% compared with Q1 2014
- Underlying cost/income ratio improved to 56% from 58% and underlying ROE to 14% from 11%
- Loan impairments were 30% lower, mainly in the mortgage book
- Fully-loaded CET1 ratio was 14.2%, well above the target range

Gerrit Zalm, Chairman of the Managing Board of ABN AMRO Group, comments:

'We had a good financial start to 2015, with a Q1 net profit of EUR 543 million, the highest level of profitability in the past 16 quarters. The underlying first-quarter net profit improved by 44% year-on-year and the RoE from 11% to 14% on the back of an increase in the operating result and lower impairments. Revenues increased by 9% compared with Q1 2014. For the first time in two years we see the number of loan applications for small enterprises slowly increasing again whilst the level of acceptances has already been higher for the past three quarters. Operating expenses were up by 7% compared with Q1 2014 driven by higher pension charges, the investments we made to increase our agility and efficiency in the future and a reorganisation charge in Corporate Banking. Even so, the cost/income ratio improved from 58% to 56%. If we had included the regulatory costs equally over the four quarters (expected to be approximately EUR 250 million, to be recorded in the second half of 2015), the cost/income ratio would have been around 59% and the RoE around 12.5%. Loan impairments were lower, especially for the Dutch mortgage loan portfolio. Our capital position further improved to 14.2% (fully-loaded CET1 ratio). This is well above our target range of 11.5-12.5% and gives us a cushion for possible regulatory changes on risk-weighting.

The first quarter was also marked by the publicity around the compensation for abolishing the variable pay for the Managing Board. We sincerely regret the increase in fixed salary and the impact it has had on ABN AMRO, our clients and employees, and other stakeholders. Hence, we cancelled the increase. We understand that it will take time for the public to regain confidence in ABN AMRO and we will work hard to restore that confidence by doing our utmost to put our clients' interests first every day.

All in all, the financial performance gives me confidence in the future. The economic environment helped move us along in achieving our targets, but as ever it is our people and clients who make the difference.'

Key figures and indicators

<i>(in EUR millions)</i>	Q1 2015	Q1 2014	Change	Q4 2014	Change
Operating income	2,168	1,983	9%	2,145	1%
Operating expenses	1,219	1,143	7%	1,397	-13%
Operating result	949	840	13%	748	27%
Impairment charges on loans and other receivables	252	361	-30%	181	39%
Income tax expenses	154	101	52%	167	-8%
Underlying profit/(loss) for the period¹	543	378	44%	400	36%
Special items	-	-67		-	
Reported profit/(loss) for the period	543	311		400	
Underlying cost/income ratio	56%	58%		65%	
Underlying return on average Equity	14.1%	10.9%		10.9%	
Fully-loaded CET1 ratio	14.2%	12.9%		14.1%	

¹ Underlying results exclude special items which distort the underlying trend. A detailed explanation of special items is provided in the Additional financial information section.