Minutes
Annual General Meeting
ABN AMRO Group N.V.

30 May 2017

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In case of inconsistency between the Dutch version and this English translation, the Dutch version shall prevail.

Minutes of the Annual General Meeting

ABN AMRO Group N.V

ABN AMRO head office, Gustav Mahlerlaan 10, Amsterdam, the Netherlands

(These minutes are a concise record of the proceedings at the meeting)

Tuesday, 30 May 2017, 14.00 - 18.30 hrs

Agenda

1. Opening remarks and announcements

2. Annual report, corporate governance and annual financial statements

(a) Report of the Executive Board in respect of 2016 (**discussion item**);

(b) Report of the Supervisory Board in respect of 2016 (**discussion item**);

(c) Presentation by the Employee Council (**discussion item**);

(d) Corporate governance, including the new management structure of ABN AMRO (**discussion item**);

(e) Implementation of the remuneration policy (**discussion item**);

(f) Presentation by external auditor and opportunity to ask questions (**discussion item**); and

(g) Adoption of the audited annual financial statements (**voting item**).

3. Dividend

(a) Explanation of dividend policy (**discussion item**); and

(b) 2016 dividend proposal (**voting item**).

4. Discharge

(a) Discharge of each member of the Managing Board in office during the 2016 financial year for the performance of their duties in 2016 (**voting item**); and

(b) Discharge of each member of the Supervisory Board in office during the 2016 financial year for the performance of their duties in 2016 (**voting item**).

5. Report on the evaluation of the external auditor (discussion item)

6. Reappointment of Kees van Dijkhuizen as a member of the Executive Board (discussion item)

7. Composition of Supervisory Board

(a) Opportunity to recommend candidates for nomination for a vacancy in the Supervisory Board (**discussion item**); and

(b) Reappointment of Annemieke Roobeek as member of the Supervisory Board (**voting item**).

8. Issuance and buyback of shares

(a) Authorisation to issue shares and/or grant rights to subscribe for shares (**voting item**);

(b) Authorisation to limit or exclude pre-emptive rights (**voting item**); and

(c) Authorisation to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital (**voting item**).

9. Any other business and closure

Those present:

The full Supervisory Board:
Ms Zoutendijk (Chair of the Supervisory Board), Mr ten Have (Vice-Chairman and Chairman of the Remuneration, Selection and Nomination Committee),
Mr Dorland, Ms Leeflang, Mr Tiemstra (Chairman of the Audit Committee),
Ms Roobeek and Mr Stegmann (Chairman of the Risk & Capital Committee).

The full Executive Board:
Mr van Dijkhuizen (CEO), Mr van Hall (Vice-Chairman and Chief Operating Officer) and Mr Reehoorn (Chief Risk Officer).

The interim CFO:
Mr Rahusen.

The meeting secretary:
Mr van Outersterp.

For EY, the external auditor:
Mr Boogaart and Mr Smit.

For the Employee Council:
Mr Groenewoud, Vice-chairman.

The civil-law notary responsible for overseeing the voting:
Mr Clumpkens of Zuidbroek Notarissen.

The shareholders and depositary receipt holders:
437 shareholders and depositary receipt holders, jointly representing 93.18/% of the issued capital, were present or represented at the meeting.

1. Opening remarks and announcements

The **Chair** opened the meeting at 14.00 hrs and welcomed all those present.

After introducing the persons attending the meeting on behalf of ABN AMRO and making a number of announcements of an administrative nature, the Chair explained that an audio recording would be made of the entire meeting to enable the minutes to be drawn up. The minutes would be adopted and signed by the Chair and the secretary in accordance with the procedure set out in the articles of association.

The **Chair** noted that the shareholders and depositary receipt holders had been given notice of the meeting in accordance with the law and the articles of association, that the meeting could therefore pass valid resolutions, and that no motions had been submitted by shareholders and depositary receipt holders for consideration at this meeting.

The **Chair** stated that on the registration date the issued capital of ABN AMRO consisted of 940,000,001 shares. She added that as from 18 August 2016 the minutes of the annual general meeting held on 18 May 2016 had been made available for comment on ABN AMRO's website for a period of three months. Following this, the minutes were adopted and signed in accordance with the articles of association. The **Chair** announced that the minutes of the extraordinary general meeting held on 12 August 2016 had also been made available for comment in a similar manner for a period of three months, after which these minutes were adopted and signed.

The **Chair** informed all present that, in view of the extensive agenda, the separate parts of agenda item 2 would be dealt with as a whole. As these parts are closely interrelated, taking this approach also would also ensure a proper, complete overview is provided. An opportunity to ask questions would be provided at the end of the presentations relating to agenda item 2.

The **Chair** concluded the consideration of this agenda item and moved on to agenda item 2, the annual report, corporate governance and annual financial statements.

2. Annual report, corporate governance and annual financial statements

a) Report of the Managing Board in respect of 2016 (discussion item)

The CEO, Mr **Van Dijkhuizen**, provided an explanation of the report of the Executive Board for 2016. First of all, Mr **Van Dijkhuizen** mentioned a number of examples of how ABN AMRO is working to build a new bank that is firmly rooted in society, is transparent, relevant, reliable and sustainable, and focuses on results in the long term rather than the short term. For example, the bank now offers mortgage advice in sign language via a video link to people who are deaf or hard of hearing to ensure ABN AMRO's services are always available to this target group. The bank has also launched Tikkie, a payment app that can be used by clients as well as non-clients. This app has been downloaded more than 500,000 times. In Eindhoven, the bank has created Econic, an open, innovative platform where start-ups, clients and bank employees can meet, inspire each other and develop ideas. In 2016, ABN AMRO also launched three Social Impact Bonds, through which the bank seeks to help reduce or avoid social problems such as unemployment among ex-convicts re-entering society.

Mr **Van Dijkhuizen** emphasised that the bank intends to continue to make a difference for its stakeholders moving forward. ABN AMRO is a stable, profitable bank with an appealing combination of strong activities that complement each other, and that it intends to remain so in future for all its stakeholders. Developments in the field of banking are taking place at increasing speed, and clients expect to have access to innovative products and services as soon as they need them. Technological developments affect client behaviour, which in turn presents opportunities. Monetary developments and rules are – and will remain – a constant challenge. The pace of all these developments in particular provides a key starting point for the further refinement of the bank's strategy during the past year. In order to benefit from the rapidly changing environment, the bank needs to become more efficient and flexible. For this reason, the bank will start to invest more in digitalisation, innovation and growth. ABN AMRO announced its updated strategy in November, under which the strategic priorities introduced in 2013 remained in place. The bank continues to be client-driven, maintained a moderate risk profile, continues to invest in the future and aims for sustainable growth. Building on this, during the next few years ABN AMRO will focus on expertise, digital convenience, innovation, growth and a flexible, simple organisation for the benefit of its clients. To finance digitalisation and growth, in 2016 a number of additional cost programmes and efficiency measures were announced on top of the existing cost initiatives at IT and Retail. As a result, ABN AMRO's headcount will be approximately 25% lower in 2020 than in 2010. The effects will be felt throughout the bank and also at the top. The efficiency measures focus on increasing the bank's profits. Despite the healthy profit figures that the bank achieved, helped by the current positive state of the economy, the bank believes it is necessary to make hay while the sun shines. Only a bank that is financially sound can remain innovative and flexible.

Mr **van Dijkhuizen** continued by saying that ABN AMRO's strategy safeguards the interests of all stakeholders, specifically clients, employees, investors and society at large. The updated strategy emphasises that clients are at the basis of everything the bank does and that ABN AMRO's commitment to its stakeholders is reflected in the bank's financial and non-financial goals.

Mr **Van Dijkhuizen** said that in the next few years the Retail Bank activities will continue aiming at improving the client experience, so that clients will consider the bank's services to be flawless, mobile, appealing and relevant. Digitalisation and innovation are being strengthened, including by means of ABN AMRO's digital MoneYou platform. MoneYou will add payment services to its existing product range, making it a fully digital, full-service European retail innovator. The Private Banking activities focused on growth in onshore private banking in Northwest Europe. Within the Netherlands, starting in September 2016 the Private Banking activities is focussing on a broader group of clients by reducing the threshold from EUR 1 million to EUR 500,000. The idea behind this is to reduce the age of the client base and shift the focus to active business owners. In addition, harmonising processes and IT platforms within and outside the Netherlands will lead to lower costs. Commercial Banking is continuing its efforts to intensify strategic growth on a sector basis and the growth of asset-based financing in Northwest Europe.

Mr **Van Dijkhuizen** went on to say that Corporate & Institutional Banking had also started to provide services to companies outside the Netherlands that are active in sectors and products in which the bank has a strong record. ECT (Energy, Commodities and Transportation) is expanding the sectors in which it operates to include new sectors, such as natural resources, renewable energy, utilities and food. Major efforts are being made to introduce new digital innovators at the Corporate Banking and Private Bank activities, just as they are at the Retail Banking activities. In 2013, ABN AMRO started to develop a future-proof IT landscape that allows bank to offer clients new services based on new technologies more quickly. This IT transformation programme is well on track. In a rapidly changing environment, ABN AMRO will concentrate even more on digitalisation so that the bank can offer its clients innovative solutions as soon as possible.

Mr **Van Dijkhuizen** identified the four innovation themes that ABN AMRO has selected as areas in which it wants to stand out. With respect to the first theme, specifically open banking or API banking, ABN AMRO is concentrating on developing new market concepts. In addition, the bank is experimenting with artificial intelligence, such robotics. This will increase the processing speed, reduce the risk of errors and keep costs down. It is essential that ABN AMRO makes smart use of data so that it maintains its distinctive market position in future. The third theme, blockchain technology, presents opportunities at the Clearing and Commodities activities, for example. ABN AMRO's blockchain team is working closely with other parties, such as Delft University of Technology, on developing this technology. The fourth and final theme is the circular economy. ABN AMRO has an Innovation Centre at its head office in Gustav Mahlerlaan, which it uses to gain experience with a wide range of innovative and digital developments that will determine the changes in the financial world. The bank is also working closely with, and actively investing in, fintechs. These companies can develop new digital concepts much more quickly and cheaply than ABN AMRO.

Another of ABN AMRO's key policy priorities is sustainability. Sustainability is embedded in ABN AMRO's way of working. The bank always takes environmental, social and governance risks into account in its client lending activities and investment services. The guiding principle is that ABN AMRO discussed sustainability themes, such as climate change and human rights, with its clients. The Dakota pipeline is a good example of how the bank does this. When the construction of the pipeline was resumed at the start of this year, despite the lack of a solution that was acceptable to the Sioux (who are the inhabitants of the area), a situation arose that was not in keeping with the principles of ABN AMRO's sustainability policy. The bank did its best to work with its client and find a good solution. Unfortunately, these efforts were not successful, and so the bank felt compelled to stop financing this client. In addition, within the bank there are many initiatives in the area of sustainability, the focus of which is shifting from threats to opportunities. Over 50% of ABN AMRO's loan portfolio related to housing and real estate. Together with its clients, the bank can have a genuine impact in terms of making Dutch real estate more sustainable. For instance, last year the bank facilitated the redevelopment of more than 200,000 m^2 of commercial real estate, thus creating sustainable real estate. The bank aimed for its business to be climate neutral by 2020. All Dutch branches of ABN AMRO now have 'green' certification, and the bank taken this one step further with the pavilion in front of the main entrance to the head office. This is because the entire building is being built on the basis of circular economy principles so that all materials can be reused.

Mr **Van Dijkhuizen** then moved on to discuss the positive financial results for 2016. The underlying net profit for 2016 amounted to EUR 2.1 billion, up 8% compared with 2015. Last year, the bank recognised a special provision totalling a net amount of EUR 271 million (as a special item), for compensation for SME clients that have taken loans combined with interest rate derivatives. After taking this provision into account, the reported profit for 2016 amounted to EUR 1.8 billion. Profitability improved owing to the growth of the most important loan portfolios and significantly lower provisions. With respect to the loan portfolio, Mr **Van Dijkhuizen** said that in 2016 there was growth in the mortgage book for the first time in years. Loans to Commercial Banking clients, or SMEs, have continued to grow, as well as the international corporate loan portfolio. Taking everything into consideration, the three most important loan portfolios all grew for the first time in years, which is a significant milestone. This also led to a 3% increase in net interest income, which is the bank's main source of income. Net interest income is highly dependent on the interest rate climate, which has not been very favourable for some time. ABN AMRO would very much like to provide its clients with compensations for the savings they deposit at the bank, but at the same time it has to pay for the money it places with the ECB, and as a consequence last year the bank had to reduce its interest paid on savings. In addition, commission income fell in the first half of the year due to the tough market, and the prices clients paid for payment packages were reduced. In order to bring about a further reduction in the level of the bank's structural costs, in 2016 a major restructuring was announced, in respect of which a provision for EUR 348 million was formed. This explains much of the 8% increase in costs. Against this, the loan loss provisions were very low in 2016 owing to the recovery of the Dutch economy. The reported earnings per share amounted to EUR 1.87. It was proposed that 45% of this amount, i.e. EUR 0.84 per share, be distributed as a dividend for the 2016 financial year.

Mr **Van Dijkhuizen** informed the meeting that in 2016 the bank had once again made good progress towards achieving its financial targets. ABN AMRO achieved a return on equity of 11.8%. It continued to strengthen its capital position, and as at 31 December 2016 its fully loaded CET1 ratio was 17%. This is considerably higher than the target of between 11.5% and 13.5%, thanks to a buffer held by the bank in connection with the existing uncertainty surrounding the Basel IV legislation.

