

# IR / Press Release

Amsterdam, 17 February 2016

## ABN AMRO reports EUR 1,924 million underlying net profit for FY 2015, up 24% compared with FY 2014

- Underlying Q4 2015 net profit of EUR 272 million negatively impacted by EUR 190 million regulatory levies (net of tax)
- Underlying ROE for FY 2015 was 12.0% and underlying cost/income ratio for FY 2015 was 61.8%
- Loan impairments in 2015 (EUR 505 million) more than halved compared with 2014
- Fully-loaded CET1 ratio increased to 15.5% and the fully-loaded leverage ratio improved to 3.8%
- Based on an EPS of EUR 2.03, a final dividend of EUR 0.44 per share is proposed, bringing the total 2015 dividend to EUR 0.81 per share

Gerrit Zalm, Chairman of the Managing Board of ABN AMRO Group, comments:

*'2015 was a good year for the bank. Even though the fourth-quarter underlying net profit declined by 32% to EUR 272 million, the FY 2015 underlying net profit increased to EUR 1,924 million, up 24% compared with FY 2014. As previously indicated, Q4 2015 includes regulatory levies of EUR 190 million (net of tax). In addition, Q4 2015 contains provisions for an identified group of SMEs with possible derivative-related issues and legal claims.*

*The year-on-year improvement was achieved on revenues, which went up by 5% on the back of a further repricing of the loan portfolio and higher fee income. Operating expenses increased by 8% compared with FY 2014, caused mainly by higher regulatory levies, project costs and pension expenses. Loan impairments more than halved to EUR 505 million. Even though oil and commodity prices showed significant movements in the last six months of the year, the cost of risk for our ECT business was 52bps in 2015, in the middle of the estimated through-the-cycle cost of risk of Corporate Banking.*

*We are still on track to meet our financial targets. In 2015, ROE increased to 12.0% from 10.9% in 2014 and was within the target range of 10-13%. We achieved a cost/income ratio of 61.8% (60.2% in 2014), whereas our target is 56-60% by 2017. The capital position continued to grow and the fully-loaded CET1 ratio was 15.5%, compared with 14.1% at the end of 2014. We have increased the proposed dividend payout ratio for 2015 from 35% to 40% of the reported full-year net profit.*

*Looking back, 2015 was a year in which we further enhanced our mobile product and service offering, and the year of the IPO of the bank. Looking ahead, we will continue to focus on successfully executing our strategy and on adapting to challenging market developments, such as the continued low interest rate environment, increasing competition in the mortgage market, and regulatory and economic uncertainty. Thanks to our clients and employees, we are confident that the bank is equipped to take on the opportunities and challenges that will come our way in the years ahead.'*

### Key figures and indicators

(in EUR millions)	FY 2015	FY 2014	Change	Q4 2015	Q4 2014	Change	Q3 2015	Change
Operating income	8,455	8,055	5%	2,052	2,145	-4%	2,109	-3%
Operating expenses	5,228	4,849	8%	1,528	1,397	9%	1,234	24%
<b>Operating result</b>	<b>3,227</b>	<b>3,206</b>	<b>1%</b>	<b>524</b>	<b>748</b>	<b>-30%</b>	<b>875</b>	<b>-40%</b>
Impairment charges on loans and other receivables	505	1,171	-57%	124	181	-31%	94	32%
Income tax expenses	798	484	65%	128	167	-24%	272	-53%
<b>Underlying profit/(loss) for the period<sup>1</sup></b>	<b>1,924</b>	<b>1,551</b>	<b>24%</b>	<b>272</b>	<b>400</b>	<b>-32%</b>	<b>509</b>	<b>-47%</b>
Special items		-417						
<b>Reported profit/(loss) for the period</b>	<b>1,924</b>	<b>1,134</b>	<b>70%</b>	<b>272</b>	<b>400</b>	<b>-32%</b>	<b>509</b>	<b>-47%</b>
Underlying cost/income ratio	61.8%	60.2%		74.5%	65.1%		58.5%	
Underlying return on average Equity	12.0%	10.9%		6.3%	10.9%		12.7%	
Fully-loaded CET1 ratio	15.5%	14.1%		15.5%	14.1%		14.8%	

<sup>1</sup> Underlying results exclude special items which distort the underlying trend. A detailed explanation of special items is provided in the Additional financial information section.