

Remuneration report

ABN AMRO aims to be a bank at the heart of society that is relevant and responsible now and in the future. We want to create value for society not only as a provider of financial services to our clients but also as an employer. Our strategy goes far beyond purely financial value. We want to create lasting value for all our stakeholders. ABN AMRO's remuneration philosophy and principles apply to all our employees and support them in our goal to nurture a culture of engaged, well-trained and high performing people and processes. The remuneration policy and practices for the Supervisory Board, the Executive Board and other Identified Staff are discussed in greater detail in the subsequent sections of this report.

Overview

As a financial institution, ABN AMRO is subject to many guidelines and restrictions with respect to remuneration. Since 2015, limitations with respect to remuneration and particularly variable remuneration have applied to all employees in the Dutch financial sector, with even more restrictions applying to financial institutions which the Dutch State supports by way of shareholdings. As this is the case for ABN AMRO, the restrictions include a prohibition on bonuses and individual salary increases for a specific group of senior employees.

On 1 December 2019, new legislation following the second Shareholders' Rights Directive entered into force, giving shareholders a stronger position with regard to the remuneration of supervisory board and executive board members, and creating more transparency. ABN AMRO will implement as many of the Directive's requirements into the Boards' remuneration policies as possible, taking into consideration the applicable remuneration restrictions, such as the bonus prohibition and salary freeze for senior employees, which prohibits full implementation.

Remuneration philosophy

ABN AMRO has embedded its long-term corporate strategy and interests as well as its sustainability policies into its remuneration policy and principles. This strategy is based on our purpose ('Banking for better, for generations to come') and the three main strategic pillars which are reflected in our remuneration philosophy:

- ▶ Pillar 1 - Supporting our clients' transition to sustainability;
- ▶ Pillar 2 - Reinvent the customer experience;
- ▶ Pillar 3 - Build a future-proof bank.

Remuneration policy

Responsible remuneration policy

ABN AMRO pursues a responsible remuneration policy that remains within the regulatory boundaries, such as limitations on variable remuneration and the prohibition on bonuses for a specific group of senior employees, while

taking into account the interests of stakeholders and best practices. Our business strategy puts our positive, proactive purpose at the centre of everything we do. This means we are rethinking, innovating and pulling together to move forward with our purpose. Given that we want to support our client's transition to sustainability, reinvent the customer experience and build a future proof bank, we must offer clients flawless experiences. To achieve that, we need well trained, engaged and entrepreneurial employees and flawless processes and technologies. We need to keep our current employees engaged and enable them to develop new skills by investing in employee development. We also need to be able to attract new talent in order to deliver and continue to create value for our stakeholders and society at large.

And we also strive to embed new remuneration regulations effectively and efficiently in our reward policies and principles while safeguarding our license to operate, achieving our ambitions, and keeping our risks and opportunities in balance.

Our remuneration principles are set out in ABN AMRO's Global Reward Policy, which is designed to support the bank's business strategy, objectives, values and long-term interests. Our remuneration policy should enable us to attract and retain the right talent and should ensure that we meet our responsibilities towards clients and other stakeholders, both now and in the future.

Given that our remuneration policy also provides a framework for effectively managing reward and performance across the bank, it is periodically updated in order to remain aligned with our goals and all applicable guidelines and regulations.

The Supervisory Board approves the general remuneration principles laid down in the Global Reward Policy and assesses the general principles and exceptions that relate to the applicable governance and/or internationally applicable guidelines and regulations within the financial sector. The policy is therefore reviewed regularly, taking into account the company's strategy and culture, and any changes in these, as well as factors such as risk awareness, targets and corporate values. The reviews also take into account external requirements with respect to governance, the international context and relevant market practice and data.

Apart from remuneration, we realise that the only way to successfully implement our strategy is to create conditions in which every employee can use his or her talents to contribute to our purposes and to develop or acquire the right skills. We strive to achieve a future-proof workforce by investing in an excellent Employee

Experience and leadership that inspires, alongside efficient organisational structures, processes and IT systems that help our employees work more effectively.