The aforementioned restructuring provision led to deterioration of the cost/income ratio, which stood at 65.9% for the full year 2016. Disregarding those restructuring expenses, the cost/income ratio stood at 61.77%, which was unchanged compared with 2015.

Mr **Van Dijkhuizen** referred to his previous statement that the proposed dividend for 2016 amounted to EUR 0.84 per share, which represents an increase of EUR 0.03 per share, compared with the dividend for the 2015 financial year. ABN AMRO's share price has performed well since the IPO in November 2015. Mr **Van**

Dijkhuizen recalled that 2016 had been a turbulent year on the markets owing to a difficult start and the high level of uncertainty that emerged in the middle of the year in response to the result of the Brexit referendum. The share's closing price on the day prior to the Annual General Meeting was EUR 23.33. That is EUR 5.58 higher than the introductory price of EUR 17.75 in the IPO, which means that during this period the share outperformed the AEX index and the EURO STOXX Banks Index.

Mr **Van Dijkhuizen** briefly discussed the results for the first quarter of 2017, which the bank published two weeks ago. During the first quarter, the bank achieved solid results once more and reported a net profit of EUR 615 million, compared with a profit of EUR 475 million for the same quarter in 2016. This corresponds to a return on equity of 13.2%. The cost/income ratio fell from 67% to 60%, while income rose. Last year's trend in the loan portfolios, which saw all three portfolios grow, continued into the first quarter of 2017.

Next, Mr **Van Dijkhuizen** discussed the results achieved for the bank's other stakeholders in 2016. The trend in the net promoter score showed an improvement in client satisfaction across the board. ABN AMRO aims to increase its net promoter score further in the next few years. Despite various restructuring operations, the employee satisfaction score is high at 82%. The methodology used to measure this was refined further in 2016, but if this methodology had been used in 2015 there would have been an increase of 1% rather than the 6% increase reported now. That said, 82% is a very high level and the bank is extremely happy with it.

According to Mr **Van Dijkhuizen**, the number of women at senior management level has continued to increase, and it has been given a significant new boost thanks to the changes made to the bank's senior management structure in recent months. ABN AMRO's score in the Dow Jones Sustainability Index rose from 78 to 87, out of a maximum score of 100. As a consequence, ABN AMRO is ranked among the top 15% of banks in the world in terms of sustainability. In this area, too, the bank is working to continue to improve its position.

At the start of February, ABN AMRO announced the bank was introducing a new senior management structure consisting of a much smaller Executive Board (with three members, instead of seven members, who will be responsible under the articles of association) and an Executive Committee with predominantly business-focused responsibilities. This new structure was chosen to enable the senior management to focus more on the business, and hence strengthen the focus on clients. The layer of senior management directly below the Executive Committee is being reduced by 34%, and, as mentioned previously, the bank has made further improvements in terms of gender diversity. In addition, the Challenger 40 group has been set up. This group consists of 40 officers from throughout the whole of organisation, who will support and challenge the Executive Committee (both on request and on their own initiative) in areas relating to strategic topics and new developments. All of these initiatives should result in a more efficient, more flexible organisation that is also more client-focused.

Mr **Van Dijkhuizen** concluded that ABN AMRO had achieved good financial results for 2016 and also made good progress as far as the non-financial targets are concerned. That said, Basel IV continues to be a major source of uncertainty for the bank. The bank expects that the introduction of these rules will go ahead, but, given the potentially substantial impact the rules may have on the bank's capital ratio, the bank has formed an ample buffer for this.

The bank recently announced its intention to appoint Mr Clifford Abrahams as Chief Financial Officer and Ms Tanja Cuppen as Chief Risk Officer. These appointments are subject to the consent of the European Central Bank and the formal advice of the Employee Council.

Finally, Mr **Van Dijkhuizen** expressed his appreciation for the four members of the Managing Board who had left in recent months, namely Mr Zalm, Ms Princen, Mr Vogelzang and Mr Wijn. Mr **Van Dijkhuizen** thanked them for their valuable contributions in terms of building the new bank and helping to ensure a successful IPO. Together with his colleagues in the new Executive Committee, Mr **Van Dijkhuizen** will vigorously attend to the implementation of the updated strategy.

The Chair thanked Mr **Van Dijkhuizen** for his contribution and moved on to the next agenda item.

b) Report of the Supervisory Board in respect of 2016 (discussion item)

The **Chair** noted that the Annual Report 2016 contained a detailed report on 2016 by the Supervisory Board. The **Chair** said she would provide a brief explanation at this meeting.

First of all, the **Chair** mentioned that the Supervisory Board had worked hard in the past year. The Supervisory Board met on 26 occasions. Important topics on the Supervisory Board's agenda included the updating and acceleration of the strategy, the appointment of the new chairman of the Executive Board (the CEO), the disposal of the bank's private banking activities in Asia (in respect of which a resolution to approve the transaction was taken), the great many developments in the area of supervision and regulation, and new initiatives relating to innovation, digitalisation and sustainability. In addition, the Supervisory Board discussed the interests of all stakeholders, the internal audits, the risks and the measures taken to mitigate those risks. The three Supervisory Board committees (i.e. the Audit Committee, the Risk & Capital Committee and the Remuneration, Selection and Nomination Committee) discussed a wide range of matters in depth. These included the quarterly results, the enterprise risk management report, the client focus and client services, the bank's funding and its capital plans, the succession processes, culture, and leadership and talent within the bank. Various compliance files and growth initiatives were discussed as well.

The **Chair** went on to say that, following the bank's successful IPO, the Supervisory Board drew up a list of the experience, abilities and leadership qualities that the bank will require in the next, crucial phase of its existence. This led to, among other things, the revamping of the Managing Board, which is now known as the Executive Board. In 2016, the Supervisory Board reached agreements concerning the retirement of Mr Zalm and Ms Princen. In addition, Mr Vogelzang and Mr Wijn left at the start of 2017. Following on from the CEO's words, the **Chair** once again thanked all of them, on behalf of the entire Supervisory Board, for their contributions towards the integration and stabilisation of the bank.

The **Chair** mentioned that Mr Van Dijkhuizen had been appointed as the new chairman of the Executive Board and CEO with effect from 1 January 2017. The **Chair** noted that Mr Van Dijkhuizen had held the position of CFO of the bank from 2013 until his appointment as CEO. In the first few months in his new role, Mr Van Dijkhuizen has immediately provided a substantial boost to the new management that ABN AMRO needed in order to carry out the strategy, in consultation with the Supervisory Board, and to ensure that ABN AMRO can respond effectively to the opportunities and challenges in the coming period.

At this point, the **Chair** concluded the consideration of this agenda item and gave the floor to Mr Groenewoud, the Vice-chairman of the Employee Council, in connection with the next agenda item, the presentation by the Employee Council.

c) Presentation by the Employee Council (discussion item)

Mr **Groenewoud** addressed the Annual General Meeting and said that he would like to continue the custom at ABN AMRO of allowing the Employee Council to speak to the Annual General Meeting.

Mr **Groenewoud** noted that ABN AMRO had had a difficult year. Following the successful IPO in 2015, it became clear to almost everyone at the bank that further steps needed to be taken in order to build a new bank. The world is rapidly being reshaped as a result of digitalisation and robot technology, changing client demands and an ever-growing number of rules and regulations, and ABN AMRO needs to find a way of responding. The Employee Council believes that one such response is to introduce a different governance model and have fewer layers of management. The Employee Council has presented a memo on this matter to the Executive Board, in which it urges the Board to introduce a different governance model, with fewer managers and less bureaucracy, to help make the organisation more flexible. This model will also help make the employees feel that they are not the only ones to suffer from the restructuring. The Employee Council is pleased that the bank's leadership (i.e. the Executive Board and the Supervisory Board) has included its memo in their decision-making process and complimented them on this.

Mr **Groenewoud** went on to say that in November 2016 the Supervisory Board announced it had decided to recommend Mr Van Dijkhuizen be appointed as the new CEO with effect from 1 January 2017. This is not someone from outside the bank but a colleague who already served on the Managing Board. The Employee Council has come to know Mr Van Dijkhuizen as an expert CFO who has developed a good working relationship with the employee representation bodies since taking up office. The transformation of the Managing Board and Management Group into an Executive Board and an Executive Committee was well-received by the Employee Council, and was accompanied by a cut in the top management layer (from 109 to 72 people) and the unexpected establishment of a highly diverse Challenger Group. The Employee Council believes this model will help the bank increase the pace of change within the organisation and enhance flexibility, especially now it is known who will fill the positions and roles. The fact that a major step forward has also been taken with respect to gender diversity at the level of senior management (women now account for 40% of employees at that level) is, in the Employee Council's opinion, an extremely positive development that befits a bank for which sustainability and diversity are of paramount importance. Regular talks are held with the Executive Board and the Supervisory Board. During these talks, the Employee Council frequently tables the matter of the new leadership, which it believed is urgently needed.

Mr **Groenewoud** commented that digitalisation, robot technology, automation and changing client demands will lead to job losses, but they will also create new, albeit different, jobs. The Employee Council feels it is essential that the bank and the employee representation bodies work together on what they term organic restructuring or dynamic structuring. This means a sharp reduction in the number of restructuring operations, in which changes are made in fits and starts. Instead, constant changes are being made in a smart manner, with foresight, and with a high level of commitment on the part of the affected employees, who also need to work constantly on their own development in order to remain relevant. Given the expected continued decline in employment in the financial sector, it is necessary to identify those parts of the bank to which technological developments pose the greatest threat, and to work out which employees can be swiftly prepared, by means of targeted training, for the new jobs that will be created both within and outside the sector. This will obviously cost money in the short term. In the long term, however, it will save money as less will need to be spent on redundancy payments, for example.

On behalf of the Employee Council, Mr **Groenewoud** thanked the management and the Supervisory Board for the excellent working relationship, which he hoped would continue and become even closer in the coming years. Mr Groenewoud thanked the Annual General Meeting for listening.

The **Chair** thanked Mr Groenewoud for the Employee Council's report and moved on to agenda item 2.d, corporate governance.

d) Corporate governance (discussion item)

The **Chair** referred to the Governance chapter in the annual report, which contained a detailed explanation of the corporate governance structure at ABN AMRO. A key aspect concerns the issuance of depositary receipts for the shares to be sold by Stichting administratiekantoor beheer financiële instellingen (NLFI) to Stichting Administratiekantoor ABN AMRO (STAK), with the aim of ensuring that the bank will be protected when needed.

The **Chair** commented that, in this context, she wished to take a moment to reflect on the unexpected death of Ms Saskia Stuiveling on 20 April 2017. Ms Stuiveling was a highly valued member of the STAK Board. The **Chair** said that the Supervisory Board and the Executive Board would remember Ms Stuiveling as an inspired and expert board member. The thoughts of the members of both the Supervisory Board and the Executive Board went out to Ms Stuiveling's family and friends.

The **Chair** recalled that in November 2016 NLFI sold 65,000 million depositary receipts for shares in ABN AMRO, as a result of which NLFI's stake fell from 77% to 70%. This is in line with the Dutch State's previous announcements that the stake NLFI held in ABN AMRO will be gradually reduced following ABN AMRO's IPO.

The **Chair** informed the meeting that the annual report related to the 2016 financial year and that the report on corporate governance contained in that annual report was therefore based on the Dutch Corporate Governance Code that applied during 2016. A new version of the Dutch Corporate Governance Code has applied with effect from 1 January 2017, and the bank will once again do its utmost to comply with the code's principles and best practice provisions wherever possible. This will be reported on for the first time in the annual report 2017.

The **Chair** then discussed the new senior management structure, which was formally announced in ABN AMRO's press release of 6 February 2017. The aim of the new structure is to reduce the number of layers in the organisation's management hierarchy, make the organisation less bureaucratic and enable services to be provided to clients more efficiently. Ensuring that the management and employees of the business, i.e. the people who deal with the bank's clients every day, are much more widely represented in the bank's senior management structure will allow the clients' voices to be better heard, and allow more focus to be placed the individual services that each client rightfully expects to receive from ABN AMRO every day.

Within the new structure, it was decided, under the leadership Mr Van Dijkhuizen, and in close consultation with the Supervisory Board, that an Executive Board under the articles of association and an Executive Committee would be the right structure. The Executive Board will comprise the Chief Executive Officer, the Chief Financial Officer and the Chief Risk Officer. The Executive Committee will consist of the three members of the Executive Board plus six senior executives and will be chaired by the CEO. Four of these senior executives represent the Retail Banking, Commercial Banking, Corporate & Institutional Banking and Private Banking business lines, while the other two have bank-wide responsibilities (Innovation &Technology, and Transformation & HR).

Next, the **Chair** introduced the members of the Executive Committee to the Annual General Meeting. These members are Ms De Kluis (CEO of Commercial Banking), Mr Van Nouhuijs (CEO of Corporate & Institutional Banking), Mr Meppelink (Transformation & HR) and Mr Van Mierlo (CEO of Private Banking). Unfortunately, Mr Van der Horst (CEO of Retail Banking) was unable to attend today's meeting.

The **Chair** emphasised that this new structure will result in the bank having a flatter organisation with less hierarchy and greater diversity in terms of its leadership, since the number of people in the senior management structure has been reduced from 109 to 72 while the share of women in the senior management structure has increased from 23% to 40%. Consequently, the new structure has brought the bank considerably closer to its target of having a client-focused, enterprising and diverse organisation. The new structure will formally take effect as soon as the regulators have approved the necessary appointments.

The Chair then proceeded to discuss agenda item 2.e, the implementation of the remuneration policy.

e) Implementation of the remuneration policy (discussion item)

The Chair referred to the Remuneration chapter contained in the annual report and handed the floor to Mr Ten Have, chairman of the Remuneration, Selection and Nomination Committee (RemCo), for a brief explanation of this item.

