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IR/Press Release

ABN AMRO reports net profit of EUR 1.2 billion for FY2021 and announces share buyback

- **Q4 2021 net profit of EUR 552 million driven by strong fee income growth of 15% compared with last year and supported by sale and leaseback of our head office**
- **Economic recovery continued, corporate loan book grew more than EUR 4 billion**
- **NII supported by qualification for additional TLTRO discount while deposit margin pressure persists**
- **FY costs in line with EUR 5.3 billion guidance, excluding AML settlement, reflecting cost discipline**
- **Strong capital position, Basel III CET1 ratio of 16.3% and Basel IV CET1 of around 16%**
- **Final dividend proposed of EUR 0.61 per share and start of EUR 500 million share buyback programme**
- **CIB non-core wind-down largely completed; continued strong credit quality with FY cost of risk of around nil**
- **Through-the-cycle cost of risk recalibrated to around 20 basis points, reflecting our improved risk profile**

Robert Swaak, CEO, comments:

'As we began to emerge from the pandemic, 2021 was a year of economic recovery for the Netherlands. Demand for corporate lending was sustained in Q4 and client loans grew by EUR 4.3 billion. The increase in our mortgage market share from 14% to 16% in 2021 in a highly competitive market reflects the strong operational capabilities that result from strategic investments in our infrastructure. The wind-down of the CIB non-core portfolio has been largely completed, well ahead of schedule, improving the bank's risk profile. We have resumed dividend payments and announced an inaugural share buyback programme as we are committed to returning capital to our shareholders.'

Net profit in Q4 was EUR 552 million, reflecting strong fee income growth and the proceeds of the sale and leaseback of our head office, while pressure on deposit margins persists. The resulting return on equity (ROE) for Q4 was 10.8%. We met our cost guidance of EUR 5.3 billion for 2021, excluding the AML settlement, reflecting our focus on cost discipline. We have recalibrated the through-the-cycle cost of risk to around 20 basis points. The financial results for 2021 were marked by the low interest rate environment and low impairments. The resulting ROE for 2021 was 5.8% (7.3% excluding CIB non-core). Our capital position remains very strong, with a fully-loaded Basel III CET1 ratio of 16.3% and a Basel IV CET1 ratio of around 16%. In line with our capital framework, we propose a final dividend equivalent to EUR 0.61 per share. In addition, we have announced a share buyback of EUR 500 million.

As a personal bank in the digital age we engage with our clients on a 'digital-first' basis, embedding the customer experience. Clients expect easy delivery in apps, fully digital services and seamless self-service through a single channel. We provide expertise when it matters, whether through tailored solutions, our sector specialists, or personal interaction using video banking. From Q3 2022 we will offer our full range of services remotely, including cardless cash withdrawals and the possibility to digitally open a joint account. As clients continue to shift to digital, we will further rightsize our branch network in line with client behaviour. We are committed to digital inclusion and have therefore doubled the number of financial coaches available to clients who need support.'

Key figures and indicators

(in EUR millions)	Q4 2021	Q4 2020	Change	Q3 2021	Change	FY 2021	FY 2020	Change
Operating income	2,284	1,800	27%	1,734	32%	7,597	7,916	-4%
Operating expenses	1,433	1,401	2%	1,301	10%	5,806	5,256	10%
Operating result	851	400	113%	432	97%	1,791	2,660	-33%
Impairment charges on financial instruments	121	220	-45%	-12	-	-46	2,303	-
Income tax expenses	177	126	40%	102	75%	604	401	50%
Profit/(loss) for the period	552	54		343	61%	1,234	-45	
Cost/income ratio	62.8%	77.8%		75.1%		76.4%	66.4%	
Return on average Equity ¹	10.8%	0.7%		6.5%		5.8%	-0.8%	
Fully-loaded CET1 ratio	16.3%	17.7%		17.8%		16.3%	17.7%	

¹ Based on profit for the period attributable to the owners of the parent company

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