The Global Reward Policy applies at all levels and in all countries of ABN AMRO's international network (including branch offices). Different starting points apply to the various levels of the bank's workforce, but we always position our remuneration levels around the median of the relevant labour market while keeping labour costs under control. A typical remuneration package for ABN AMRO employees consists of an annual base salary, annual variable remuneration if the relevant market practice so requires, benefits and other entitlements. We also have in place specific rules for staff whose professional activities could have a material impact on the bank's risk profile; these individuals are referred to as Identified Staff.

ABN AMRO's Executive Board is subject to a separate remuneration policy, which is in alignment with the policy that was adopted in 2010 for the Managing Board at that time. In 2015, the Executive Board's remuneration policy was aligned with all relevant and applicable guidelines and regulations, including developments and recommendations of the EBA, ECB, DNB, AFM, Banking Code and Corporate Governance Code. The Executive Board's current remuneration policy will be amended to include requirements under new legislation following the Second Shareholders Rights Directive and will be put forward for adoption by the general meeting at the Annual General Meeting of Shareholders in 2020. The new remuneration policy for ABN AMRO's Supervisory Board members will also be put forward for adoption.

Our annual performance management cycle for Identified Staff aims to create links between performance (realistic, sustainable results) and reward in such a way that reward is aligned with both the employee's and the bank's performance. We use a set of balanced financial and non-financial targets, as well as qualitative and quantitative KPIs. For 2019, our group non-financial KPIs consisted of sustainability (based on the Dow Jones Sustainability Index ranking and the AFM/NVB Trust Monitor), employee engagement (via the annual Employee Engagement survey) and house in order (conveying the desired compliance and risk culture). The financial targets used in 2019 at group level were ROE, CET1 ratio and cost/income ratio. Cost ceiling and RAROE are also used at a business line level. There is ample room for setting individual and business-related KPIs, such as individual leadership which includes risk awareness, culture transformation and strategy execution. The table of KPIs for Identified Staff provides more insight into the methodology used.

In line with the general trend toward less hierarchy and more teamwork, ABN AMRO wants to subject employees

to fewer checks, give them more empowerment, and offer them tools that will keep them well equipped for their job and help them deal with the ever-changing environment. Our responsible remuneration policy should enable our employees to further develop their expertise and help us create a simpler, more agile organisation. We strive to make our staff's work more meaningful, while at the same time ensuring their duties are aligned with all the bank's current and future priorities. We use Together & Better performance management to further emphasise our employees' ambitions, expertise and development and seek alignment with our goals, such as creating long-term value for all our stakeholders.

Changes in 2019

On 29 June 2019, ABN AMRO Group N.V. merged into ABN AMRO Bank N.V. and as a result, ABN AMRO Bank N.V. became a listed company. All of the bank's Executive Board members are statutory directors. By law, the contractual relationship between a statutory director and a listed company cannot qualify as an employment agreement. The contractual relationships with the four Executive Board members were therefore amended into service agreements with effect from 29 June 2019.

The Remuneration Report regarding the financial year 2019 has been aligned with the requirements of the Second Shareholders Rights Directive and new legislation where possible. This means that the Remuneration Report aims to be comprehensible, and that it contains an overview of all remuneration awarded or payable to individual Executive Board members in the year 2019. The Remuneration Report will be presented for an advisory vote in the Annual General Meeting of Shareholders in 2020 and will be published on ABN AMRO's website after the Annual General Meeting. The information published in accordance with this paragraph shall be accessible for a period of ten years. If the information disclosed in accordance with this paragraph remains public after expiry of the ten-year period, it shall no longer contain personal data of directors after that period.

Changes expected in 2020

The remuneration policies for the Executive Board and the Supervisory Board from 2020 onwards will be put forward for adoption by the General Meeting of Shareholders in 2020, for which a 75% majority of the votes is required.

As part of ABN AMRO's new collective labour agreement for 2020-2022, it was agreed to change the pension contribution. In order to keep the bank's pension costs predictable, the pension contribution will be fixed at 37% of the pensionable salary for the coming five years. ABN AMRO will cease to pay a variable pension contribution based on actual interest rates. To compensate for the risk transfer, a one-off additional payment of 4% of

pensionable base salary (EUR 30 million) was made into a pension contribution reserve. This payment was accounted for in the last quarter of 2019.