Mr **Ten Have** pointed out that remuneration is an important subject, but at the same time it is a difficult one. While this is true for a great many organisations, it is particularly true for banks, especially ABN AMRO. In 2016, great efforts were made, in consultation with the employees, to give the subject of remuneration a proper, balanced place within the bank. According to Mr Ten Have, the subject of remuneration is shaped by legislation, regulations, society and social attitudes on the one hand, and, on the other, employment practices, which need to be dependable and encourage the right behaviour within the bank. While this does not constitute a contrast or contradiction, it can lead to tension at times. The RemCo believes that in 2016, as in previous years, the organisation continued to work hard on developing and implementing a policy that links up these two aspects in an appropriate way, and that is good for the employees but at the same time can also be understood by the organisation's other stakeholders.

Mr **Ten Have** noted that banks have to contend with a large number of rules and regulations, including the Act on the Remuneration Policies of Financial Undertakings *(Wet beloningsbeleid financiële ondernemingen, Wbfo)*, and the Regulation on Sound Remuneration Policies *(Regeling beheerst beloningsbeleid)*, under which the bank must limit bonuses to 20% of fixed pay. ABN AMRO complies with them, not just because it has to, but also because it wants to. The only way to achieve this is not to follow the rules blindly and instead look carefully at the people concerned, namely the bank's employees. Employees deserve to be treated well in this respect. This leads to discussions about the implementation of the rules, but the RemCo believes that in the past year these discussions were conducted in a balanced way. The discussions will be continued this year with hopefully the same, or perhaps an even better, result.

Besides the rules and regulations that have just been mentioned, a key role is also played by MiFID II, the EBA Guidelines and, last but not least, the Act on the Bonus Prohibition for State-Supported Enterprises *(Wet Bonusverbod Staatsgesteunde Ondernemingen)*. Under that act, the bank is banned from awarding bonuses to senior management, which means that the Managing Board and the former 'A' directors, which were ranked below the Managing Board, were not entitled to any variable remuneration in recent years. That policy will, of course, be continued, because the bank wants to comply with the law and also because it feels it is the right thing to do. The bank is engaged in a dialogue with the Dutch Central bank (DNB) on how this can be translated into the scope and demarcation in the new senior management structure. The initial talks were very positive and ABN AMRO expects that it will be able to work this out with DNB in a structured and prudent manner.

Mr **Ten Have** remarked that performance management formed the basis for the bank's remuneration policy and in particular the implementation of that policy. In that context, ABN AMRO aims to have a performance management system that is sober, strict, fair and socially responsible. Consequently, in 2016 the RemCo worked hard to bring about greater differentiation. The bank prefers not to conduct any more assessments that tend towards an average, and instead it wants to make a clear distinction between employees who make a *good* contribution and employees who make an *excellent* contribution. In addition, the bank also wants to be able to let go of employees who make a smaller contribution, in a manner based on well-documented reasons, while at the same time doing justice to how they may have performed in the past. It will also mean that the bank will use key performance indicators (KPIs) based on features such as substance and focus. Indicators should no longer be set at 3%; instead the indicators will be awarded a weighting of at least 10%, and inciting and encouraging the right behaviour within the bank will also be taken into consideration. These discussions are being conducted within the bank at first, after which this matter will, of course, be agreed with stakeholders, such as the shareholders and regulators.

Mr **Ten Have** emphasised that, when it came to pay, leading by example should not prove to be just empty words. Senior management and the employees need to demonstrate to society and to each other that they are taking a constructive approach to the discussions concerning pay and remuneration, both fixed and variable. Mr Ten Have was happy that agreements can now be reached that do justice to social reality and that the debate is being conducted in a balanced manner, with a feeling for the context and social relations.

Finally, Mr **Ten Have** discussed the CEO pay ratio of 11.4. This is the ratio of the pay of the bank's most senior officer, i.e. the CEO, to that of the bank's lowest-paid employee. Mr **Ten Have** was of the opinion that there is no need for ABN AMRO to be ashamed of this ratio, either inside or outside the banking industry. The ratio provides an important indication of how the bank's Executive Board and its Supervisory Board want to mould the bank in terms of culture and relationships.

f) Presentation by external auditor and opportunity to ask questions (discussion item)

The **Chair** handed the floor to Mr Smit so that he could give an explanation, on behalf of EY, the external auditor, of the audit procedures EY performed in respect of the annual financial statements for 2016. The 2016 financial year marked the first time EY served as ABN AMRO's auditor.

Mr **Smit** noted that he was able to give this explanation because the bank had relieved him of his duty of confidentiality for the purpose of this Annual General Meeting.

Mr **Smit** said that 2016 was the first year in which EY conducted the audit of ABN AMRO's annual financial statements, and this meant that as from the third quarter of 2015 EY had to be independent of ABN AMRO and stop providing any advisory services. At the same time, the transition process was started, as was the implementation of the transition plan, enabling EY to start identifying the business risks, the bank's IT landscape, the reporting process, the internal controls, and the accounting policies and reporting standards applied by the bank under IFRS.

EY also contacted the previous auditor, KPMG, so that it could (1) perform a file review in the interim, (2) examine their reports and management letters, and (3) start the shadow process for 2015. This meant that KPMG dealt with the audit of the annual financial statements 2015, so that it could subsequently form an opinion on the closing balance for 2015. EY was therefore able to form an opinion on the opening balance for 2016 and make a start on the scoping process for 2016.

Next, Mr **Smit** provided an explanation of the audit procedures performed by EU for the 2016 financial year. EY audited the separate financial statements and the consolidated financial statements of ABN AMRO for 2016, and established that the annual report 2016 complied with the statutory requirements. The sustainability report was also assessed, and EY issued a separate opinion on that report. EY also issued a review opinion on the bank's interim figures for 2016. EY also examined the reports for the first and third quarters and issued review opinions on them for the ECB. Finally, EY audited ABN AMRO's COREP and FINREP reports.

Mr **Smit** explained that EY followed a top-down, risk-based approach. That meant that EY took the bank's consolidated figures as a basis and looked for what EY believed to be the risks, in line with Dutch and international accounting standards and auditing standards. This risk assessment and EY's scope formed EY's audit plan. That audit plan was discussed in detail with the Executive Board and the

Supervisory Board at the start of the year, and described the elements of the bank where EY would rely on the bank's internal controls and those elements where EY would carry out substantive and independent completeness checks. The audit plan also specified the audit coverage, i.e. which divisions of the bank would be audited, and which divisions would be subject to a smaller-scope audit by EY. Mr **Smit** noted that EY was ABN AMRO's auditor in all countries, not just the Netherlands. EY used that risk assessment and the relative size of the bank's various entities as the basis for determining the scope to be applied. In addition, EY prepared the instructions for its component teams in those other countries, which performed their procedures on the basis of those instructions and reported the results back to EY. EY assessed these results and discussed them with ABN AMRO.

Mr **Smit** went on to describe EY's team. Clients in the banking sector are assigned teams that have a great deal of sector knowledge. The team that was composed for ABN AMRO is experienced and independent and satisfies all statutory training requirements. The team also includes experts in the area of valuing financial instruments and assessing matters such as hedge accounting and IT.

The most significant matters that EY focused on during its audits at ABN AMRO (i.e. the key audit matters) were the existence and creditworthiness of the bank's receivables, the other provisions for claims and restructuring operations, the valuation of financial instruments, and the reliability and continuity of the IT environment. The procedures that were performed in respect of each of these key audit matters are described in detail in the auditor's report. No conclusions were drawn with regard to individual key audit matters since EY evaluated the findings in the context of the annual financial statements as a whole.

Mr **Smit** explained that EY determined the materiality thresholds to be applied on the basis of basis internationally accepted auditing standards. The goal of this is to be able to establish that the annual financial statements gave a true and fair view. This means that EY cannot accept any material errors as such errors can lead a reader of the annual financial statements to reach a different conclusion than they otherwise would have done. Based on its calculations. EY arrived at a threshold of 5% of the operating profit before taxation, which corresponds to approximately EUR 130 million. Mr **Smit** emphasised that this threshold applied mainly to items that can have an impact on capital or results, taking into account the different levels of materiality; for example, the reclassification of a balance sheet item is less relevant, relatively speaking, and so a higher materiality threshold is applied to that, whereas a materiality threshold of zero applies to other items in the annual financial statements and the explanatory notes (e.g. the remuneration of Executive Board members). All audit differences in excess of

EUR 6.5 million that were identified by EY and not adjusted were reported to the Executive Board and Supervisory Board in writing.

Mr **Smit** went on to consider the list of subjects that were discussed with the Supervisory Board. First, he said that EY had to provide the Supervisory Board with confirmation of its independence every quarter and that EY's audit plan also had to be approved by the Supervisory Board. In addition, EY reported on its findings concerning the bank's internal control structure and the controls in a management letter addressed to the Supervisory Board. While EY is not permitted to make any comments concerning the content of the management letter at meetings such as this Annual General Meeting, Mr **Smit** was able to report that most of the points raised by KPMG in its management letter last year were also included in EY's management letter, and that EY also included a number of first-year audit observations that it reported to the Supervisory Board. Significant estimates and assumptions made by management were also assessed to determine whether they were reasonable. EY did not make any pronouncements as to whether those assumptions were aggressive or conservative; it made its assessment under IFRS and reported to the Supervisory Board on that basis.

Finally, Mr **Smit** reported that EY's findings regarding the quarterly reports are reported to the Supervisory Board every quarter. These relate to formal aspects, such as the continuity of the IT environment, as well as accounting topics and any audit differences. In accordance with the corporate governance rules, EY also holds regular one-on-one talks with the Audit Committee as a whole, and frequently holds separate meetings with the Chairman of the Audit Committee, the Chairman of the Risk & Capital Committee and the Chair of the Supervisory Board.

This resulted in the auditor's report for 2016, i.e. EY's unqualified opinion in respect of the 2016 financial year. The auditor's report includes the key audit matters, the aforementioned materiality and the confirmation that the information required by law is included in the annual report 2016. Mr **Smit** commented that EY issued a review opinion on all the quarterly results and, besides issuing opinions on the bank's consolidated financial statements and separate financial statements, it also issued reports on the financial statements of a number of the bank's subsidiaries. Finally, EY issued opinions on the COREP and the FINREP statements.

Mr **Smit** concluded that EY viewed its first year as auditor and the transition process extremely positively. EY's relationship with the management is particularly transparent but can also be described as critical. In EY's experience, the management is open to its findings and recommendations. EY also had exceptionally good, constructive talks with the Supervisory Board on a very frequent basis.

The **Chair** gave the Annual General Meeting the opportunity to ask questions about the presentations made with respect to the previous items and also EY's presentation. The Chair said that the bank's board was aware that many of the persons present had travelled a long way to get to the meeting, which is why the Supervisory Board wanted all shareholders and depositary receipt holders to have the opportunity to ask questions. She therefore asked everyone to formulate their questions as succinctly as possible and to limit the number of questions to three in each round.

With reference to the explanation given on page 50 of the annual report (special items), Mr **Schout** asked whether the interest rate derivatives issue for which the sizeable provision for EUR 271 million was formed was definitively resolved, or if there was a risk that another, additional provision would need to be formed. Mr **Schout** wanted to know what the Executive Board of ABN AMRO estimated this risk to be. In addition, Mr **Schout** asked the Chair whether he could put questions concerning the Dutch State's view on ABN AMRO's dividend policy to Ms Huinck and Mr Van der Waals, in their capacity as representatives of the Dutch State. The **Chair** responded that Ms Huinck and Mr Van der Waals were present at the meeting in the capacity of shareholders and were therefore unavailable to answer questions about how which NLFI performs its duties or explain the Dutch State's view on the dividend policy pursued by ABN AMRO. The **Chair** said that Ms Huinck would make a statement on behalf of NLFI later in the meeting and suggested that Mr Schout waited until then.

At the request of the Chair, Mr **Rahusen** answered Mr Schout's question about the EUR 271 million provision for the interest rate derivatives file. He confirmed that the provision is for an extremely large amount. It has been decided that this amount will be recognised as an exceptional special item in the second quarter, in view of the special nature of the amount and the agreed general compensation scheme. The annual report states that ABN AMRO has now set aside more than EUR 500 million for the issue of interest rate derivatives. A large number of implementation costs had been provided for, particularly in the fourth quarter. Based on current knowledge, the Executive Board will assume for the time being that these provisions are adequate.

Mr **Rahusen** said that the provision will be reviewed every quarter to determine whether it is still adequate. The provision was not adjusted when the figures for the first quarter were published on 17 May 2017, which underscored the fact that the existing provision is the best estimate that could be provided for this issue as of the end of the first quarter.

Mr **Van den Bos**, from West-Friesland, said he thought that the Chair's approach to the round of questions appeared to be somewhat pedantic. In his experience, the first three agenda items take up the most time and other agenda items can be dealt with within one hour. The **Chair** thanked Mr Van den Bos for his feedback and suggestions.

Mr **Van den Bos** wondered whether agenda items 2.f and 5 replicated each other, since both of these agenda items related to the external auditor. Mr **Van den Bos** went on to share with the meeting a number of negative experiences he had had with the bank, which included arrears that were wrongly referred to in letters and the provision of incorrect advice. According to Mr Van den Bos, these weaknesses showed that there are problems affecting the bank's operations. In connection with this, he asked Mr Van Dijkhuizen how the bank believes it can improve its cost/income ratio and its price gains up to 2020, and how the staffing levels are expected to develop.

