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IR/Press Release

ABN AMRO reports net profit of EUR 558 million in Q3 2019

- **Net profit at EUR 558 million in Q3 2019, reflecting solid operational performance and moderate impairments, offset by low other income (including private equity gains)**
- **Net interest income strong at EUR 1,628 million, despite low interest rate environment**
- **Refined plan to strengthen detecting financial crime (DFC) foundation and remediate gaps; further action needed to ensure full compliance**
- **Continued cost management offset by increase in remediation provisions and DFC costs**
- **Cost/income ratio for Q3 was 59.4%, return on equity 11.0%**
- **Strong capital position with a CET1 ratio of 18.2%**
- **Commitment not to charge negative rates on deposits below EUR 100,000, safeguarding around 95% of our clients**

Kees van Dijkhuizen, CEO, comments:

'The third quarter was a mixed quarter. We remained focused on the execution of our strategy and continued to deliver good financial results, with a return on equity of 11.0%. Meanwhile, the sector is facing major challenges, including the continuing low interest rate environment.'

The Dutch public prosecutor informed us at the end of September that ABN AMRO Bank N.V. is subject of an investigation relating to the Dutch Act on the prevention of money laundering and financing of terrorism. The timing of the completion of the investigation and the outcome are uncertain; ABN AMRO is cooperating fully. We have refined our plan to strengthen the DFC foundation and remediate gaps, and benchmarked our plan against best practises using a comprehensive review by an independent expert. We will further update you on our plans in Q4.'

We increased our market share in mortgages from 17% in Q2 2019 to 22% in Q3 2019, supported by new products such as a mortgage solution for seniors to cash out on home equity and the 30-year fixed rate mortgages offered as part of the originate-to-distribute platform.'

Net profit in Q3 2019 was EUR 558 million, reflecting continued solid operational performance and moderate impairments, offset by low other income (including private equity gains). The cost/income ratio was 59.4%. Our capital position remains strong, with a CET1 ratio of 18.2% and we are well positioned to manage the transition through TRIM and Basel IV.'

The interest rate environment remains challenging. If rates stay low, it will take longer to reach our cost/income target of 56–58%. We already charge negative rates to CIB clients and the largest clients in Commercial and Private Banking. We have decided that we will not charge negative rates on deposits below EUR 100,000. This commitment means that around 95% of our clients, representing approximately 40% of our deposit base, will be safeguarded from negative rates.'

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Key figures and indicators

(in EUR millions)	Q3 2019	Q3 2018	Change	Q2 2019	Change	9M 2019	9M 2018	Change
Operating income	2,101	2,318	-9%	2,321	-9%	6,504	6,935	-6%
Operating expenses	1,247	1,227	2%	1,310	-5%	3,884	3,837	1%
Operating result	854	1,091	-22%	1,012	-16%	2,620	3,098	-15%
Impairment charges on financial instruments	112	106	6%	129	-13%	343	447	-23%
Income tax expenses	184	247	-26%	190	-3%	547	617	-11%
Profit/(loss) for the period	558	738	-24%	693	-19%	1,730	2,034	-15%
Cost/income ratio	59.4%	52.9%		56.4%		59.7%	55.3%	
Return on average Equity ¹	11.0%	14.4%		13.6%		11.3%	13.1%	
Fully-loaded CET1 ratio	18.2% ²	18.6%		18.0%		18.2% ²	18.6%	

¹ Based on profit for the period attributable to the owners of the parent company excluding AT1 securities

² 18.8% if year-to-date profits attributable to owners of the parent company, excluding AT1 securities, are added based on a 62% pay-out, the dividend pay-out over 2018

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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)

For further explanation by ABN AMRO CEO Kees van Dijkhuizen, please view his video interview:

<https://www.abnamro.com/en/newsroom/Videos/2019/kees-van-dijkhuizen-results-q3-2019.html>