IR / Press Release

Amsterdam, 14 November 2014

ABN AMRO reports EUR 450 million underlying net profit in Q3 2014

- Underlying net profit increased by EUR 161 million, or 56%, compared with Q3 2013
- Reported Q3 2014 net profit of EUR 383 million included EUR 67 million levy for SNS Reaal
- The underlying cost/income ratio decreased to 57%
- Underlying loan impairments decreased by EUR 59 million to EUR 287 million
- Underlying return on equity for Q3 was 12.7%
- The CET1 ratio was 13.0% and the fully loaded CET1 ratio was 12.9%
- An interim dividend of EUR 125 million will be paid

Gerrit Zalm, Chairman of the Managing Board, comments:

"The Dutch economy remained on a modest growth path in Q3 and the housing market continued its upward trend as well. This contributed to an underlying net profit of EUR 450 million for Q3 2014. Revenues improved year-on-year and expenses were almost flat resulting in a decline in the underlying cost/income ratio to 57%. Impairment charges for Q3 2014 trended lower, both annually and also compared with the previous quarter. Decreases were recorded in mortgages and SMEs whereas impairments for mid-sized to large corporates increased as these tend to be more sizeable and volatile.

Looking back at the first nine months of this year, we have made good progress in meeting the targets set for 2017: the C/I ratio was three percentage points lower than last year at 58% (target range 56-60%), the ROE was 11.0% (target range 9-12%) and the CET 1 ratio was 13.0% (target range 11.5-12.5%). Given the strong capital ratios we will pay an interim dividend of EUR 125 million.

Looking ahead, Retail Banking is embarking on a programme to further enhance the customer experience. We will invest an additional amount of approximately EUR 150 million until 2018 to accelerate end-to-end digitisation of the key customer processes, which should enable us to attract new clients and conduct more business with existing clients. We will also further concentrate the branch network and upgrade the branches offering a broader range of services at each branch. Consequently, the number of FTEs in Retail Banking is expected to be reduced by 650-1,000 FTEs by 2018, for which a provision of EUR 50-75 million will be booked in Q4 2014.

Overall, we are pleased with the Q3 results and the fact that we comfortably passed the European Central Bank's Asset Quality Review and stress test at the end of October. We remain cautiously optimistic about the recovery of the Dutch economy."

Key figures and indicators

(in millions)	Q3 2014	Q3 2013	Change	Q2 2014	Change	Nine months 2014	Nine months 2013	Change
Operating income	2,009	1,874	7%	1,917	5%	5,910	5,597	6%
Operating expenses	1,147	1,143	0%	1,162	-1%	3,452	3,417	1%
Operating result	**862**	**731**	**18%**	**755**	**14%**	**2,457**	**2,180**	**13%**
Impairment charges on loans and other receivables	287	347	-17%	342	-16%	990	1,112	-11%
Income tax expenses	125	95	31%	91	37%	317	269	18%
Underlying profit/(loss) for the period[1]	**450**	**289**	**56%**	**322**	**40%**	**1,151**	**799**	**44%**
Special items and divestments	- 67	101		- 283		- 417	408	
Reported profit/(loss) for the period	**383**	**390**		**39**		**734**	**1,207**	
Underlying cost/income ratio	57%	61%		61%		58%	61%	
Underlying return on average Equity	12.7%	8.4%		9.2%		11.0%	7.9%	
CET1/CT1 ratio[2]	13.0%	13.7%		12.8%		13.0%	13.7%	

1. Underlying results exclude special items which distort the underlying trend, A detailed explanation of special items is provided in the Quarterly Report.
2. 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRR/CRD IV) framework.