The **Chair** explained that agenda item 2.f related to the report of the external auditor, EY to the Annual General Meeting, whereas agenda item 5 concerned ABN AMRO's evaluation and assessment of the external auditor. These are two separate topics and therefore have to be included in the agenda as separate items. With regard to Mr Van den Bos's experiences with ABN AMRO's services, the **Chair** stated that she was not familiar with the specific facts. The **Chair** asked Mr Van den Bos to approach the representatives of the client desk, who could be found outside the auditorium, about this matter.

Mr **Van Dijkhuizen** then moved on to answer the question about how the cost/income ratio is expected to develop. First, it is expected that costs can be kept at their current level up to and including 2020. Cuts will have to be made in order to achieve this, however, given the required investments, the adjustment of salaries for inflation, and the bank's other costs. Income is expected to increase by approximately 1% to 1.5% each year, and if income rise while costs remain at the same level, the cost/income ratio may improve to between 56% and 58%. Mr **Van Dijkhuizen** emphasised that, in comparing ABN AMRO with other banks, it is important to take the composition of the relevant banks into consideration, since a private bank, for instance, often has a higher cost/income ratio but also achieves a good return. ABN AMRO is the largest private bank in the Netherlands and the third largest in the eurozone. That means that its cost/income ratio will always be higher than that of banks that do not have a private bank, while at the same time ABN AMRO's return for the first quarter of 2017 was the highest of all the major Dutch banks. Mr **Van Dijkhuizen** also addressed the question concerning how staffing levels are expected to develop. It is expected that the bank will see a fall of around 10% in the number of employees and around 25% to 30% in the number of external staff.

Mr **Stevens** (Stichting Rechtsbescherming Beleggers) started off by noting that he was a satisfied client of the bank and that weaknesses are generally resolved properly. Next, Mr **Stevens** asked how much of the bank's costs are related to levies, legislation and regulations, such as the bank tax, the Deposit Guarantee Scheme and Basel IV, and how much will be incurred in the way of costs owing to the large number of jobs that will have to be created within Compliance in connection with the levies, legislation and regulations. In addition, Mr **Stevens** requested an explanation of the additional capital that will have to be maintained owing to all the regulations and the increased requirements related to them. He wondered whether the bank needed to take firmer action against that.
Mr **Stevens** also asked if there were any additional costs relating to interest rate derivatives and how such costs can be kept under control. Finally, Mr **Stevens** asked how the growth of the loan portfolios and the level of the capital buffers and debt ratio could be balanced.

Mr **Reehoorn** explained that the compliance function at the bank is much more important today than it was around ten years ago and that it is essential for the bank's licence to operate. The bank needs to know which clients it does business with. The Compliance department, which is involved in this, consists of some 300 FTEs around the world, and its size is similar to that seen at other banks.

The loan portfolio is doing well. The bank's asset quality is currently very good, which is why attention is mainly focused on non-financial risk at this time. This is also reflected in the low levels of the provisions. As ABN AMRO is strongly focused on the Netherlands, the bank is at an advantage owing to the fact the Dutch economy is doing well. Mr Reehoorn remarked that not all of the loan portfolio was performing well. The ECT portfolio contains slightly more losses, but the asset quality as a whole is good thanks to ABN AMRO's diversity.

Mr **Rahusen** added that during the first quarter there was indeed a slight fall in the core equity tier 1 ratio, from 17% to 16.9%, but he asserted that this fall was due to a temporary increase in capital requirements owing to the introduction of a new model for calculating operational risk. It is expected that these temporarily increased capital requirements can be eliminated later this year or at the start of next year, and that as a consequence the rising trend seen in the previous quarters can continue.

In response to the question concerning the additional amount of liquidity that needed to be held in connection with all the regulations and the related increased requirements, Mr **Rahusen** answered that as of 31 December 2016 the bank had placed EUR 22 billion with the ECB as part of its liquidity buffer. One of the reasons for maintaining this buffer is to maintain the level of liquidity coverage, which is required under the law and regulations, and costs the bank 40 basis points. Mr Rahusen noted that besides being a cost component, this buffer also allowed the bank to absorb unexpected shocks. Part of the buffer is held with the ECB in the form of liquid assets, and part is invested in short-term paper with the highest rating. Mr Rahusen believed that the latter is permitted because the investments can be converted into cash very easily.

Mr **Westerman** asked whether it could be gathered from the dividend proposal that no additional provisions will need to be formed in connection with the interest rate derivatives issue in the next few years, and that the bank therefore assumed profits will grow constantly over the next few years. The second question Mr **Westerman** asked concerned the current status of Basel IV and the impact that Basel IV is expected to have on earnings per share. His third question concerned the positive trend in interest income, which is mostly attributable to an improved interest margin on mortgages. Mr **Westerman** wanted to know whether the bank expected this high interest margin to continue in 2017.

Mr **Van Dijkhuizen** explained that the dividend policy is based on the officially reported profit. This can occasionally produce windfalls. Based on the applicable dividend policy, a payout ratio of 50% of the reported profit applies to 2017, subject to the regulators' consent.

Mr **Van Dijkhuizen** believed the relationship between Basel IV and the earnings per share is not so strong. It is expected that Basel IV will chiefly have an impact on the Core Equity Tier 1 ratio, which currently amounts to 17% and for which the bank has set itself a target of between 11.5% and 13.5%. The final risk weighting of Dutch mortgages in particular under Basel IV is significant in this context. Dutch mortgages are mostly considered good assets, but in the global discussion they are painted with the same brush as US mortgages, for example. As this is a global discussion, however, it is difficult to foresee how this will turn out. Moreover, the Netherlands does not have much influence over that global debate. In a negative scenario, however, Mr **Van Dijkhuizen** believed the impact on the CET-1 ratio may be substantial, but we need to wait and see what the actual impact will be and how this will eventually be reflected in the capital ratios. An accurate estimate cannot be made yet.

With regard to the question about the interest margin on mortgages, Mr **Van Dijkhuizen** explained that banks have short-term savings and long-term mortgages, but that banks decide to use short-term interest rates on mortgages for themselves. By doing so, banks can still make a decent margin on mortgages despite lower interest rates.

The **Chair** then handed the floor to Mr **Alink**, from Amsterdam, who stated that he had more confidence in the bank now than he used to. In addition, Mr Alink appreciates ABN AMRO's Dutch identity and the positive prospects described earlier in the meeting. The bank's strategy is to step up its international activities, but given its experiences in the past Mr Alink questioned the wisdom of this. Mr Alink wanted to know whether ABN AMRO still considered itself to be a Dutch bank. He also asked whether the bank intended to change its name, as he believed the name 'ABN AMRO' had strong ties to the bank's history.

The **Chair** thanked Mr Alink for his compliments and stated that ABN AMRO is proud to be a Dutch bank that has the Dutch State as a key majority shareholder. The bank's base is the Dutch domestic market. This provides the bank with a good platform from which it may achieve international growth in a disciplined, focused manner in selected client segments and in those international areas where the bank is already active. The Chair was of the opinion it would be a shame to change the bank's name, as the bank is still standing and is performing well after everything that has happened.

Mr **Smits** (Dutch Investors' Association – VEB) said he was authorised by the holders of 63,983 depositary receipts for shares. He had a number of questions. First of all, Mr **Smits** asked whether the Executive Board could specify the areas in which ABN AMRO has a genuine, sustainable competitive advantage regarding fintech and IT innovations. He also wanted to know in which segments opportunities for, and threats to, fintech and ICT innovations are to be found. Finally, Mr **Smits** asked whether ABN AMRO's current level of IT spending and investment (EUR 1 billion) was sufficient to enable it to compete with other European banks.

In response to the first question, Mr **Van Hall** said that it was too soon to say whether ABN AMRO has a sustainable advantage in relation to fintechs. Fintech developments are extremely dynamic, and ABN AMRO is very busy in this area. The bank expects to have good opportunities in a number of areas, in connection with which Mr **Van Hall** referred to the Tikkie app as an example. The bank is also working with a number of fintechs and consortiums on blockchain technology in a number of areas. Mr Van Hall said that there are also opportunities in the corporate market (including in the real estate market and in trade and commodity finance). This is a very broad area. However, it is too soon to say where ABN AMRO has a sustainable competitive advantage.

With regard to the question as to whether ABN AMRO is too small to compete with other European banks in the area of IT, Mr **Van Hall** replied that ABN AMRO has many means and opportunities to offer good, enduring products in the area of IT to its clients. It is important that, rather than doing everything itself, ABN AMRO works with partners such as fintechs and large IT companies, and takes the lead in a network of solutions. In this way, ABN AMRO will achieve sufficient scale.

Mr **Altena** (Association of Investors for Sustainable Development – VBDO) complimented the bank on its integrated annual report and the progress in the area of human rights as disclosed in that report. He also complimented the bank on its improved score in the Dow Jones Sustainability Index. Mr Altena asked Mr Van Dijkhuizen to explain his view on efforts aimed at making ABN AMRO more sustainable. His second question concerned the target that ABN AMRO set itself for the carbon emissions of its entire client portfolio. His third question concerned human rights and the payment of a living wage. The Association of Investors for Sustainable Development complimented ABN AMRO on being the first bank to publish a human rights report. Mr Alink asked whether ABN AMRO was prepared to promote the payment of a living wage, communicate this to its clients and include it as a criterion for specific sectors. Finally, Mr Altena asked which initiatives may be expected in 2017 that are aimed at ensuring that the sustainable development goals (SDGs) and the bank's sustainability strategy are better aligned.

Mr **Van Dijkhuizen** emphasised that he believed a CEO has to stand for sustainability in order to achieve success in this area. He believed there are also opportunities in this area, and this was one of the chief reasons why it was decided, in close consultation with the Supervisory Board, that the Sustainable Banking department would report directly to the CEO. By way of an example of the opportunities, Mr **Van Dijkhuizen** referred to the impact ABN AMRO may have on improving the sustainability of commercial real estate and homes financed by mortgage loans. ABN AMRO refers to this internally as 'the stone coalition'. Another priority is circularity, which means that all materials need to be reusable, and the environmental policy is therefore entering a new phase. The building that is being constructed for the head office is a good example of this. Mr **Van Dijkhuizen** confirmed that as far as human rights are concerned, ABN AMRO was one of the first companies, along with a Harvard group of companies from the Netherlands and other countries, to address this subject and had published a report on this matter. That report will be updated at the end of the year. The topic of human rights also played a key role in the decision concerning the Dakota pipeline.

In the context of a possible target for the carbon emissions of its entire client portfolio, ABN AMRO and 11 other financial institutions are working on establishing the measurement methodology that will be used for this purpose. ABN AMRO may be considered to have a progressive attitude as regards the sustainability of its own new and existing buildings. This head office is just one example of an existing building that has been made more sustainable. However, ABN AMRO will not set a target for this until the measurement methodology is clear.

With regard to the payment of a living wage, Mr **Van Dijkhuizen** asserted that ABN AMRO had committed to paying its own employees a living wage and that the payment of a living wage is one of the risk factors it looks at when lending to clients. Making it a criterion would be going too far at this point as the bank would then need to have more influence in this area. That said, the bank is paying attention to this issue.

Mr **Van Dijkhuizen** explained that ABN AMRO has identified six sustainable development goals, i.e. decent work and economic growth, reduced inequalities, responsible consumption and production, sustainable cities and communities, climate action, and peace, justice and strong institutions. ABN AMRO is concentrating on these six sustainable development goals and will report on them. Measurability is a key condition here, too.

Mr **Van Dijkhuizen** said that, in brief, the Executive Board and Supervisory Board are trying harder than ever to have a major impact in the area of sustainability.

When asked, Mr **Van Dijkhuizen** confirmed to Mr Van den Bos that ABN AMRO has some trouble with double bank tax on cross-border activities, as do other financial institutions. Another matter concerns the levies payable in Europe and in the Netherlands in case a bank needed to be rescued. The Dutch Minister of Finance had stated that the European fund will be built gradually over eight years. In the meantime, the Dutch government will be exposed to the risk that a financial institution may have to be bailed out. In any event, the double bank tax is expected to continue to exist until the European fund has been built up.

In response to Mr Van den Bos's question regarding the overextension of credit by ICS and the sanctions imposed internally in response, Mr **Van Dijkhuizen** said that ABN AMRO had identified this issue itself and that to date no clients have complained about the overextension of credit. Mr **Van Dijkhuizen** remarked that ABN AMRO obviously has to comply with legislation and regulations and will compensate the relevant clients.

In response to Mr Van den Bos's question about the impact of MiFID II on the bank, Mr **Reehoorn** explained that a major MiFID II project is being carried out within the bank. MiFID II concerns the duty of care and imposes higher requirements regarding the provision of information and transparency. It may also lead to the bank no longer being permitted to recommend and sell certain products. The compliance department is closely involved with this project. Based on the planning, ABN AMRO expects that the project will be finished on time.

In response to Mr **Koenen**'s question about the ratio of the CEO's remuneration to the lowest paid employee's salary, the **Chair** referred to the explanation previous given by Mr **Ten Have**. The ratio at ABN AMRO is 11.4, and is also reported in the Annual Report 2016.

The **Chair** said that ABN AMRO shared Mr **Koenen**'s concerns about the accessibility of bank services, particularly when it comes to older people. ABN AMRO has launched a number of initiatives in this area, such as pop-up offices in certain neighbourhoods that have seen many branch closures and that help clients become familiar with online banking. In addition, Mr **Van Dijkhuizen** referred to the example of senior citizens' coaches, on which the bank has received positive feedback.

