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IR/Press Release

ABN AMRO reports net profit of EUR 478 million for Q1 2019

- **Good progress on strategy in a more demanding environment; new sustainable propositions launched, refocus of businesses and costs tightly managed**
- **Net profit was down 20% year-on-year; Q1 2018 included significant gains on (equity) participations**
- **Total client lending up in Q1 2019; net interest income impacted by elevated liquidity management costs**
- **Impairments were lower, due partly to active derisking of parts of the CIB loan portfolio in 2018**
- **Strong Basel III capital position; CET1 ratio of 18.0% does not include Q1 2019 profit; Basel IV CET1 largely unchanged versus YE 2018**

Kees van Dijkhuizen, CEO, comments:
'We are making good progress on embedding our strategy. The economic and interest rate environment has become more demanding, and hence we are actively managing costs and working on measures to support revenues. We have developed new propositions, such as a mortgage facility allowing homeowners to invest up to EUR 25,000 in energy efficiency measures for their homes and a mortgage solution for seniors enabling them to cash out home equity without selling their property. Strict compliance is our licence to operate, and we remain vigilant in detecting financial crime. The acceleration of our Client Due Diligence remediation programmes at Commercial Banking and ICS is progressing.

We continue to refocus our businesses. In Private Banking, we started integrating the Belgium acquisition, and the announced sale of our activities in the Channel Islands will conclude our divestments in this business. The sale of a majority stake in Stater was recently announced and the refocus of Corporate & Institutional Banking (CIB) is progressing well. Client lending at Commercial Banking increased by 2.8% sequentially, whereas continued strict pricing discipline with respect to mortgages resulted in a 0.6% decline of the mortgage portfolio. Looking ahead, we see a well-filled mortgage pipeline and expect our market share in new origination to increase again in Q2 2019. Private Banking saw its assets under management grow by EUR 15.6 billion in Q1 2019 due to an acquisition, market performance and inflow of net new assets.

The Q1 2019 net profit was EUR 478 million. Net interest income was impacted by temporarily elevated liquidity management costs. Operating expenses include seasonally high regulatory levies offset by effective cost management. We are pleased to see lower loan impairments compared with last year, in part due to active derisking of parts of the CIB loan portfolio in 2018. If regulatory levies were to be divided equally over the year, return on equity and the cost/income ratio would have been 10.2% and 60.2% respectively. The Basel III CET1 ratio, which does not include the Q1 2019 profit, was strong at 18.0%. In this more demanding environment with rising regulatory and compliance costs, we remain focused on our financial targets.'

Key figures and indicators

(in EUR millions)	*Q1 2019*	*Q1 2018*	*Change*	*Q4 2018*	*Change*
Operating income	2,081	2,329	-11%	2,157	-4%
Operating expenses	1,327	1,348	-2%	1,514	-12%
Operating result	**754**	**981**	**-23%**	**643**	**17%**
Impairment charges on loans and other receivables	102	208	-51%	208	
Income tax expenses	174	178	-3%	119	46%
Profit/(loss) for the period	**478**	**595**	**-20%**	**316**	**51%**
Cost/income ratio	63.8%	57.9%		70.2%	
Return on average Equity*	9.2%	11.5%		6.0%	
CET1 ratio	18.0%	17.5%		18.4%	

** Profit for the period attributable for the owners of the parent company*

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