Remuneration principles for the Supervisory Board, Executive Board and other Identified Staff

Supervisory Board remuneration in 2019

The remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders, based on a proposal submitted by the Supervisory Board. ABN AMRO does not grant any variable remuneration or equity to Supervisory Board members in lieu of remuneration. The level of remuneration has not changed since 2010. In November 2019 the former Remuneration, Selection & Nomination Committee was divided into two separate committees, a Remuneration Committee and a Selection & Nomination Committee.

The annual fees for 2019 were as follows:

- ▶ Membership of the Supervisory Board: EUR 50,000 (EUR 65,000 for the Chairman);
- ▶ Membership of the Audit and Risk & Capital Committee: EUR 12,500 (EUR 15,000 for the Chairman);
- ▶ Membership of the Remuneration Committee: EUR 10,000 (EUR 12,500 for the Chairman);
- ▶ Membership of the Selection & Nomination Committee: EUR 10,000 (EUR 12,500 for the Chairman).

The remuneration for Supervisory Board committee membership is limited to two such memberships.

Supervisory Board members are appointed by the General Meeting upon nomination by the Supervisory Board. The initial appointment period is 4 years and Supervisory Board members can be re-appointed twice.

Remuneration for the individual Supervisory Board members

(In thousands)	2019 ^a	2018 ^a
T. de Swaan ¹	90	42
S. ten Have ²	19	67
A.C. Dorland	75	75
L.J. Griffith ³	3	
M.P. Lap ⁴	50	
F.J. Leeftang ⁵	23	73
J.M. Roobeek ⁶	70	73
J.B.J. Stegmann	78	78
A.M. Storåkers ⁷	43	
J.S.T. Tiemstra	78	78
O.L. Zoutendijk ⁸		39
Total	529	525

¹ T. de Swaan was appointed as Chairman of the Supervisory Board with effect from 12 July 2018.

² S. ten Have stepped down as member of the Supervisory Board with effect from 24 April 2019.

³ L.J. Griffith was appointed as member of the Supervisory Board with effect from 17 December 2019.

⁴ M.P. Lap was appointed as member of the Supervisory Board with effect from 24 April 2019.

⁵ F.J. Leeftang stepped down as a member from the Supervisory Board with effect from 24 April 2019.

⁶ J.M. Roobeek stepped down as member of the Supervisory Board with effect from 17 December 2019.

⁷ A.M. Storåkers was appointed as member of the Supervisory Board with effect from 24 April 2019.

⁸ O.L. Zoutendijk stepped down as Chairman of the Supervisory Board with effect from 5 February 2018 and as member of the Supervisory Board with effect from 1 July 2018.

⁹ Remuneration amounts excluding VAT.

Loans from ABN AMRO to Supervisory Board members

(In thousands)	2019			2018		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
T. de Swaan ¹	1,407		2.8%	1,407		2.8%
L.J. Griffith ²	522		1.8%			
J.B.J. Stegmann	500	400	0.1%	900		0.1%
J.M. Roobeek ³	1,600		3.0%	1,600	100	3.0%
S. ten Have ⁴					564	

¹ T. de Swaan was appointed as Chairman of the Supervisory Board with effect from 12 July 2018.

² L.J. Griffith was appointed as member of the Supervisory Board with effect from 17 December 2019.

³ J.M. Roobeek stepped down as member of the Supervisory Board with effect from 17 December 2019.

⁴ S. ten Have stepped down as member of the Supervisory Board with effect from 24 April 2019.

Executive Board remuneration in 2019

The Supervisory Board is responsible for proposing the remuneration policy and principles for the Executive Board and also executes the policy for the Executive Board. The policy and principles are subject to shareholder approval. The fixed remuneration for the Chairman and the three members of ABN AMRO's Executive Board, all statutory directors, has been set at a level slightly below that of the former CEO and Managing Board members. The Executive Board members' views were not taken into account in the design of the remuneration policy, given the remuneration restrictions that apply as long as the Dutch State provides support through a shareholding.