Mr **Van Dijkhuizen** confirmed Mr **Koenen**'s view that the number of locations where vaults are available was falling. Currently, there are still 36,000 vaults available at 75 locations. He also said that the bank is not considering providing services related to bitcoins owing to the risk of money laundering and the limitations when it comes to monitoring this.

Mr **Fehrenbach** (of PPGM Investments, who also spoke on behalf of the clients of PPGM Investments, including Pensioenfonds Zorg en Welzijn, and on behalf of the collective pension fund for the banking industry and De Goudse Verzekeringen) asked the Chair to allow sufficient time for questions. He then complimented the bank on the results achieved in 2016 and on the transparency provided in the integrated annual report, including the explanations given during this meeting. Following this, Mr **Fehrenbach** asked a number of questions about the impact of the Paris climate agreement on ABN AMRO's strategy. He would like to see more attention paid to this topic, as regards the opportunities and threats, in the annual report on 2017. He also wanted the annual report to include a status update on ABN AMRO's climate change statement. In addition, he asked why the decision was taken to introduce the new corporate governance structure with an Executive Board and an Executive Committee, and asked how this is expected to contribute towards the desired change in culture. Moreover, he asked what the Supervisory Board's involvement was in the appointment of the Executive Committee members. With regard to the remuneration policy, Mr **Fehrenbach** confined himself to commenting that PGGM also supported a sober remuneration policy and the exercising of restraint when awarding variable pay.

The **Chair** thanked Mr Fehrenbach for his comments and questions and confirmed that the climate change statement will be updated in 2017, since it is one of the Executive Board's four key themes.

Next, the **Chair** explained that the distinction drawn between the Executive Board and the Executive Committee is intended as a way of differentiating between the many matters relating to the articles of association and to regulations, to which all board members have to devote a great deal of time, and the running of the bank and the business where the results are ultimately achieved. For that reason, the business lines are widely represented in the Executive Committee. As a result, the Executive Committee is able to hold detailed discussions of matters such as the provision of services to clients, developments in the markets, competition, the strategic direction taken by the bank, and ABN AMRO's unique strengths. The **Chair** emphasised that, while every organisational structure has benefits and drawbacks, as far as the current phase and the bank's next phase are concerned the chosen structure is assumed to have more benefits than drawbacks.

The **Chair** went on to explain that the members of the Executive Committee are appointed by the Executive Board with the approval of the Supervisory Board, and that the members of the Executive Board are appointed by the Supervisory Board. The Supervisory Board has, however, established that in this new structure it will be vital to continue to pay proper attention to the collaboration with both the Executive Board and the Executive Committee.

Mr **Smits** (VEB) emphasised that the persons present needed to be given adequate time to ask questions, given that the answers are important for the agenda item concerning the discharge from liability that was due to be discussed later. He then asked about the extent to which NLFI made use of its rights to information, as provided for in the Relationship Agreement. This question related in particular to the possible release of capital if Basel IV turns out not to as stringent as anticipated. He wanted to know whether information about Basel IV had been shared with NLFI. His second question, which related to MiFID II, concerned products that will no longer be made available to which client groups owing to MiFID II or social standards. A third question concerned the second Payment Services Directive (PSD2) and the Gradefix service, and specifically the extent to which ABN AMRO believed this service is in keeping with current social standards.

Mr **Van Dijkhuizen** confirmed that ABN AMRO discussed Basel IV with NLFI, just as it was discussing this topic with all investors. The discussion covered the current state of affairs, as known to the market, because that is the only information available. All investors have been informed that the bank has to wait for details of Basel IV before it can determine whether it has a capital surplus and, if so, how this should be dealt with, for example by means of an additional dividend distribution or the buyback of shares. No additional information has therefore been provided to NLFI.

In response to the question about PSD2 and Gradefix, Mr **Van Dijkhuizen** confirmed that the subject is a sensitive one. As PSD2 is a piece of European legislation, the bank will have to facilitate this service if a client indicates that their data needed to be supplied to another provider outside the bank. This is not a choice but an obligation imposed on the bank.

Following this, Mr **Reehoorn** discussed the question about dealing with dilemmas, as described in the annual report. The bank believed that in the Netherlands the duty of care in the corporate market is starting to become a grey area. This demands a great deal of attention from the board, management and account managers. However, the question as to which products/client groups will be excluded goes too far. That said, products such as double turbo products or certain currency products that were offered in the past can no longer be sold to clients, regardless of whether they are professional or non-professional parties. The bank needs to devote plenty of attention to how it is being judged on the duty of care that has to be observed for all clients.

Mr **Van den Bos** asked what Nationale Nederlanden's acquisition of Delta Lloyd meant for ABN AMRO Verzekeringen NV, the bank's joint venture with Delta Lloyd. He also wanted to know whether the loans previously granted in relation to the Dakota pipeline had been settled or resold at a capital loss. Finally, Mr Van den Bos asked whether the intention was that Alfam products would be sold by MoneYou in Europe.

Mr **Van Dijkhuizen** stated that the joint venture with Delta Lloyd (now Nationale Nederlanden) will be continued.

With respect to the Dakota pipeline, Mr **Reehoorn** explained that a loan was granted to the parent company, and that no loan was provided in the form of project finance to the pipeline itself. The loan has indeed been sold, but ABN AMRO will not make any statements concerning any capital gain or loss on the sale.

With regard to the question about MoneYou, Mr **Van Dijkhuizen** noted that if the bank can do cross-border business in a responsible manner, it will not refrain from doing so. It frequently considers this as an option, but it is not always feasible since legislation in different countries has not been harmonised to the extent people might expect.

In response to questions put by Mr **Smits** (VEB) concerning the trends in commission and fees at the private banking business, Mr **Rahusen** confirmed that the level of fee and commission income is highly dependent on the activities of private banking clients and that the decline in income was therefore mostly volume-related. Last year, there were no changes to fees apart from in the case of one product. In both 2015 and 2016, investment activities were stronger, particularly in the first half of the year. In response to Mr Smits's question concerning the target for reducing the cost/income ratio, Mr Rahusen replied that ABN AMRO does not make its internal cost/income ratio targets public. The merger of the Jersey and Guernsey activities was a measure that was primarily efficiency-related. The bank will not make any statements concerning the scale of the activities in Jersey and Guernsey, although it could report that, relatively speaking, these activities are not as extensive as the activities in France or Germany. As it is, the impression is that managed investments at ABN AMRO include a higher proportion of cash than those at other financial institutions. The plan is to bring this proportion more closely into line with the invested assets at other financial institutions.

When asked, Mr **Smit** of EY confirmed that, owing to the scale and risk, Guernsey was not included in the full-scope audit by EY. This was reconsidered in the light of the Panama Papers, but the findings of a detailed examination by Internal Audit did not reveal any grounds for adjusting the scope.

In response to a question from Mr **Smits** (VEB) about a recommendation made by EY's predecessor, KPMG, concerning the IT controls and the quality of the data, Mr **Smit** of EY replied that unfortunately he was unable to make any comments concerning the details of EY's management letter. Mr Smit did say, however, that in EY's opinion the management acted on this recommendation.

With respect to the payment of a living wage, which was discussed earlier in the meeting, Mr **Westerman** recommended that, in the context of a living income, ABN AMRO read the European Pension Adequacy Report 2015. In addition, Mr Westerman asked why there was a 10% fall in the number of FTE at the Retail Banking activities in 2016, while the number of FTEs at the Private Banking and Corporate Banking activities increased by more than 3%. After all, the Retail Banking activities make a greater contribution to the bank's income and net profit. Finally, Mr Westerman suggested that ABN AMRO, which is an expert at weighing up opportunities and threats, could enter the crowdfunding rating agency market and staff these activities with employees who have become redundant.

The **Chair** thanked Mr Westerman for his suggestion and handed the floor to Mr Rahusen.

Mr **Rahusen** explained that the fall in the number of Retail Banking employees was due to the investments made in the context of digitalisation. Fewer and fewer services are being provided through bank branches, while more and more are being provided online or by mobile phone. In addition, ABN AMRO is focusing more on achieving growth in Corporate & Institutional Banking. As it is, if the employees who come under the Functions group departments and who work for the Retail Banking activities are also included, the key figures that Mr Westerman referred to would be different.

Mr **Smits** (VEB) referred to the excellent return on equity that ABN AMRO achieved in 2016. Given the experiences gained during the credit crunch, the question is whether this high return on equity indicated that an investment in ABN AMRO is a high-risk investment. In addition, Mr Smits requested an explanation of ABN AMRO's exposure to the oil and gas market and asked how the risk should be interpreted.

Mr **Rahusen** responded that when the target for the return on equity was defined in 2015, the cost of equity and the return that the market expected for bank equities were used as a starting point. It is up to the market to decide whether ABN AMRO is currently a high-risk investment or not.

In reply to the second question concerning the ECT business, Mr **Reehoorn** explained that the entire ECT portfolio amounts to some EUR 6 billion and the portfolio is exposed to oil price fluctuations to a degree. Some EUR 1.3 billion to EUR 1.4 billion concerns reserve-based lending, which relates to the financing of oil that has not yet been extracted. This has proved to be an excellent portfolio on which ABN AMRO has incurred few losses to date. The offshore portion of the ECT portfolio, which included supply vessels and drilling platforms, has a total volume of between EUR 2.2 billion and EUR 2.3 billion. This portfolio is performing relatively well, given the turbulence in this market. The bank has issued scenarios for this, and these reveal that the write-offs do not exceed the provisions. In the ECT market, the bank also has off-balance sheet liabilities. These are mostly letters of credit related to commodity financing. Some of these concern oil, but ABN AMRO's clients that are active in the oil industry hedge their risks and so there is no exposure to oil price risk.

The **Chair** concluded the consideration of this agenda item and moved on to agenda item 2.g, the adoption of the audited annual financial statements.

g) Adoption of the audited annual financial statements (voting item)

The **Chair** referred to the annual financial statements for the 2016 financial year, as included in the annual report. The **Chair** noted that the annual financial statements were drawn up by the Managing Board on 14 March 2017 and had been available on ABN AMRO's website since 15 March 2017. Furthermore, the annual report, including the annual financial statements, had been deposited for inspection at the head office of ABN AMRO and could be obtained there, free of charge, by the shareholders and depositary receipt holders. The annual financial statements have been signed by the members of the Managing Board and Supervisory Board. The **Chair** informed the meeting that a signed copy was also available for inspection at the information desk outside the meeting room. Finally, she noted that the external auditor EY had examined the annual financial statements for 2016 and had issued an unqualified audit opinion on them.

Before moving on to the vote on the annual financial statements, the **Chair** gave the floor to Ms Huinck, representing majority shareholder NLFI, for an explanation of its vote.

Ms **Huinck** said that ABN AMRO was about to enter a new phase. During the past seven years, the focus has primarily been on the stabilisation and system integration of the parts of ABN AMRO and Fortis that were bought by the Dutch State, as well as the structuring of governance, the disposal of activities unsuited to the bank, and, subsequently, the IPO. This is a mostly internal focus, which is understandable given the context in which the bank operated.

Ms **Huinck** went on to say that NLFI endorsed the view held by the Supervisory Board and the new CEO, Mr Van Dijkhuizen, specifically that the bank will need to develop a more externally oriented focus in the coming period, with an emphasis on business, growth, innovation and acceleration. The bank will need to remain relevant to clients and be unique, and at the same time ABN AMRO become more innovative and more efficient. This presents a major challenge. NLFI has concluded that this year the bank is making a number of key changes to the senior management structure, and these seem to provide a good basis for taking on this challenge. Ms Huinck gave a brief review of the changes, and first of all stated that the new senior management structure consists of an Executive Board with three members and an Executive Committee with nine members. There has been a doubling of the number of positions directly representing the business lines in the Executive Committee. This will ensure a stronger focus on clients and greater attention for business activities at senior management level. As a consequence, the organisation may become even more client-focused, decisive and efficient. The structure and composition of the senior management layer below the Executive Committee has also been reviewed; the number of positions directly below the Executive Committee will be reduced from 90 to 63, which will substantially reduce the number of layers within the bank's management hierarchy.

Ms **Huinck** informed the meeting that NLFI supported these changes. The new structure marks the start of the new phase that ABN AMRO is entering, in which there is a strong client focus and more attention is paid at the most senior level to business activities.

Ms **Huinck** then addressed a number of changes in the members of the Managing Board and Supervisory Board. She recalled that Mr Zalm, who was replaced as CEO by Mr van Dijkhuizen, and Ms Princen had both left the bank. Mr Wijn and Mr Vogelzang also stood down in the first half of this year. In addition, various changes took place in the Supervisory Board. Last year, the bank took its leave of Mr Van Slingelandt, Mr De Haan and Mr Meerstadt. Ms **Huinck** stated that Ms Zoutendijk took over the role of Chair of the Supervisory Board at the Annual General Meeting held on 18 May last year, that Mr Dorland, Ms Leeflang and Mr Tiemstra had been appointed as members of the Supervisory Board at the same meeting, and that this was followed by the appointment of Mr Stegmann in August 2016. Ms **Huinck** emphasised that NLFI was very grateful to those who had left the bank recently for their work and commitment. In NLFI's opinion, they have all made a valuable contribution towards creating the bank we now have. At the same time, NLFI supports the planned appointments of Mr Abrahams as the new CFO and Ms Cuppen as the CRO as announced.

Ms **Huinck** said that NLFI has every confidence that the new Executive Board, the Executive Committee and the Supervisory Board will lead the bank through the new phase to its complete satisfaction and that the bank will emerge stronger. The Dutch State intends to continue to reduce its stake during this new phase. Ms Huinck said that it was good to hear from the Supervisory Board that one of the most important duties Kees van Dijkhuizen was given at the time of his appointment as CEO was reducing the Dutch State's stake.

