

IR / Press Release

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ABN AMRO reports EUR 2,076 million underlying net profit for FY 2016, up 8% y-o-y

- Underlying net profit for Q4 2016 of EUR 333 million, up 23% y-o-y, after net restructuring costs of EUR 153 million
- In 2016, net interest income remained robust; fees and commissions were lower than in 2015; costs were impacted by restructuring provisions; loan impairments were low
- Underlying ROE for FY 2016 was 11.8% (FY 2015: 12.0%); the underlying cost/income ratio was 65.9% (FY 2015: 61.8%) and excluding restructuring costs 61.8%
- Fully-loaded CET1 ratio increased to 17.0% and the fully-loaded leverage ratio improved to 3.9%
- Based on a reported EPS of EUR 1.87, a final dividend of EUR 0.44 per share is being proposed, bringing the total 2016 dividend to EUR 0.84 per share (FY 2015: EUR 0.81)

Kees van Dijkhuizen, CEO of ABN AMRO Group, comments:

'The fourth-quarter results are solid. We are a financially healthy and robust bank. The underlying net profit was EUR 333 million for the fourth quarter and EUR 2,076 million for the full year, an increase of 8% compared with 2015. This past quarter we achieved loan growth in all of our major loan books: we were the number one provider of new mortgages in the Netherlands for the second consecutive year, the SME loan portfolio in the Netherlands grew modestly again after years of decline, and we onboarded new corporate clients internationally. As the cost/income ratio is still too high, we announced a restructuring plan in the second half of 2016. The ROE was 11.8% and the capital position strengthened further. We have increased the proposed dividend for full-year 2016 to EUR 0.84 per share. This is a payout ratio of 45% of the reported net profit.'

We recently announced a new management structure, designed to make the bank even more client-driven, agile and efficient. The new structure consists of a statutory Executive Board and an Executive Committee. In the Executive Committee, the number of business lines represented has doubled (Retail Banking, Commercial Banking, Corporate & Institutional Banking and Private Banking). The new management structure creates a stronger client focus and explicit dedication to the business activities at senior executive level.

I want to thank our staff for their hard work and dedication to our clients and the bank, and our clients for their business in this increasingly competitive industry. I would also like to express my gratitude to the four members of the Managing Board who have announced their departure in the past few months. Gerrit Zalm, Caroline Princen, Chris Vogelzang and Joop Wijn made very valuable contributions to rebuilding the new ABN AMRO.'

Key figures and indicators

(in EUR millions)	Q4 2016	Q4 2015	Change	Q3 2016	Change	FY 2016	FY 2015	Change
Operating income	2,195	2,052	7%	2,222	-1%	8,588	8,455	2%
Operating expenses	1,706	1,528	12%	1,372	24%	5,657	5,228	8%
Operating result	489	524	-7%	849	-42%	2,931	3,227	-9%
Impairment charges on loans and other receivables	35	124	-72%	23	51%	114	505	-77%
Income tax expenses	120	128	-6%	220	-45%	740	798	-7%
Underlying profit/(loss) for the period¹	333	272	23%	607	-45%	2,076	1,924	8%
Special items	-	-	-	-	-	- 271	-	-
Reported profit/(loss) for the period	333	272	23%	607	-45%	1,806	1,924	-6%
Underlying cost/income ratio	77.7%	74.5%		61.8%		65.9%	61.8%	
Underlying return on average Equity	7.3%	6.3%		13.8%		11.8%	12.0%	
Fully-loaded CET1 ratio	17.0%	15.5%		16.6%		17.0%	15.5%	

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.

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