In the case of the former Managing Board, ABN AMRO always aimed for a level of compensation slightly below the median of the relevant markets, while using a peer group of companies. This peer group consisted of both financial and non-financial companies in the Netherlands and Europe, against which the remuneration proposals for the former

Managing Board were assessed. In recent years, however, the large number of changes occurring in the banking industry in the Netherlands made it difficult to properly assess board-level remuneration packages, as such changes did not necessarily affect companies in the general industry or the financial industry outside the Netherlands. In 2019, a benchmark comparison was undertaken in order to compare the remuneration of the Executive Board members with relevant markets. The main observation was that ABN AMRO is positioned below median market levels for both base salary and overall direct compensation (i.e. fixed and variable remuneration). The fixed remuneration for members of ABN AMRO's Executive Committee that has applied since 1 March 2017 is based on the Executive Board members' salaries and reflects the various responsibilities of the Executive Committee members.

Details of the remuneration of the individual members of the Executive Committee are provided in Note 37 to the Consolidated Annual Financial Statements.

Remuneration for the individual Executive Board members

	2019						
	Base salary	Compensation for lease car expenses	Benefits from mortgage interest rate	Variable remuneration ⁶	Total pension related contributions ⁷	Severance payments	Total ⁸
					Post employee pension (7a)	Short-term allowances (7b)	
(In thousands)							
C. van Dijkhuizen ¹	741				38	222	1,001
C.J. Abrahams ²	629				38	183	850
C.M. Bornfeld ³	629				38	183	850
T.J.A.M. Cuppen ⁴	629				38	183	850
Total	2,628				152	771	3,551
2018							
C. van Dijkhuizen	723				37	210	970
C.J. Abrahams ²	614				37	173	824
C.M. Bornfeld ³	512				31	144	687
T.J.A.M. Cuppen ⁴	614				37	173	824
J. van Hall ⁵	456		1		25	147	786
Total	2,919		1		167	847	4,091

¹ The Executive Board membership for C. van Dijkhuizen will end on 22 April 2020. The labour agreement of C. van Dijkhuizen will end on 31 October 2020. C. van Dijkhuizen will be awarded a severance payment of three months' gross fixed salary (EUR 189,995) on his departure as per 31 October 2020.

² C. Abrahams receives a compensation for housing costs (2019: EUR 94 thousand; 2018: EUR 94 thousand) and flight tickets (2019: EUR 13 thousand; 2018: EUR 28 thousand) to his home country which is not included in the base salary.

³ C.M. Bornfeld joined the Executive Board with effect from 1 March 2018 and receives a compensation for housing costs (2019: EUR 132 thousand; 2018: EUR 121 thousand) and flight tickets (2019: EUR 38 thousand of which EUR 25 thousand for previous year; 2018: nil) to his home country which is not included in the base salary.

⁴ In addition to remuneration T.J.A.M. Cuppen received a benefit of EUR 3 thousand for the personal use of the company car in 2019 and 2018.

⁵ The Executive Board membership for J. van Hall ended on 1 March 2018. As J. van Hall's employment agreement ended on 1 September 2018, his remuneration relates to the period up to 1 September 2018. The severance payment was awarded in 2018.

⁶ As a consequence of the Bonus Prohibition Act, the Executive Board members are not entitled to receive variable compensation. This prohibition has applied since the performance year 2011.

⁷ The Executive Board members participate in ABN AMRO Bank's pension plans for employees in the Netherlands. This participation is not mandatory for Mr C. Abrahams considering his current non-Dutch tax resident status. Total pension related contributions refer to (7a) the employer contribution to the pension fund (for the CDC pension scheme for pensionable income up to EUR 107,593 (2018: EUR 105,075) and (7b) the arrangement in accordance with the ABN AMRO Collective Labour Agreement ('ABN AMRO CAO').

⁸ In addition to remuneration, Executive Board members are eligible for benefits such as the use of a company car. Only T.J.A.M. Cuppen uses this car for private purposes. Members of the Executive Board may receive compensation for Dutch language classes, private schools for their children and home security.

Loans from ABN AMRO to Executive Board members

(In thousands)	2019			2018		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
J. van Hall ¹				69		3.5%

¹ Executive Board Membership for J. van Hall ended on 1 March 2018.

Annual fixed remuneration for 2019

The annual base salary for the Executive Board members follows developments in the collective labour agreement for the banking industry (CAO Banken). In February 2019, an agreement was reached for the years 2019-2020, providing for two collective salary increases of 2.5% each with effect from 1 January 2019 and 1 January 2020 respectively.