Ms **Huinck** went on to say that, at the time of this meeting, NLFI was still a majority shareholder, and in that capacity it wanted to encourage sustainable and responsible business practices. These aims are not necessarily easy to reconcile with the desired growth, innovation and acceleration that she previously referred to. Ms **Huinck** reported to the Annual General Meeting that, in the context of ensuring sustainable and responsible business practices, NLFI sends ABN AMRO a focal point letter every year in which it asks the bank to devote special attention to several topics. Last year, it asked that attention be paid to integrated reporting. Ms Huinck commented that NLFI wanted to compliment the bank on the Integrated Annual Report 2016. This year, ABN AMRO received another focal point letter, which Ms **Huinck** believes was available on the NLFI website. The brief contains several focal points to which NLFI wants additional attention to be paid this year. Ms **Huinck** briefly referred to these focal points. First, NLFI asked ABN AMRO to pay attention in its reports to its tax policy from the perspective of sustainability. In the materiality analysis that the bank conducted for 2016, a responsible tax policy scored highly in terms of stakeholder impact. The topic is number 10 in the list of the 20 material topics and is explained in the annual report. NLFI wanted to express its appreciation for the attention being paid to this topic.

The second focal point concerns climate change. ABN AMRO's reports showed that the bank takes this topic extremely seriously. The annual report showed that in 2016 ABN AMRO rose in the global Dow Jones Sustainability Index and became a constituent of the FTSE4Good Index. As a consequence, ABN AMRO now ranks among the top 15% of banks in the world. Ms Huinck congratulated the bank on this on behalf of NLFI.

Ms **Huinck** informed the meeting that NLFI asked ABN AMRO to pay attention to the opportunities and threats associated with climate change and to how these opportunities and threats can be translated into matters such as product development and risk mitigation. NLFI is of the opinion that a company has not internalised the topic of client change until it can also see where this topic presents opportunities. NLFI therefore challenges the bank to do this and asks whether the bank sees opportunities in this area.

Ms **Huinck** stated that the third focal point is diversity. ABN AMRO's aim is for more than 30% of the top senior management positions and 35% of sub-senior management to be held by women by 2020. NLFI encourages ABN AMRO to see whether this target can be achieved sooner. ABN AMRO also wants to make progress in terms of the inclusiveness of its workforce, encompassing aspects such as age, disability, gender and cultural background. Ms Huinck asked about the ways in which ABN AMRO ensures that it maintains the results it has achieved in the area of diversity.

The **Chair** thanked Ms Huinck for giving the explanation of NLFI's vote and answered the questions raised in that explanation. The **Chair** confirmed that with regard to climate change the bank is seeing the emphasis shift increasingly from threats to opportunities. By way of illustration, and with reference to the presentation previously given by the CEO, the Chair stated that half of ABN AMRO's loan portfolio consists of housing and real estate, and as a result the bank can have a huge positive impact on the transition towards sustainable buildings in the Netherlands that ABN AMRO and its clients are going through.

With regard to the second question, **Chair** emphasised that the Supervisory Board and Executive Board have consciously taken major steps to increase diversity by making the recent changes to the senior management structure. As a consequence of these changes, the share of women within the bank's senior ranks has increased from 23% to 40% in one fell swoop. At the same time, to ABN AMRO diversity relates to more than just gender. By way of an example, the

Chair mentioned the proposed appointment of the new CFO, who is a British citizen. In addition, the management layer below the Executive Committee has changed a great deal owing to the promotion of a number of talented employees. Attention has also been paid to people with an international background.

The **Chair** noted that in recent months it had become clear that diversity has to be driven by the people at the top of the organisation. Where there is a will in the senior ranks, substantial progress can be made in a relatively short space of time. The Supervisory Board, Executive Board and Executive Committee intend to safeguard these results and achieve further improvements by maintaining the same tone at the top.

Mr **Stevens** of Stichting Rechtsbescherming Beleggers asked whether the costs associated with the overextension of credit at International Card Services may be charged to ICS. He also asked what cost savings will be achieved as a result of the new senior management structure.

Mr **Van Dijkhuizen** responded that as International Card Services is a wholly owned subsidiary of ABN AMRO Bank N.V., its earnings were included in the consolidated results of ABN AMRO Bank N.V. and subsequently those of ABN AMRO Group N.V. Mr Stevens's proposal would therefore not have any impact at the level of ABN AMRO Group N.V. Next, Mr Van Dijkhuizen explained that the structure that previously existed, which consisted of 900 Management Group members, including the Managing Board, cost EUR 37 million. The new structure, which included 72 people, including nine members of the Executive Committee and 63 members in the layer immediately below it, will cost approximately EUR 22 million. This represents a decrease of 40%.

Mr **Smits** (VEB) asked how quickly the Dutch State's stake in ABN AMRO will be reduced.

The **Chair** answered that this decision was down to the Dutch Minister of Finance and not the bank. The **Chair** also stated that no announcements could be made concerning the talks the bank had held on this matter with the Ministry. The fact that the new CEO has been instructed to reduce the stake as soon as possible does, however, provide an indication of the Dutch State's intentions.

After providing an opportunity to ask questions, the **Chair** noted that there were no more questions or comments. Following a brief explanation, the meeting proceeded to vote on the adoption of the annual financial statements for 2016. Once the electronic vote had been held, the **Chair** noted that the annual financial statements for 2016 had been adopted. The results of the voting were 850,122,412 votes in favour, 392,027 votes against and 55,841 abstentions. The

Chair then concluded the consideration of this agenda item and moved on to agenda item 3, the dividend proposal for 2016.

3. Dividend

a) Explanation of dividend policy (discussion item)

The **Chair** referred to the proposal, with explanatory notes, as included in the convocation notice for the meeting. The **Chair** explained that ABN AMRO's dividend policy took account of the current and expected capital requirements, as well as the risk profile, growth and market factors. The moderate risk profile and regulatory levies are used as a basis when determining the payout ratio, with a view to enabling dividend distributions to be maintained in future too. The payout ratio for 2016 was 45%, and the bank intends to apply a payout ratio of 50% with effect from 2017. The **Chair** then provided an opportunity for questions or comments.

Mr **Stevens** suggested introducing an optional dividend. Mr **Schout** seconded this. The **Chair** replied that an optional dividend had been discussed extensively with shareholders and that there was not widespread support for an optional dividend at that time. That said, shareholders and depositary receipt holders are able to take advantage of ABN AMRO's Dividend Re-Investment Plan (DRIP), which provides a very convenient way of reinvesting the cash dividend in shares.

In response to Mr **Koenen's** question, the **Chair** said that it was not yet possible to comment on whether an optional dividend will be offered next year.

When asked, Mr **Rahusen** explained that the optional dividend will not be offered because providing a dividend in the form of shares (i.e. a stock dividend) would dilute existing holdings. To avoid this, ABN AMRO shares would have to buy back shares in the market. This can only be done tax-free if a dividend is distributed that is similar to the average dividend distributed during the past seven years. ABN AMRO currently cannot work out whether this would be the case next year, and so it believes it is in the interests of shareholders and depositary receipt holders not to distribute a stock dividend as long as the bank cannot foresee whether tax will have to be paid on the buyback of shares. Mr Rahusen noted that the bank will reassess this matter every year.

Mr **Schout** and Mr **Van den Bos** said that they disagreed with Mr Rahusen's explanation and that they thought dilution was a non-argument. They believed that a distribution from the share premium reserve was an option and they wanted to ask the representatives of the Dutch State about this. The **Chair** did not see any reason for doing this.

The **Chair** concluded that there was no possibility for distributing a stock dividend this year and that a cash dividend will be made available.

The **Chair** subsequently noted that there were no further questions or comments and proceeded to put the 2016 dividend proposal to the vote.

3.b 2016 dividend proposal (voting item)

After the electronic vote had been held, the **Chair** noted that the dividend proposal had been adopted. The results of the voting were 850,122,224 votes in favour, 371,751 votes against and 55,270 abstentions. The **Chair** concluded the consideration of this agenda item and moved on to agenda item 4.a, granting discharge from liability to each member of the Managing Board.

4. Discharge from liability

a) Discharge from liability granted to the individual members of the Managing Board in office during the 2016 financial year for the performance of their duties in 2016

The **Chair** explained that the motion related to granting a discharge to the individual members of the Managing Board in office during the 2016 financial year for the performance of their individual duties in 2016, as apparent from the 2016 annual report (including the annual financial statements) and from the disclosures and statements made so far during this meeting. The **Chair** noted for the record that this motion also concerned the members of the Managing Board who were still employed by ABN AMRO for all or part of 2016 but who have since left. The **Chair** provided an opportunity for questions or comments.

Mr **Van den Bos** asked whether it would be possible to make use of a claw-back construction if, in three years' time, it transpired that wrongful acts had been committed by any Managing Board members who have now left the bank. Mr **Van den Bos** explained that when he used the term 'claw-back construction' he meant that members of the Managing Board who are granted discharge from liability may still be held called to account for their conduct.

At the request of the Chair, Mr **Van Outersterp** explained that the discharge from liability is granted on the basis of the information currently known. That means that discharge from liability is granted on the basis of the information that can currently be gathered from the annual report and the annual financial statements and from what had been said up to this point of the meeting. If any new facts or matters were to come to light that could not be known at this time, these would not be covered by the discharge from liability. The discharge from liability therefore only applies in respect of the knowledge that the meeting has at this moment in time. Mr **Van den Bos** asked whether that meant the claw-back construction would not work in the case of Managing Board members who have already left. Mr **Van Outersterp** explained that the discharge from liability would not have any effect at that point and that, where necessary, it was possible to hold a departing Managing Board member (or Supervisory Board member) accountable for their conduct. Mr **Van den Bos** asked whether the auditor who signed the auditor's report would also have to be held liable at that time. Mr **Van Outersterp** replied that the potential liability of the auditor should not be confused with that of a Managing Board member or Supervisory Board member as these are two separate matters. Mr **Van Outersterp** reiterated that the matter has to relate to serious facts that are yet not known at this time. Such facts could give the company grounds to hold the people concerned accountable. Mr **Van**

Outersterp explained that, from a legal perspective, the subject is a difficult one, and that during the meeting he could only provide a very brief summary, although it was important to consider such matters separately from the role that could have been played by an auditor or other relevant parties.

After providing an opportunity to ask questions or comments, the **Chair** noted that there were none and proceeded to put the matter to the vote. Once the electronic vote had been held, the **Chair** noted that the motion to grant a discharge to each member of the Managing Board had been adopted. The results of the voting were 842,889,852 votes in favour, 1,908,603 votes against and 5,751,084 abstentions. The chair ended the consideration of this agenda item and moved on to agenda item 4.b, granting discharge from liability to each member of the Supervisory Board.

b) Discharge from liability granted to the individual members of the Supervisory Board in office during the 2016 financial year for the performance of their duties in 2016

The **Chair** explained that this agenda item was exactly the same as the previous agenda item (4.a), apart from in this case discharge from liability was to be granted to the members of the Supervisory Board who were in office during the 2016 financial year. The **Chair** emphasised once again that this motion also concerned the members of the Supervisory Board who held office for all or part of 2016 but have since left ABN AMRO.

The **Chair** noted that there were no questions or comments and proceeded to put the matter to the vote. Once the electronic vote had been held, the **Chair** noted that the motion for granting discharge to each member of the Supervisory Board had been adopted. The results of the voting were 842,890,120 votes in favour, 1,908,305 votes against and 5,751,084 abstentions. The Chair concluded the discussion of this agenda item and moved on to agenda item 5, the report on the evaluation of the external auditor's performance.

5. Report on the evaluation of the external auditor

Mr **Tiemstra,** the chairman of the Audit Committee, explained the most important findings from the annual evaluation of the external auditor's performance.
Mr **Tiemstra** noted that 2016 was the first year in respect of which EY audited ABN AMRO's annual financial statements. An auditor's first year at a business is always difficult for both the auditor and the relevant company. The management and external auditor require additional time to forge working relationships and to enable the auditor to become familiar with the business's processes. At ABN AMRO, the work of the external auditor is assessed every year by an internal auditor who reports to the management involved in the audit. With regard to 2016, the most significant positive findings made concerning EY were that the Audit Committee was very satisfied with the level of independence, objectivity, professionalism and expertise, the quality of communication and the working relationship with ABN AMRO's internal auditor. That said, the Audit Committee identified a number of opportunities for improvement, particularly as regards the prompt discussion of the issues with management and the progress and efficiency of the procedures, especially at several subsidiaries. Management and the auditor discussed further action to be taking in relation to this. On balance, the assessment was that EY's performance was classified as adequate, and this finding was shared by the Audit Committee.

The **Chair** thanked Mr Tiemstra for his explanation and provided an opportunity for questions and comments.

Mr **Van den Bos** asked whether the auditor had found any significant omissions that were reported in the management letter. More specifically, he asked whether EY could state the number of points that had been reported, the seriousness of these points and whether the number was higher than in 2016 and previous years. In addition, Mr Van den Bos asked what the auditor would do if it is presented with signs of omissions from the Executive Board. The **Chair** said that this agenda item related to the bank's evaluation of the external auditor and that these questions were therefore not appropriate for this agenda item. These questions should have been raised during the discussion of the earlier agenda item 2.f. However, the **Chair** said that she was willing to make an exception, in part because she was aware that Mr Van den Bos had some additional questions.

Mr **Smit** answered that EY prepared a detailed management letter for ABN AMRO in respect of 2016. In addition, EY compared its management letter to last year's management letter from KPMG. The points raised by both audit firms were also addressed by EY in its management letter.

