IR / Press Release

Amsterdam, 21 August 2015

ABN AMRO reports EUR 600 million underlying net profit for Q2 2015

- **Underlying net profit for Q2 2015 was up 86% compared with Q2 2014**
- **Underlying cost/income ratio improved to 59% from 61% and underlying ROE to 15% from 9%**
- **Loan impairments were exceptionally low at EUR 34 million**
- **Fully-loaded CET1 ratio was 14.0%, well above the target range**
- **An interim dividend of EUR 350 million will be paid**

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

'ABN AMRO continued to perform well in Q2 of 2015 following a good start in Q1. With net profit coming to EUR 600 million, Q2 was the most profitable quarter since the new bank was created in 2010. The 86% increase in the underlying net profit for Q2 2015 year-on-year was achieved on the back of an increase in the operating result and significantly lower impairments.

Revenues increased by 11% compared with Q2 2014 as net interest income benefited from mortgage renewals and growth in the corporate loan book. Operating expenses were up by 7% compared with Q2 2014. As in the previous quarter, pension expenses rose on the back of a lower discount rate and, in addition, costs of external staffing for various IT and digitisation projects increased. Nevertheless, the cost/income ratio improved from 61% to 59%. Loan impairments were exceptionally low this quarter and the current level of impairments, EUR 34 million for Q2 2015, is not representative of the remainder of the year.

Turning to the results for the first six months, the cost/income ratio was 60% and ROE came to 13% (both assume the expected regulatory levies, which will be recorded in Q4 2015, are distributed equally over the four quarters) and our capital position was 14.0% (fully-loaded CET1 ratio). Over the full year 2015, we intend to pay a dividend of 40% of the reported net profit, of which EUR 350 million will be paid out shortly as interim dividend.

These results lead me to conclude that we are well on track to achieving the targets set for 2017. In the next few years, we will continue to make investments at Retail Banking and in our core IT infrastructure. Regulatory developments, such as the Basel proposal (especially with respect to the risk-weighting of mortgages and corporate loans) and increasing capital requirements set by the regulators could have a significant impact on our capital position going forward. Hence we will continue to focus on capital efficiency and further strengthen our capital position.

Our performance, including our financial results, the outlook for the Dutch economy and the fact that preparations for the bank's IPO are on track give us confidence in the future.'

Key figures and indicators

(in EUR millions)	*Q2 2015*	*Q2 2014*	*Change*	*Q1 2015*	*Change*	*1H 2015*	*1H 2014*	*Change*
Operating income	2,126	1,917	11%	2,168	-2%	4,294	3,900	10%
Operating expenses	1,247	1,162	7%	1,219	2%	2,465	2,305	7%
Operating result	**879**	**755**	**16%**	**949**	**-7%**	**1,828**	**1,595**	**15%**
Impairment charges on loans and other receivables	34	342	-90%	252	-86%	287	703	-59%
Income tax expenses	244	91		154	59%	398	192	107%
Underlying profit/(loss) for the period[1]	**600**	**322**	**86%**	**543**	**11%**	**1,144**	**700**	**63%**
Special items		- 283					- 350	
Reported profit/(loss) for the period	**600**	**39**		**543**		**1,144**	**351**	
Underlying cost/income ratio	59%	61%		56%		57%	59%	
Underlying return on average Equity	15.3%	9.2%		14.1%		14.7%	10.1%	
Fully-loaded CET1 ratio	14.0%	12.7%		14.2%		14.0%	12.7%	

[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.