The three members of the Executive Board each earn the same salary, which for 2019 amounted to EUR 629,427 gross per annum. The differential between the salary of the Chairman of the Executive Board, Mr Kees van Dijkhuizen, and the other members is 15%. His salary for 2019 amounted to EUR 741,442 gross per annum.

The Chairman of the Executive Board's salary for 2020 will be EUR 759,978 gross, while the members of the Executive Board will each receive an annual salary of EUR 645,163 gross.

Variable remuneration

The remuneration package for members of the Executive Board provides for a variable compensation component. However, the prohibition on bonuses, which became effective in 2011 and was incorporated into Article 1:128 of the Financial Supervision Act on 7 February 2015, does not allow payment of such compensation to board members of financial institutions falling under the scope of the Financial Supervision Act during the period the Dutch State provides support through a shareholding in the institution. The members of the Executive Board are therefore not entitled to receive variable remuneration during the period of state ownership. As this continued to be the case in the 2019 performance year, Executive Board members consequently did not participate in the variable compensation plan applying to all Identified Staff within ABN AMRO.

Benefits

The Chairman and members of the Executive Board participate in ABN AMRO's pension schemes applicable to all employees in the Netherlands, whereby it should be noted that Mr Clifford Abrahams is not a Dutch tax resident. For pensionable salary up to the applicable threshold, which for 2019 amounted to EUR 107,593, a collective defined contribution (CDC) pension scheme applies. The standard retirement age is aligned to the date on which the Executive Board members will be eligible for Dutch State old-age pension (AOW), while the average pension accrual is 1.875% and the employee pension contribution is 5.5%. For pensionable salary in excess of EUR 107,593, employees receive an allowance that can be used to build up a net pension in a defined contribution (DC) plan. The allowance amounted to 35% in 2019 and is reset annually, based on the year-end interest rate in the preceding calendar year. In addition to pension benefits, Executive Board members are eligible for benefits such as a company car and a chauffeur.

Severance

The remuneration policy for Executive Board members provides for a severance payment up to a maximum of one year's gross salary in the event their employment contract is terminated at ABN AMRO's initiative. The current Executive Board members all have the same contractual right to a severance payment equal to three months' gross fixed salary. Mr van Dijkhuizen will be awarded a severance payment equivalent to three months' gross fixed salary upon his departure in 2020.

Contractual Relation and Appointment period

The appointment term for Executive Board members is, in principle, set at four years. Mr van Dijkhuizen was appointed CEO and Chairman on 1 January 2017. Mr Clifford Abrahams was appointed an Executive Board member and CFO on 1 September 2017 and has acted as Vice-Chairman since 1 March 2018. Ms Tanja Cuppen was appointed an Executive Board member on 1 October 2017 and became CRO on 1 November 2017. Mr Christian Bornfeld was appointed an Executive Board member and CI&TO on 1 March 2018. The appointment terms for all current Executive Board members have been contractually agreed to be three years, with the appointment ending at the closing of the first Annual General Meeting held after three years have passed since their appointment date. Reappointment is possible.

All Executive Board members have a services agreement with ABN AMRO which stipulates the contractual relationship between ABN AMRO and the Executive Board member. The agreement commences at the time of the Executive Board member's first appointment and is concluded for an unlimited period of time. The Executive Board member may terminate the agreement subject to a notice period of three months, whereas ABN AMRO must observe a notice period of six months. In principle and to the extent possible, ABN AMRO shall, six months prior to the expiration of the appointment period, explore and discuss with the Executive Board member the intentions with regard to renewal of the member's appointment. The services agreement can be terminated by ABN AMRO immediately and without observing a notice period in the event of an urgent cause as stipulated in Sections 7:678

and 7:669 of the Dutch Civil Code. If the Executive Board member passes away or reaches the old-age pension (AOW) retirement age, the services agreement automatically terminates by operation of law.

Executive Board 2019 performance

The Supervisory Board assessed the Executive Board members' performance and concluded that the performance targets set for 2019 were met. The performance outcome is based on a set of financial and non-financial performance indicators as well as individual leadership as set out in the table below. Owing to the applicable prohibition on bonuses, the members of the Executive Board are not eligible for variable remuneration linked to their performance during 2019.

