

IR / Press Release

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ABN AMRO reports net profit of EUR 725 million for Q3 2018

- Net profit of EUR 725 million and ROE of 14.4% for Q3 2018
- Net interest income remained strong, costs were well controlled (C/I ratio of 52.9%) and impairments were below the previous two quarters
- Good progress on financial targets over first 9M: C/I ratio of 55.3%, ROE of 13.1% and CET1 ratio of 18.6%. Hence, dividend accrual raised to 60% of 9M net profit; final decision with the full year 2018 results
- Strategic focus on three pillars: supporting our clients' transition to sustainability, reinventing the customer experience, and building a future-proof bank
- High score in RobecoSAM's annual sustainability review

Kees van Dijkhuizen, CEO, comments:

'ABN AMRO had a good third quarter, with a net profit of EUR 725 million, an increase of 8% on Q3 2017. Net interest income was up 4% year-on-year on the back of a strong Dutch economy. Costs continued to benefit from cost-saving programmes and impairments were lower than in the first two quarters. We were pleased to see that we did well in the 2018 stress test for European banks.

We made good progress on our financial targets. The cost/income ratio over the first nine months was 55.3% and the return on equity (ROE) was 13.1%. Our capital position continued to strengthen and the CET1 ratio reached 18.6% in Q3 2018. Therefore, we have accrued 60% of the year-to-date net profit to create flexibility to raise our dividend pay-out ratio over 2018. We will make a final decision on the pay-out ratio when we have our full-year 2018 results, also taking into account the SREP requirements for 2019.

ABN AMRO was again named one of the world's best-performing banks in terms of sustainability, in RobecoSAM's annual sustainability review. This score underlines that our bank is successfully making a serious contribution to a sustainable society, and we can do more. To guide us through change, we have defined a clear purpose: Banking for better, for generations to come. And to continue creating lasting value for all our stakeholders, we have refreshed our strategy and will focus on three pillars: supporting our clients' transition to sustainability; reinventing the customer experience; and building a future-proof bank.

All in all, we are on track and continue to move forward in achieving our financial targets for 2020. We will present the refreshed strategic priorities for the years ahead as well as our focus areas such as IT, business outlook and capital position at our Investor Day on 16 November.'

Key figures and indicators (in EUR millions)	Q3 2018	Q3 2017	Change	Q2 2018	Change	9M 2018	9M 2017	Change
Operating income	2,318	2,123	9%	2,288	1%	6,935	6,861	1%
Operating expenses	1,227	1,209	2%	1,261	-3%	3,837	3,929	-2%
Operating result	1,091	914	19%	1,027	6%	3,098	2,932	6%
Impairment charges on financial instruments	106	5		134	-21%	447	-29	
Income tax expenses	260	236	10%	204	27%	643	711	-10%
Profit/(loss) for the period	725	673	8%	688	5%	2,009	2,249	-11%
Cost/income ratio	52.9%	56.9%		55.1%		55.3%	57.3%	
Return on average Equity ¹	14.4%	13.8%		13.5%		13.1%	15.7%	
Fully-loaded CET1 ratio	18.6%	17.6%		18.3%		18.6%	17.6%	

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

ABN AMRO Press Office

Jeroen van Maarschalkerweerd
head of Media Relations & PA
pressrelations@nl.abnamro.com
+31 20 6288900

ABN AMRO Investor Relations

Dies Donker
head of Investor Relations
investorrelations@nl.abnamro.com
+31 20 6282282