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IR/Press Release

ABN AMRO reports net profit of EUR 343 million in Q3 2021

- **Net profit EUR 343 million; return on equity 6.5% in Q3 2021, 7.8% excluding CIB non-core**
- **Strong fee income growth of 19% excluding non-core, while deposit margin pressure persists**
- **Demand for lending showed signs of recovery; corporate and mortgage loan books grew**
- **Cost of risk for 2021 expected to be around nil as the credit environment remains benign**
- **Strong capital position, Basel III CET1 ratio of 17.8% (Basel IV CET1 of around 16%); constructive dialogue with regulator on potential share buybacks**

Robert Swaak, CEO, comments:

'Developments in the third quarter were encouraging: Dutch society has largely reopened and government support has been withdrawn, though the rise in Covid infections remains a concern. Demand for lending showed signs of recovery and both our mortgage book and corporate loan book grew. Our clients increasingly focus on the future and we are there to support them through our trusted relationships and expertise. We continue to deliver on our agenda as we are well ahead of plan in the wind-down of the CIB non-core portfolio, we have paid out the final 2019 dividend, have agreed a compensation scheme for revolving consumer credit and are simplifying our organisational structure.'

Net profit in Q3 2021 was EUR 343 million, delivering a 6.5% return on equity (7.8% excluding CIB non-core) despite continued pressure on net interest income and a EUR 217 million provision for revolving consumer credit. While pressure from deposit margins and the CIB non-core wind-down continues, our operating performance remained solid and fee income improved by 19% (excluding CIB non-core). Impairments showed a small net release of EUR 12 million as the credit environment remained benign. We expect the cost of risk for 2021 to be around nil. Our capital position remains very strong, with a Basel III CET1 ratio of 17.8% (Basel IV around 16%). We are in a constructive dialogue with the regulator on potential share buybacks after the FY 2021 results have been announced.'

We are a personal bank in the digital age, with our strategic pillars – customer experience, sustainability and future-proof bank – as our guiding principles. We bring convenience into the daily lives of our clients and expertise when it matters. Our digital personal assistant, Anna, supports clients in their day-to-day banking. She already handles half of all chat requests, making our service more efficient and personal while enabling our advisers to focus on expertise. We encourage our clients to make their homes more sustainable and have now extended our sustainability discount to include homes with energy label B. I am very pleased that our ESG client assets (in line with Sustainable Finance Disclosure Regulation definitions and disclosures) have grown to EUR 39 billion. We are building a future-proof bank, digital by design, and continue to transfer services to our mobile banking app, including cash withdrawals at ATMs.'

Key figures and indicators

| (in EUR millions) | Q3 2021 | Q3 2020 | Change | Q2 2021 | Change | 9M 2021 | 9M 2020 | Change |
|---|------------|------------|-------------|------------|-------------|------------|--------------|-------------|
| Operating income | 1,734 | 2,207 | -21% | 1,732 | | 5,313 | 6,115 | -13% |
| Operating expenses | 1,301 | 1,357 | -4% | 1,228 | 6% | 4,372 | 3,856 | 13% |
| Operating result | 432 | 850 | -49% | 504 | -14% | 940 | 2,260 | -58% |
| Impairment charges on financial instruments | -12 | 270 | | -79 | -85% | -168 | 2,083 | |
| Income tax expenses | 102 | 279 | -64% | 190 | -47% | 426 | 275 | 55% |
| Profit/(loss) for the period | 343 | 301 | 14% | 393 | -13% | 682 | -99 | |
| Cost/income ratio | 75.1% | 61.5% | | 70.9% | | 82.3% | 63.0% | |
| Return on average Equity ¹ | 6.5% | 5.6% | | 7.6% | | 4.2% | -1.3% | |
| Fully-loaded CET1 ratio | 17.8% | 17.2% | | 18.3% | | 17.8% | 17.2% | |

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

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