(in thousands)	Variable plan	Level	Type ^{1,2}	Weight	2019 Actual award outcome
Name (position)					
C. van Dijkhuizen (CEO)	VCP ABN AMRO	Organisation	Financial	30%	
			Non-financial	30%	
		Business line	Financial	n.a.	
			Non-financial	n.a.	
		Individual	Non-financial	40%	
Total				100%	
C.J. Abrahams (CFO)	VCP ABN AMRO	Organisation	Financial	30%	
			Non-financial	20%	
		Business line	Financial	n.a.	
			Non-financial	10%	
		Individual	Non-financial	40%	
Total				100%	
T.J.A.M. Cuppen (CRO)	VCP ABN AMRO	Organisation	Financial	10%	
			Non-financial	20%	
		Business line	Financial	10%	
			Non-financial	20%	
		Individual	Non-financial	40%	
Total				100%	
C.M. Bornfeld (CI & TO)	VCP ABN AMRO	Organisation	Financial	10%	
			Non-financial	20%	
		Business line	Financial	10%	
			Non-financial	20%	
		Individual	Non-financial	40%	
Total				100%	

¹ Financial KPIs include Return on Equity, cost ceiling/cost income ratio, RAROE and CET1 ratio.

² Non-financial KPIs include sustainability, Net Promoter Score, Employee Engagement and House in order.

Annual remuneration development Executive Board members

The table below shows the development of the annual remuneration development of Executive Board members. The table shows how changes in annual remuneration relate to last year, to the performance of the bank and

the development of average employee remuneration. The column absolute change shows the difference in the indicator over two periods in time, while the relative column shows the increase or decrease as a percentage.

Development of annual remuneration (in thousands)	Function	2014 - 2015		2015 - 2016		2016 - 2017		2017 - 2018		2018 - 2019		Reporting year
		Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	2019
ExBo												
C. van Dijkhuizen ¹	CEO					976	n.a.	-6	-1%	31	3%	1,001
C. van Dijkhuizen	CFO	7	1%	26	3%	-825	n.a.					
G. Zalm ²	CEO	-12	-1%	34	3%	-991	n.a.	-93	n.a.			
C.J. Abrahams ³	CFO					277	n.a.	547	n.a.	26	3%	850
T.J.A.M. Cuppen ⁴	CRO					207	n.a.	617	n.a.	26	3%	850
W. Reehoorn ⁵	CRO	36	4%	27	3%	663	n.a.	-1,530	n.a.			
C.M. Bornfeld ⁶	CI&TO							687	n.a.	163	n.a.	850
J. van Hall ⁷	COO	38	5%	27	3%	26	3%	-107	n.a.	-786	n.a.	
C.E. Princen ⁸	PR&I	12	1%	664	n.a.	-1,504	n.a.					
C.F.H.H. Vogelzang ⁹	R&PB	34	4%	27	3%	-224	n.a.	-643	n.a.			
J.G. Wijn ¹⁰	CB	9	1%	27	3%	-569	n.a.	-298	n.a.			
Company performance												
(underlying) Profit		373	24%	152	8%	715	34%	-441	-16%	-304	-13%	2,046
(underlying) Cost/Income ratio		1.6%	3%	4.1%	7%	-5.8%	-9%	-1.3%	-2%	2.4%	4%	61.2%
(underlying) Return on Equity		1.1%	10%	-0.2%	-2%	2.7%	23%	-3.1%	-21%	-1.4%	-12%	10.0%
Average employee remuneration												
		-9	-9%	2	2%	3	3%	3	3%	3	3%	104

¹ C. van Dijkhuizen succeeded G. Zalm as CEO as of 1 January 2017.

² The Managing Board membership for G. Zalm ended on 1 January 2017. G. Zalm's employment agreement ended on 1 February 2017.

³ C.J. Abrahams joined the Executive Board on 1 September 2017.

⁴ T.J.A.M. Cuppen joined the Executive Board on 1 October 2017.

⁵ The Executive Board membership for W. Reehoorn ended on 1 November 2017. As W. Reehoorn's employment agreement ended on 1 July 2018, his remuneration relates to the period up to 1 July 2018. The severance payment was awarded in 2017.

⁶ C.M. Bornfeld joined the Executive Board on 1 March 2018.

⁷ The Executive Board membership for J. van Hall ended on 1 March 2018. As J. van Hall's employment agreement ended on 1 September 2018, his remuneration relates to the period up to 1 September 2018. The severance payment was awarded in 2018.

