

# ABN AMRO Bank Financial Summary: Q3 2024

## Summary Overview

This report summarizes ABN AMRO Bank's financial performance for Q3 2024, highlighting key metrics, balance sheet insights, operational updates, and strategic priorities. Tailored for investors and analysts, it provides actionable insights into the bank's financial health and future outlook.

## Key Financial Metrics

- **Net Profit:** EUR 690 million, a decrease from EUR 759 million in Q3 2023, reflecting higher operating expenses.
- **Earnings Per Share (EPS):** EUR 0.78, down from EUR 0.85 in Q3 2023.
- **Return on Equity (ROE):** 11.6%, exceeding the target range of 9–10%.
- **Cost/Income Ratio:** Improved to 59.2%, approaching the long-term target of 60%.
- **Common Equity Tier 1 (CET1) Ratio (Basel III):** 14.1%, indicating a robust capital position.

## Income and Expenses

- **Net Interest Income (NII):** EUR 1,638 million, up 7% year-over-year (YoY), driven by strong Treasury performance.
- **Net Fee and Commission Income:** EUR 478 million, an 8% YoY increase, fueled by growth in asset management fees and payment services.
- **Operating Expenses:** EUR 1,334 million, a 9% YoY rise, attributed to labor agreements and investments in IT and regulatory initiatives.

## Balance Sheet Highlights

- **Total Assets:** EUR 403.8 billion, up EUR 10.4 billion from Q2 2024.
- **Loans and Advances to Customers:** EUR 259.6 billion, increased by EUR 8.1 billion, driven by growth in residential mortgages and corporate lending.

- **Client Deposits:** Stable at EUR 224.5 billion, with professional deposits up by EUR 1.6 billion.
- **Total Equity:** EUR 25.8 billion, reflecting a strong equity position.

## Financial Ratios

- **Liquidity (Leverage Ratio, CRR2):** Stable at 5.2%, indicating sound liquidity management.
- **Profitability (ROE):** 11.6%, as noted above, showing strong profitability.
- **Cost of Risk:** -2 basis points, reflecting low risk and net impairment releases.
- **Stage 3 Ratio (Non-Performing Loans):** Stable at 1.9%, indicating consistent credit quality.

## Strategic and Operational Updates

- Expanded sustainable finance initiatives with EUR 1 billion invested in climate-focused projects.
- Enhanced digital banking with new fraud prevention tools in the ABN AMRO app.
- Awarded "Best Benelux Broker" for the third consecutive year, reflecting excellence in customer service and innovation.

## Market Conditions and Outlook

- The Dutch housing market showed a 4% price increase from Q2 2024 and 11% YoY, supporting mortgage growth.
- Favorable macroeconomic conditions, including low unemployment and declining inflation, bolstered performance.
- Management remains cautious about regulatory changes (Basel IV) and has deferred capital assessment to Q2 2025.

## Risks and Challenges

- Potential regulatory impacts from Basel IV implementation pose uncertainties.
- Rising operating expenses due to IT investments and labor costs may pressure profitability.
- The bank is addressing these risks through cost management and strategic investments in technology.

## **Conclusion**

ABN AMRO Bank delivered a solid performance in Q3 2024, with strong capital and liquidity positions, growth in key income streams, and advancements in sustainability and digital innovation. Despite regulatory and cost challenges, the bank is well-positioned for future growth.