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IR/Press Release

ABN AMRO reports net profit of EUR 295 million in the first quarter

- Net profit of EUR 295 million; solid performance and loan growth
- Costs higher due to additional AML provision and regulatory levies; remain fully committed to cost target below EUR 4.7 billion in 2024
- Credit quality remains strong; impairments reflect weakened macroeconomic outlook and potential second-order effects of the war in Ukraine
- Mortgage market share increased to 17%; strong operational capabilities in competitive market
- Strong capital position; Basel III CET1 ratio of 15.7% (Basel IV around 16%), including a EUR 5 billion RWA add-on for model reviews and redevelopments
- First share buyback programme of EUR 500 million finalised

In the first quarter of 2022, net profit was EUR 295 million. Net interest income was EUR 1,310 million, impacted by lower mortgage prepayment penalties and higher hedging costs. Fee income increased by 10% compared with Q1 2021, driven by higher asset management fee income and strong results at Clearing. Costs were higher due to an additional EUR 50 million AML provision and higher regulatory levies. Strategic investments remained elevated at the beginning of the year, as we continued to focus on implementing our new client service model.

Credit quality remains strong. Impairments in Q1 were EUR 62 million as a result of the updated macroeconomic scenarios. A management overlay for potential second-order effects of the war in Ukraine was offset by Covid-related releases. Risk-weighted assets increased by EUR 6.7 billion, mainly due to a EUR 5.0 billion add-on for model reviews and redevelopments. ABN AMRO's capital position remains strong, with a fully-loaded Basel III CET1 ratio of 15.7% and a Basel IV CET1 ratio of around 16%, well above regulatory capital requirements.

Robert Swaak, CEO, comments:

'Our world changed significantly in the last quarter. The war in Ukraine shook our sense of security and stability, causing further economic uncertainty and sharp inflation. We are extremely concerned about this conflict, which represents a direct assault on the principles of democracy and freedom. Our thoughts are with all those affected by the war and we aim to provide support where possible.'

ABN AMRO's direct exposure to Russia is very limited, but we expect potential second-order effects to have an impact on our clients. We are closely monitoring the situation and proactively reaching out to clients.

Dutch society reopened fully in the first quarter as Covid restrictions were lifted and we saw the negative impact of the global pandemic decrease. Demand for credit was good and both the mortgage and corporate loan books grew. We delivered a solid performance in the first quarter.

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We finalised our first EUR 500 million share buyback programme last week and remain committed to returning capital to shareholders. We are well on track towards meeting our targets in 2024 as we continue our journey as a personal bank in the digital age.'

Key figures and indicators

(in EUR millions)	Q1 2022	Q1 2021	Change	Q4 2021	Change
Operating income	1,933	1,847	5%	2,284	-15%
Operating expenses	1,508	1,843	-18%	1,433	5%
Operating result	425	4		851	-50%
Impairment charges on financial instruments	62	-77		121	-49%
Income tax expenses	68	135	-50%	177	-62%
Profit/(loss) for the period	295	-54		552	-47%
Cost/income ratio	78.0%	99.8%		62.8%	
Return on average Equity	5.4%	-1.6%		10.8%	
CET1 ratio	15.7%	17.4%		16.3%	

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