Amsterdam, 9 August 2023

Press Release

ABN AMRO reports net profit of EUR 870 million for Q2 2023

Highlights of the quarter

- **Very strong result, with a net profit of EUR 870 million and an ROE of over 16%, reflecting high NII and impairment releases. All client units contributed with improved net profit**
- **Continued strong NII, benefitting from the higher interest rate environment**
- **Expected costs for 2023 now around EUR 5.2 billion; we do not expect to reach our 2024 cost target as 2023 investments spill over, inflation is higher and AML costs will reduce more gradually**
- **Credit quality remains solid, with impairment releases of EUR 69 million; buffers remain in place**
- **Solid capital position; fully-loaded Basel III CET1 ratio of 14.9% and Basel IV CET1 ratio of around 16%. Interim dividend has been set at EUR 0.62 per share**
- **Updated financial KPI's and capital framework to be presented at publication of Q4 results**

Robert Swaak, CEO:

'In the second quarter, we once again delivered a very strong financial result, driven by high net interest income (NII) and impairment releases, in an environment where macroeconomic and geopolitical uncertainty persisted. I am proud of the continued commitment we demonstrated to our clients in the past quarter. All client units contributed with improved net profit, and momentum in the corporate loan book and mortgage portfolio was positive. The Dutch economy cooled down somewhat, and uncertainty and persistently high inflation continued to put pressure on our clients. Despite this slowdown, the labour market remained tight and corporate and household balance sheets robust. I am pleased the bank is resilient, with a stable risk profile and a strong balance sheet. We will present our updated financial KPI's and capital framework at publication of the Q4 results.

Net profit in the second quarter was EUR 870 million and the return on equity (ROE) was over 16%. Net interest income benefitting from the higher interest rate environment, stood at EUR 1,622 million and fee income was stable. Costs were lower due to lower regulatory levies, while investments have been delayed in a tight labour market. We now expect full-year costs for 2023 to be around EUR 5.2 billion. While we remain focused on cost discipline, we no longer expect to reach our cost target of EUR 4.7 billion in 2024, as 2023 investments spill over, inflation is higher and AML costs will reduce more gradually. More effort than expected is required to ensure that our ongoing AML activities are at a sustainable and adequate level and meet regulatory requirements.

Credit quality remained solid in Q2 with impairment releases of EUR 69 million, reflecting the ending of the Covid management overlay and net releases in individual client files. The impact of the economic slowdown on our loan portfolio so far remains limited and we expect the cost of risk for 2023 to remain well below the through-the-cycle cost of risk of around 20 basis points. Buffers remain in place against

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uncertainties in the economic outlook. Risk-weighted assets increased by EUR 2.7 billion, mainly due to model updates as part of our ongoing review of models. Our capital position remains strong, with a fully-loaded Basel III CET1 ratio of 14.9% and a Basel IV CET1 ratio of around 16%. In line with our dividend policy, the interim dividend has been set at EUR 0.62 per share, which amounts to EUR 537 million.

Banks play an important role in society, contributing to the real economy and creating trust. We support all our clients – private clients, entrepreneurs and companies – in their daily banking and with expertise when it matters. Society is facing climate change, the war in Ukraine and macroeconomic uncertainty, while technology is evolving very fast. In this rapidly changing environment our stakeholders value secure banking, sustainable investment and finance, and a solid business model, all of which are key elements in our strategy of being a personal bank in the digital age. Our purpose 'Banking for better, for generations to come' inspires us to support our clients with fair banking and contributes to society while we remain focused on the execution of our strategy and continue to transform into a future-proof bank.

Creating trust is ultimately about people. Our staff are key to delivering on our strategy and earning the trust of our clients. I would like to thank them for their commitment. And I would like to thank our clients, our shareholders and all other stakeholders for their continued support.'

Key figures and indicators

(in EUR millions)	*Q2 2023*	*Q2 2022*	*Change*	*Q1 2023*	*Change*
Operating income	2,223	1,884	18%	2,142	4%
Operating expenses	1,137	1,321	-14%	1,406	-19%
Operating result	**1,086**	**563**	**93%**	**736**	**48%**
Impairment charges on financial instruments	-69	-62	-10%	14	
Income tax expenses	285	151		199	43%
Profit/(loss) for the period	**870**	**475**	**83%**	**523**	**66%**
Cost/income ratio	51.1%	70.1%		65.6%	
Return on average Equity	16.2%	8.8%		9.6%	
CET1 ratio	14.9%	15.5%		15.0%	

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This press release is published by ABN AMRO Bank N.V. and contains inside information within the meaning of article 7 (1) to (4) of Regulation (EU) No 596/2014 (Market Abuse Regulation)