Amsterdam, 8 November 2023

Press Release

ABN AMRO reports net profit of EUR 759 million for Q3 2023

Q3 - Highlights of the quarter

- **Strong result, with a net profit of EUR 759 million and an ROE of 13.6%, supported by high other income and impairment releases**
- **NII lower compared with Q2 due to deposit migration to higher yielding products, a shift to other income, limited asset margin pressure and lower results in trading activities**
- **Business momentum remains good; our mortgage loan book increased by EUR 0.4 billion and our corporate loan book by EUR 0.3 billion. Mortgage market share increased to 15%**
- **Costs remain under control; expected costs for 2023 lowered to between EUR 5.1 and EUR 5.2 billion**
- **Credit quality remains strong, with impairment releases of EUR 21 million**
- **Solid capital position; fully-loaded Basel III CET1 ratio of 15.0% and Basel IV CET1 ratio of around 16%**
- **CEO's term extended by four years, until 2028**

Robert Swaak, CEO:

'In the third quarter, we once again delivered a strong financial result with continued high net interest income (NII) compared with last year, supported by high other income and impairment releases. The Dutch economy is cooling down and uncertainty about the economy and inflation remains, while I continue to be concerned about the ongoing uncertainty in the geopolitical environment. Slowing economic growth contrasts with our strong business momentum. Demand for credit remains good and both our mortgage and corporate loan books increased. Our market share in mortgages increased to 15%, while house prices are rising due to improved affordability.

Net profit in the third quarter was EUR 759 million and our return on equity (ROE) was 13.6%. At EUR 1,533 million, NII was 20% higher than last year. Compared with the previous quarter, NII was affected by deposit migration to higher yielding products, a shift to other income, limited asset margin pressure and lower results in trading activities. Costs were higher than in Q2, mainly due to regulatory levies. We now expect lower full-year costs for 2023, between EUR 5.1 and EUR 5.2 billion, due to good cost control and a delay in investments mainly given the tight labour market. While we remain committed to cost discipline, we expect higher costs for data capabilities, further digitalisation of processes and Sustainable Finance Regulation in the coming year.

Credit quality remained strong in Q3 with impairment releases of EUR 21 million. The releases were largely at Corporate Banking and partly offset by an increase in the management overlay for mortgages. The impact of the economic slowdown on our loan portfolio so far has been limited, while buffers remain in place against uncertainties in the economic outlook. Risk-weighted assets increased by EUR 2.1 billion. This was mainly due to model updates as part of our ongoing review of models, partly offset by

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business developments. Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.0% and a Basel IV CET1 ratio of around 16%. We will update our financial targets and our capital framework at the Q4 results.

Higher interest rates have supported the profitability of banks in the past few quarters, triggering public discussions about savings rates. Strong, safe and profitable banks are important for society as they support economic growth by financing companies and investments, facilitate the payment system and help prevent financial crime. We remain focused on fulfilling our role in society, contributing to the real economy with safe and secure banking and supporting our clients in the transition to a sustainable economy. We recently established a Supervisory Board Sustainability Committee responsible for supervising sustainability aspects of our strategy and policies, including our climate strategy. We are still making steady progress on the execution of our climate strategy and will communicate new carbon reduction targets for next sectors in our annual report published in March 2024.

We look forward to appointing Ferdinand Vaandrager as our Chief Financial Officer and Ton van Nimwegen as our Chief Operations Officer after the close of our extraordinary general meeting next week. Tanja Cuppen, our Chief Risk Officer, has informed us that she will not be available for a third term and will leave the bank in April 2024.

I am pleased that the Dutch government's stake in ABN AMRO is now below 50%. We have made huge strides with the bank since 2010. We are now a stable bank with a strong focus on clients' interests, laying a healthy foundation for further reduction of the State's shareholding. I am honoured by the trust the Supervisory Board has placed in me and by the opportunity to lead this great bank for another four years. I am proud of what we, together with all our colleagues, have achieved for all our stakeholders. I would like to thank our clients and our people foremost for their unwavering commitment as we continue our journey as a personal bank in the digital age.'

Key figures and indicators

(in EUR millions)	*Q3 2023*	*Q3 2022*	*Change*	*Q2 2023*	*Change*
Operating income	2,211	2,162	2%	2,223	-1%
Operating expenses	1,228	1,254	-2%	1,137	8%
Operating result	**983**	**908**	**8%**	**1,086**	**-9%**
Impairment charges on financial instruments	-21	7		-69	69%
Income tax expenses	246	159	55%	285	-14%
Profit/(loss) for the period	**759**	**743**	**2%**	**870**	**-13%**
Cost/income ratio	55.5%	58.0%		51.1%	
Return on average Equity	13.6%	13.9%		16.2%	
CET1 ratio	15.0%	15.2%		14.9%	

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