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IR/Press Release

ABN AMRO reports net profit of EUR 2,325 million for FY 2018

- **Q4 2018 net profit of EUR 316 million; solid operational performance in Q4**
- **This result includes EUR 85 million (pre-tax) for additional costs of accelerating Customer Due Diligence remediation programmes and elevated loan impairments**
- **Return on equity for FY 2018 was 11.4%**
- **Cost/income ratio for FY 2018 improved to 58.8% (FY 2017: 60.1%); on track to meeting the 56-58% target by 2020**
- **Strong Basel III capital position, with CET1 ratio at 18.4% and leverage ratio at 4.2%**
- **Reconfirmation of targets and guidance given at Investor Day**
- **Proposed final dividend of EUR 0.80 per share. FY 2018 dividend proposal of EUR 1.45 per share (FY2017: EUR 1.45)**

Kees van Dijkhuizen, CEO, comments:

'In Q4 2018, our net profit was EUR 316 million. We saw solid operational delivery in Q4 2018. However, net profit was impacted by additional costs of accelerating Customer Due Diligence (CDD) remediation programmes and by elevated loan impairments in specific sectors. The full-year 2018 net profit was good at EUR 2.3 billion. We are on track to meeting our financial targets for 2020 and reconfirm the targets and guidance given at our Investor Day, despite a somewhat weaker economic outlook. Our capital position strengthened further. We therefore propose paying an additional amount of dividend on top of the targeted 50% of sustainable profit. A final dividend of EUR 0.80 per share will be proposed, bringing the proposed total dividend for 2018 to EUR 1.45 per share.'

At our first Investor Day last November, we introduced our new purpose and refreshed strategy. As reflected in our purpose 'Banking for better, for generations to come', we want to make a positive impact by deploying our capabilities and talents. This is also demonstrated by several customer care programmes, for example reaching out to clients with interest-only mortgages to discuss potential financial issues upon expiration of their loans and supporting senior clients in handling their banking affairs. In our daily activities, we must remain vigilant in detecting financial crime. We are therefore accelerating our CDD remediation programmes at Commercial Banking and ICS (Retail Banking).

Throughout the year, we continued to focus on making banking more convenient for our clients. We were the first bank in the Netherlands to offer contactless payments through passive wearables, and online retailers can now offer their customers the option of paying through Tikkie. In addition to the partnerships with Social Finance and Opportunity Network, which we started in 2018, we recently announced that we have teamed up with a partner to develop accounting software which is fully integrated into online banking for SMEs.'

Key figures and indicators

(in EUR millions)	Q4 2018	Q4 2017	Change	Q3 2018	Change	FY 2018	FY 2017 ¹	Change
Operating income	2,157	2,429	-11%	2,318	-7%	9,093	9,290	-2%
Operating expenses	1,514	1,653	-8%	1,227	23%	5,351	5,582	-4%
Operating result	643	776	-17%	1,091	-41%	3,742	3,708	1%
Impairment charges on financial instruments	208	-34		106	97%	655	-63	
Income tax expenses	119	268	-55%	260	-56%	762	979	-22%
Profit/(loss) for the period	316	542	-42%	725	-56%	2,325	2,791	-17%
Cost/income ratio	70.2%	68.0%		52.9%		58.8%	60.1%	
Return on average Equity ²	6.0%	10.9%		14.4%		11.4%	14.5%	
Fully-loaded CET1 ratio	18.4%	17.7%		18.6%		18.4%	17.7%	

¹ The result in 2017 includes the proceeds of the Private Banking Asia divestment.

² Based on profit for the period attributable to the owners of the parent company.

ABN AMRO Press Office

Jarco de Swart
senior press officer
pressrelations@nl.abnamro.com
+31 20 6288900

ABN AMRO Investor Relations

Dies Donker
head of Investor Relations
investorrelations@nl.abnamro.com
+31 20 6282282

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