Mr **Smit** confirmed that EY had also included a number of other findings, known as first-year observations, in its management letter, which were not included in the management letter from KPMG. Mr **Van den Bos** asked whether Mr Smit could clarify his response. Mr **Smit** answered that these “first-year observations” are observations that are typically made in the first year’s audit. Such observations relate to matters that might not entail a great amount of risk, but which EY believes could improve efficiency, for which reason it decided to include them in its management letter for 2016. Mr **Van den Bos** said that this response did not answer his question. He explained that he was specifically asking about the number of points and which of them could be classified as serious. The key question is whether EY’s audit led to more or fewer points coming to light than KPMG’s audit. If the number of points had fallen, then Mr **Van den Bos** would conclude that the organisation and the board are more in control.

Mr **Smit** said that it was difficult to specify a precise number as it was like comparing apples with oranges. For example, last year KPMG’s management letter contained three chapters while EY’s management letter contained twelve chapters. This does not mean, however, that EY’s management letter was four times as long. KPMG and EY divide their reports into sections differently and cover different numbers of subjects in each section. In terms of magnitude, Mr **Smit** said that EY had included a few more points, but it was difficult to indicate any difference in trend compared with KPMG. A number of points raised by KPMG might have been resolved and therefore not been included again. A number of new points, however, had been added. He said that it was conceivable that, for example, IFRS 9, which was not as much of a current issue in 2015, had been covered in the most recent management letter. In conclusion, Mr **Smit** said that EY had addressed a similar number of points in its management letter, and it had also included a number of first-year observations in its management letter.

When asked, Mr **Smit** confirmed that the number of points and serious points were more or less unchanged. Some points had improved since last year, and a number of new points were added. Mr Van den Bos expressed his disappointment that EY had not, in his opinion, clearly stated whether the general state of affairs at ABN AMRO had improved or deteriorated, or whether the bank and the board are more in control or not.

Mr **Smit** went on to answer Mr Van den Bos’s second question, specifically what EY would do if employees drew its attention to a lack of control within ABN AMRO. Mr **Smit** confirmed that EY had not received any such indications during the past year. Should that happen, however, EY would raise the matter immediately with the bank’s management and with the Supervisory Board. Next, EY would conduct its own investigation to determine the underlying cause. Mr **Van den Bos** thanked Mr Smit for his answer.

The **Chair** concluded the discussion of this agenda item and moved on to agenda item 6, the reappointment of Mr Van Dijkhuizen as a member of the Executive Board.

6. Reappointment of Kees van Dijkhuizen as a member of the Executive Board

The **Chair** referred to the appointment of Mr Van Dijkhuizen as CEO of the Executive Board with effect from 1 January 2017. The Chair informed the Annual General Meeting that the Supervisory Board intended to renew Mr Van Dijkhuizen's term of office as a member of the Executive Board with effect from the date of this Annual General Meeting. Contrary to the information provided in the notice convening this meeting, the Supervisory Board has decided that the term for which the members of the Executive Board are generally appointed will be reduced from four years to three years. In accordance with the agreements reached with Mr Van Dijkhuizen, this term of office will also apply to him as a member of the Executive Board and CEO. In accordance with the articles of association, this term will expire when the general meeting in 2020 is closed. As the effective date of his appointment as CEO was 1 January 2017, his appointment will effectively be for a term of approximately three and a half years.

The **Chair** informed the meeting that the Employee Council had issued a positive advice on the reappointment of Mr Van Dijkhuizen. The **Chair** congratulated Mr Van Dijkhuizen on his appointment as CEO and his reappointment as a member of the Executive Board, after which she moved on to agenda item 7, the composition of the Supervisory Board.

7. Composition of Supervisory Board

a) Opportunity to recommend candidates for nomination for a vacancy in the Supervisory Board

The **Chair** informed the Annual General Meeting that, under the Supervisory Board's retirement schedule, Ms Roobeek's current mandate will expire at the end of this Annual General Meeting. Ms Roobeek was appointed for the first time in 2010. In 2014, she was appointed for a term of three years that ended today.

The **Chair** called Ms Roobeek a highly valued colleague who had made a particularly valuable contribution as a member of this bank's Supervisory Board for seven years. The Supervisory Board has concluded that in the next phase of the bank's existence it is important that the level of banking experience in the Supervisory Board be increased further. For this reason, the Supervisory Board started looking for ways in which the position freed up by Ms Roobeek could be used for the purpose of nominating a new Supervisory Board member with banking experience or in-depth financial experience at senior executive level. The Supervisory Board's preference is for a female banker who has had final responsibility for commercial matters. Finding a suitable candidate has proved difficult, and since the Supervisory Board cannot, in the meantime, do without the valuable contribution made by Ms Roobeek, she has been asked to extend her term of office until such time as the new Supervisory Board member is appointed.

As a consequence, a vacancy has now been created for a new Supervisory Board member with the aforementioned experience. The **Chair** then formally announced the vacancy on the Supervisory Board to the Annual General Meeting and gave the Annual General Meeting the opportunity to nominate suitable candidates. The **Chair** noted that these candidates have to satisfy the requirements under the articles of association van ABN AMRO Group, the collective profile of the Supervisory Board and the individual profiles. The **Chair** also pointed out that the Employee Council has powers relating to the appointment, such as the enhanced right of recommendation. Moreover, candidates have to be able to pass the European Central Bank's screening of their integrity and suitability. The collective and individual profiles have been included in the meeting documents. An Extraordinary General Meeting will be convened for the appointment of the new Supervisory Board member once a suitable candidate has been found.

The **Chair** established that to date ABN AMRO had not received any recommendations for nominating candidates for appointment as members of the

Supervisory Board, and therefore assumed that the Annual General Meeting did not wish to make use of the right of recommendation.

The **Chair** provided an opportunity for questions and comments.

Mr **Schout** asked how much time shareholders and depositary receipt holders had to think about candidates for nomination. The **Chair** answered they had three weeks, starting from tomorrow, in which to put forward candidates and present sound reasons for this, which can be addressed to the company secretary.

Mr **Stevens** asked whether the Supervisory Board had already evaluated the retirement schedule, as four Supervisory Board members are due to step down at the same time in 2020. This would not appear to be conducive to continuity at ABN AMRO. The **Chair** confirmed that the Supervisory Board is aware of this issue. The **Chair** said that she had asked Mr Ten Have, the Chairman of the Remuneration and Nomination Committee, to come up with proposals.

Mr **Koenen** referred to last year's annual general meeting, during which a commitment was made to include the retirement schedule in the annual report. He said that while the annual report did provide separate information for each Supervisory Board member regarding when they are due to step down, this information is not provided as a separate chart. He asked whether the retirement schedule that he believed should have been included will now be adjusted. The **Chair** said that the retirement is available on the website and repeated that the Supervisory Board is currently discussing how to achieve a better spread when it comes to the Supervisory Board members' terms of office, as it is indeed the case that in May 2016 four Supervisory Board members had all been appointed for four-year terms at the same time.

Mr **Koenen** asked for clarification as to whether Ms Roobeek's current appointment is for a maximum period of four years, and whether it may be for a shorter period if a new Supervisory Board member is found before the end of her term of office.

The **Chair** confirmed this, but she also said that the Supervisory Board is not expected to take four years to find a new member, even though the talent it is seeking is in short supply. Mr **Koenen** said he expected that, in view of the diversity policy, it is likely that a female candidate will be nominated. He went on to ask why the Supervisory Board had so far not managed to find a candidate. He qualified his question by stating that he thought that keeping Ms Roobeek on for another four years would be good for continuity. He also said that he did not want to see the Supervisory Board take on an eighth or ninth member. The **Chair** answered that a great deal had changed recently. The bank has entered a new phase since the IPO. For this reason, the Supervisory Board has decided it is necessary to increase the level of executive-level banking experience, despite the fact that Ms Roobeek knows the bank better than anyone. The Supervisory Board has concluded that this would be an important addition in the next phase of the bank's existence, but at the same time the Supervisory Board wants to keep its total number of members down to seven, at least for the time being.

Mr **Koenen** said that he would appreciate it if Ms Roobeek would explain her proposed appointment as part of a transparent dialogue with the shareholders and depositary receipt holders.

The **Chair** asked Ms Roobeek to explain why she was happy to stay on. Ms **Roobeek** thanked the Chair and said that she would be honoured to be able to stay on for what will probably be a short period. As the Employee Council, Executive Board and Supervisory Board already noted, the bank has made great progress in recent years. Ms **Roobeek** said that she and Mr Ten Have were the "old guard" of the Supervisory Board, which had succeeded in creating a new bank that consisted of various pieces of the old bank. Considerable headway has been made in this area. Ms **Roobeek** said that she would be happy to be able to continue to help out in the coming period. That said, she also genuinely believed that it would be right to stand down if there are other candidates that clearly fit the new profile at this time. However, finding such candidates is proving difficult. She therefore felt that continuing to offer the knowledge, skills and experience she has gained within the bank and elsewhere to the team that has worked so hard and modernised the bank would be a mark of solidarity.

Mr **Van den Bos** asked for a clarification as to whether the candidate has to be female and come from the financial world. The **Chair** responded that a female banker would be preferred.

Mr **Koenen** said that he would not mind the appointment of an eighth Supervisory Board member. He proposed that Ms Roobeek stay on for one or two more years to ensure continuity, and that if another person were recommended as a Supervisory Board member within the next six months, that person could be appointed as the eighth Supervisory Board member. The **Chair** thanked Mr Koenen for his suggestions and said that the Supervisory Board had a clear picture of these aspects and would take due account of them.

The **Chair** concluded the discussion of this agenda item and moved on to agenda item 7.b, the reappointment of Ms Roobeek as a member of the Supervisory Board.

b) Reappointment of Annemieke Roobeek as a member of the Supervisory Board

After providing a summary of the motion on the agenda, and after referring to the explanation provided under agenda item 7.a, the **Chair** proceeded to put the matter to the vote. Once the electronic vote had been held, the **Chair** noted that Ms Roobeek had been reappointed as a member of the Supervisory Board. The results of the voting were 844,150,216 votes in favour, 584,333 votes against and 5,750,689 abstentions. She congratulated Ms Roobeek on her reappointment. The **Chair** concluded the consideration of this agenda item and moved on to agenda item 8, the issuance and buyback of shares.

8. Issuance and buy-back of shares

The **Chair** explained that under Dutch law the general meeting of shareholders may authorise the Executive Board to issue shares or grant rights to subscribe for shares, to exclude pre-emptive rights and to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital. As such authorisations exist at most Dutch listed companies, they are also usually placed on the agenda of their annual general meetings. On 18 May 2016, the Annual General Meeting granted these authorisations to the Managing Board for a period of 18 months. The Executive Board now proposed, with the approval of the Supervisory Board, that as of today these authorisations be replaced with the new authorisations, as proposed in agenda items 8.a, 8.b and 8.c, which would come into effect as from the date of this Annual General Meeting. The authorisations would give ABN AMRO the flexibility to act quickly when necessary.

Agenda item 8 therefore consisted of three underlying items. The **Chair** proposed that agenda items 8.a and 8.b and 8.c be dealt with simultaneously. The meeting would subsequently be given the opportunity to ask questions concerning agenda item 8 as a whole, after which each of the underlying items will be put to the vote. The **Chair** moved on to agenda item 8.a.

a) Authorisation to issue shares and/or grant rights to subscribe for shares

The **Chair** explained that the motion was to authorise the Executive Board, for a period of 18 months with effect from today, to (I) issue ordinary shares (specifically ordinary class B shares only) and (II) granting rights to subscribe for such ordinary shares up to a maximum of 10% of the issued share capital of ABN AMRO Group as of today's date. An issuance of shares and/or the granting of rights to subscribe for shares may be necessary, for example, to meet the regulators' capital requirements. Under the proposed authorisation, it is possible, for example, to issue additional Tier 1 instruments which convert automatically into shares as soon as certain prescribed capital requirements are no longer met. The Executive Board can use this authorisation only with the approval of the Supervisory Board. Another limitation is that this authorisation cannot be used for an issuance for a dividend distribution in shares or for performance-related pay for management or other employees. The **Chair** noted for the record that under the Relationship Agreement the consent of NLFI is required for the use of the authorisation. Said consent from NLFI is required for as long as NLFI holds at least 33.33% of the shares in ABN AMRO Group. The **Chair** provided an opportunity for making comments and asking questions.

Mr **Stevens** asked whether it might be better to replace the depositary receipts for shares with shares, since this agenda item relates to the possibility of acquiring depositary receipts for shares on the one hand and the issuance of shares on the other. The **Chair** asked Mr Van Outersterp to answer the question. He said that Mr Stevens's line of reasoning was not entirely correct. When shares are issued, depositary receipts are subsequently issued for the shares in question. This therefore means the shares are transferred to STAK at the time of issue, after which depositary receipts for those shares are issued to the market. It is not the case that shares are issued directly to the market. Mr Stevens said that he believed this had not been formulated properly in the agenda and explanatory notes. Mr **Van Outersterp** explained that the agenda and explanatory notes were formulated in general terms that related to the issuance of the shares by the company, but the issuance of depositary receipts automatically follows the issuance of shares, provided, of course, that shares are to be issued. Mr Stevens pointed out that the requested permission related to the issuance of shares and not to the issuance of depositary receipts for shares. Mr **Van Outersterp** reiterated that the bank does not any issue depositary receipts for shares, and only issues shares. These shares then become the property of STAK, which, in exchange for the shares, will issue depositary receipts for shares to the market. The company – which is the body for which the issuance mandate is being requested – has the possibility of issuing shares. That is where the process starts. Without shares, there will be no depositary receipts for shares that can be issued to the market either. Mr **Stevens** said that issuing depositary receipts for shares caused confusion and he therefore requested that this practice be stopped as soon as possible. Mr **Van Outersterp** explained that issuing depositary receipts for shares served a specific purpose. In normal circumstances, depositary receipt holders have the exact same rights as shareholders. Their voting rights can only be limited in the event of hostile situations. All other rights, including the right to dividend, are unaffected.

Mr **Stevens** responded by saying that if a hostile bid were made, the Dutch State provided another possibility for protecting ABN AMRO. Mr **Van Outersterp** replied that the stake held by STAK, and therefore the depositary receipt holders, would increase as and when the Dutch State's stake is reduced. In that case, the protection that the depositary receipt construction could provide when needed will become increasingly important. Mr **Van Outersterp** agreed that NLFI will continue to have a large degree of control so long as it holds a large stake.

Mr **Schout** asked whether it is true that shares will not be bought back for the purpose of distributing a dividend in the form of shares (stock dividend).
Mr **Schout** referred to the annual general meeting held last year, and having referred to the minutes, he established that dividend withholding tax was also

discussed at that meeting. Reading from the minutes of the meeting held in May 2016, he quoted the following: “The Chair emphasised that no authorisation is required by law for the acquisition by ABN AMRO of its own shares or depositary receipts for shares in order to meet obligations resulting from employee incentive plans under which management or other employees are awarded shares or depositary receipts for shares.” “Mr **Schout** asked whether the cancellation of shares is excluded here and whether it is correct that this authorisation relates only to the possibility of distributing a stock dividend complying with obligations resulting from the employee incentive plans.

The **Chair** explained that this proposal does not relate to purchases made in connection with bonuses or employee incentive plans because no authorisation of the Annual General Meeting is required by law for the acquisition of own shares in such cases. On request, he [i.e. Mr **Van Outersterp**] confirmed that this proposal relates solely to the possibility of buying shares or depositary receipts for shares either from the free float or privately for the purposes of paying a stock dividend, and expressly not for the purpose of cancellation.” According to Mr **Schout**, this quote directly contradicted the explanation just given by the **Chair**. The **Chair** handed the floor to Mr Van Outersterp. He explained that the quote to which Mr Schout referred related to the acquisition of shares, whereas this agenda item concerned the possible issuance of shares. Mr **Van Outersterp** also pointed out that a new authorisation was now being requested, which will replace last year’s authorisation. The authorisation from 2016 was based on the agreements reached at the time of the IPO and was for a maximum of 5% of all outstanding shares and depositary receipts for shares that are not held by NLFI. ABN AMRO now wants to fall into line with standard practice in the market and at other companies. That is why a limit of 10% is now being proposed, subject to different conditions. It therefore concerns a different authorisation that will replace the authorisation that was requested last year and to which Mr Schout referred.

Mr **Schout** concluded that a total of four shareholders had joined him in expressing their wish that each shareholder be given the opportunity to receive the dividend in the form they prefer. He also expressed his wish that this matter be discussed with the Dutch State in its capacity as majority shareholder. The **Chair** said that Mr Schout’s preference had already been clearly noted and moved on to agenda item 8.b, the authorisation to limit or exclude pre-emptive rights.

b) Authorisation to limit or exclude pre-emptive rights

The **Chair** explained that the motion to the general meeting contained in this agenda item was to authorise the Executive Board, for a period of 18 months with effect from today, to limit or exclude the pre-emptive rights of existing shareholders, connected to the issuance of ordinary shares pursuant to the authorisation requested under agenda item 8.a. With respect to agenda item 8.b, too, the Executive Board can use this authorisation only with the approval of the Supervisory Board. The **Chair** noted for the record that under Dutch law this motion requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the meeting. As this was not the case today, however, this requirement of a larger majority did not apply at this meeting.

The **Chair** noted that there were no questions or comments concerning the motion under 8.b and moved on to agenda item 8.c, the authorisation to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital.

c) Authorisation to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital

The **Chair** explained that the motion to the Annual General Meeting contained in this agenda item was to authorise the Executive Board, for a period of 18 months with effect from today, to acquire fully paid-up ordinary shares, or depositary receipts for such shares, in ABN AMRO Group's own capital, on the stock market or by another means. She pointed out once again, so as to leave no doubt, that this authorisation does not relate to ordinary class B shares and that the Executive Board can use this authorisation only with the approval of the Supervisory Board. The buyback of shares or depositary receipts for shares in ABN AMRO Group's own capital can take place for the purposes of, for example, a restructuring or capital reduction, such as in the event of a return of capital to shareholders and/or depositary receipt holders. This will only be done if the existing and future solvency requirements imposed by regulators are met and will continue to be met after the buyback. The price of each purchased depositary receipt or share in ABN AMRO Group's own capital must be at least equal to the nominal value of the ordinary shares and must not exceed the highest price at which the depositary receipts were traded on Euronext Amsterdam on the transaction date or on the preceding trading day. This is conditional upon the number of depositary receipts or shares held or pledged by ABN AMRO Group, including its subsidiaries, being limited at all times to a maximum of 10% of the issued share capital of ABN AMRO Group. This authorisation replaces the authorisation issued by the Annual General Meeting on 18 May 2016.

The **Chair** noted that there were no questions or comments concerning the three motions set out under 8.a, 8.b and 8.c and put all three motions to the vote.

Once the electronic vote had been held, the **Chair** noted that the motion concerning the authorisation to acquire shares or depositary receipts for shares in

ABN AMRO Group's own capital had been carried by 848,233,302 votes in favour, 2,247,716 votes against and 322 abstentions**.**

Once the electronic vote had been held, the **Chair** noted that the motion concerning the authorisation to limit or exclude pre-emptive rights had been carried by 814,553,179 votes in favour, 35,928,951 votes against and 5 abstentions.

Once the electronic vote had been held, the **Chair** noted that the motion concerning the authorisation to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital had been carried by 849,834,281 votes in favour, 618,854 votes against and 29,005 abstentions.

The **Chair** closed the agenda item and moved on to agenda item 9, any other business and conclusion.

9. Any other business and closure

The **Chair** gave the Annual General Meeting the opportunity to ask questions.

Mr **Van Riet** asked for the Executive Board's response to the advances made by a Swedish bank that had recently been in the news. Mr **Van Dijkhuizen** said ABN AMRO would not respond to this.

Mr **Van Riet** said he had read in the newspapers that ABN AMRO's employees have had access to entertainment websites, such as Netflix, blocked. He asked whether the content accessed on these entertainment websites was paid for by ABN AMRO or by the employees themselves. The **Chair** asked Mr Van Hall to answer this question. He responded that the agreement was that employees use devices such as PCs, laptops and iPads exclusively for business purposes. Mr **Van Hall** emphasised that it is not normal for employees to watch Netflix at work. **The Chair** added that websites are blocked because some employees used to watch films on their company laptops after work. They used the bank's network for this, and this used up a great deal of the network's capacity. The costs for such sites have always been payable by the employees themselves.

Finally, Mr **Van Riet** pointed out that people felt reassured the bank cannot go under owing to the fact that 70% of its shares are held by the Dutch State. Mr **Rienks** said that he was concerned about the future of the bank and of Dutch banks in general. He then went on to discuss increases in scale. He mentioned that at the time the euro was introduced, people thought that national banks would be replaced by European banks. Today, 15 years on, he noted that there are no such European banks. That said, he thought that during the meeting he had heard indications that this might change in future. He asked whether such a development can be expected and what role ABN AMRO should play in this. He also asked whether the bank would need to make acquisitions in other countries, or whether instead it should see which financial institution it could form part of. In addition, Mr **Rienks** about bank branch closures. These are being shut down at a faster rate than expected. Branches are now disappearing from towns with about 25,000 inhabitants. Mr **Rienks** asked whether they will soon start being closed in towns with 50,000 inhabitants, and whether they will be needed at all if the process of digitalisation carried on at its current rate. He also asked whether this signified the removal of a barrier for foreign entrants that wanted to serve retail clients in the Dutch market, while referring to Icesave. Mr **Rienks** asked whether, conversely, this also presents opportunities for ABN AMRO, in a similar vein to ING and its ING Direct activities. Following on from this, Mr **Rienks** enquired as to the percentage of clients that still visited bank branches.

The **Chair** asked Mr Van Dijkhuizen to respond. He answered that banks were indeed looking to grow in scale shortly before the financial crisis erupted in Europe. Some countries, such as Italy and in particular Germany, are said to be "overbanked", and so, from an efficiency perspective, there may be more cooperation, and more mergers, between banks in those countries. This happened some time ago in the Netherlands, just as it has in France. Despite this, Mr **Van Dijkhuizen** said that he expected – as did the market – that this phenomenon to return. The matters that Mr Rienks raised to are certainly being considered within the financial sector. It is, however, impossible to say whether a new wave of consolidation will be successful. With respect to the closure of bank branches, Mr Van Dijkhuizen said that 50% of our clients no longer visit branches. The remaining 50% visit a branch once every two years, often to handle matters that cannot be dealt with in another way. By way of comparison, shortly after the merger between Fortis and ABN AMRO two branches could often be found in the same street. As that was extremely inefficient, ABN AMRO had amalgamated many branches. Today, the trend is for the bank to assess whether client still visit a specific branch. If, at a certain point, no more clients visit that branch, ABN AMRO will proceed to close it. Furthermore, the bank's website is logged on to 60 million times each month. This figure can no longer be matched by visits to branches. Clients are therefore also able to contact the bank digitally. The net promoter score for digital banking is very high, and often higher than that awarded for visits to branches. This is a shame, to be honest. With regard to foreign banks entering the market, Mr **Van Dijkhuizen** said that digital banking did present an opportunity to make doing cross-border business easier. MoneYou, for example, is an ABN AMRO vehicle that can simplify doing business in Europe, although Northern Europe is somewhat more digitally savvy than countries in the south of Europe. This development is therefore definitely expected to take place. The bank does not, however, expect that at a certain point there will be no branches left in the Netherlands.

Based on what the prospectus said about the reduction of the Dutch State's stake in ABN AMRO, Mr **Van den Bos** asked whether a declaration of no objection had been issued, or requested, for a reduction of 30% that also took account of the applicable lock-up obligations. The **Chair** passed the question to Mr Van Dijkhuizen. Mr **Van Dijkhuizen** responded that if NLFI wanted to sell more than 30%, which is in fact the case now, declarations of no objection will be required from the ECB and other regulators within Europe. It was said that these declarations have been requested. In addition, NLFI has indicated it will not disclose whether, or when, it obtained these declarations. It is up to NLFI and the minister to decide whether to sell another tranche of shares. Mr **Van den Bos** asked whether he could interpret this as meaning that the necessary approval is ready and can be used for a transaction. Mr **Van Dijkhuizen** responded that he could not comment on this.

Mr **Rouweler** expressed his confidence in the direction taken by the bank and the board and in the fact that people of the calibre of the Dutch Minister of Finance are following and supporting the course of events at the bank. He went on to say that three investment products he had purchased for his daughters had failed to provide them with adequate returns on maturity and asked whether ABN AMRO could provide any redress. He also said that, as an investor, he had switched to another service provider as the transaction costs elsewhere are much lower for small investors. The **Chair** said that she had taken note of Mr Rouweler's complaint, but also referred him to the client desk as it was not possible to discuss this matter at the meeting.

Mr **Stevens** said that last winter he had sent an email to all listed companies asking them to extend the period covered by the financial calendar. ABN AMRO's financial calendar, as published on its website, does not go beyond 8 November 2017. The **Chair** confirmed that the date of next year's annual general meeting is not yet known. ABN AMRO also attaches great importance to fixing all relevant dates as soon as possible, however, and it will do this in the near future.

With reference to the discussion at the previous year's annual general meeting, Mr **Schout** enquired as to the approximate number of employees that ABN AMRO will have to make redundant in the coming period. Mr **Van Dijkhuizen** said that approximately 10% of the 22,000 employees will be affected between now and 2020. Mr **Schout** asked whether the bank's management and Supervisory Board were sufficiently aware of the pressure that employees, and hence the ABN AMRO organisation, have come under as a result of the rounds of redundancies. Mr **Schout** pointed out the risk that employees may become demotivated and less engaged, and asked what was being done in order to minimise this. Mr **Van Dijkhuizen** responded that this was a valid question. The bank had also paid a great deal of attention to this matter in recent years. It is a process that has been ongoing since the start of the bank and is also an issue at other banks. It is important to have in place social protocols and to reach proper agreements with the employee representation bodies for each reorganisation. Mr **Van Dijkhuizen** agreed with Mr Schout that it was essential to be aware of the impact of restructuring operations, and he confirmed that the management and Supervisory Board are aware of this impact. Mr Van Dijkhuizen had also seen this impact for himself within the ranks of senior management, particularly in recent times, when people who had worked for the bank for 30 years were affected. These were difficult conversations, and it is best to deal with matters in the most decent way possible.

Mr **Van den Bos** said he wished the Employee Council the wisdom it needed in the coming period, based in part on his own background as a former member of a works council. He asked the Chair once again to ask NLFI, as the representative of the Dutch State, to respond to the proposal that an optional dividend be made available. The **Chair** responded that Mr Van den Bos had already made his point. Mr **Van den Bos** asked whether the Supervisory Board would be taking any action to get the Dutch State to reach a clear position. The **Chair** answered that the Supervisory Board would do its best in that regard.

9. Closure

The **Chair** established that there were no further questions, closed the meeting at 18.30 hrs and thanked the persons present for their input.

Minutes of a meeting are adopted and subsequently signed by
the chairman and the secretary of the meeting.