⁸ The Managing Board membership for C.E. Princen ended on 1 January 2017. The labour agreement of C.E. Princen ended on 1 July 2017. Remuneration in 2016 includes the period up to 1 July 2017. The severance payment was awarded in 2016.

⁹ C.F.H.H. Vogelzang stepped down as Managing Board member on 6 February 2017. The employment agreement of C.F.H.H. Vogelzang ended on 1 September 2017.

¹⁰ J.G. Wijn stepped down as Managing Board member on 18 January 2017. The employment agreement of J.G. Wijn ended on 1 May 2017.

Identified Staff remuneration

Remuneration restrictions apply not only to the Executive Board, but also to staff whose professional activities could have a material impact on the bank's risk profile ('Identified Staff'). Within ABN AMRO, the group of Identified Staff consists of:

- ▶ Members of the Executive and Supervisory Boards;
- ▶ Members of the Executive Committee, not being member of the Executive Board;
- ▶ Members who fulfil an Executive Committee 1 or 2 position at above-CLA level;
- ▶ Staff responsible for independent control functions;
- ▶ Other risk takers. The definition of the group of other risk takers follows from their impact on the economic capital of ABN AMRO (EC threshold), membership of certain risk committees, having credit authority above a certain threshold and fulfilling specific roles;

- ▶ Other employees whose total remuneration puts them in the same remuneration bracket as senior managers and risk takers.

Composition of remuneration packages

In general, the remuneration packages for Identified Staff have been structured in accordance with regulations and restrictions applying to the financial sector. A typical remuneration package for Identified Staff consists of the following components:

- ▶ Annual base salary;
- ▶ Annual variable remuneration (with deferred payout in alignment with ABN AMRO's variable compensation plan);
- ▶ Benefits and other entitlements.

ABN AMRO strives to position the overall level of direct compensation for Executive Committee members and Executive Committee 1 and 2 positions just below the market median levels. In alignment with the Act on the Remuneration Policy for Financial Undertakings (Wbfo), which came into force in 2015, the variable compensation for this group of employees is capped at 20% of base salary for those employed in the Netherlands. In addition and also with effect from 2015, all other remuneration restrictions, including the prohibition on bonuses, were extended to a specific group of senior employees as defined in the Wbfo. These senior employees, comprising Executive Committee members who are not at the same time statutory directors, are therefore not allowed to be granted any variable remuneration until the Dutch State no longer holds an interest in ABN AMRO.

ABN AMRO's collective labour agreement (CLA) governs the remuneration packages for Identified Staff based in the Netherlands unless they have been appointed to a position not governed by the CLA, such as the Executive Committee 1 and Executive Committee 2 groups of employees. For Identified Staff based outside the Netherlands, ABN AMRO takes into account relevant business dynamics (e.g. market conditions, local labour

and tax legislation) when deciding on the composition of their reward packages. For the latter two categories of employees, the overall direct compensation is aimed to be positioned around the median levels in the relevant market. The maximum variable compensation percentage for employees working outside the Netherlands in another European Economic Area ('EEA') state is 100%; for employees working outside the EEA more than 100% is allowed, with a maximum of 200% and subject to shareholder approval. These percentages are in line with the international market environment in which we operate.

Until 14 December 2018, special plans were in place for certain key investment professionals within Private Equity. These professionals were able to participate in private equity funds for which separate performance-related incentives ('carried interest') had been agreed upon. Due to the sale of the Private Equity business in 2018, the carried interest schemes no longer exist at ABN AMRO.

Performance is measured over a one-year performance period at three levels: group, business unit and individual level, and by means of (partly) risk-adjusted financial and non-financial performance indicators.

Performance indicators for Identified Staff

	Weighting Executive Board ⁵	Weighting Executive Committee	Weighting above CLA identified staff	Weighting CLA identified staff
Organisation level KPIs	30-60%	20-30%	20%	10%
Businessline level KPIs	0-30%	30-50%	40-50%	15%
Individual KPI ¹	40%	30-40%	30-40%	75%
Total	100%	100%	100%	100%
- of which financial ^{2,3}	20-30%	20-30%	15-30%	0-50%
- of which non-financial ^{3,4}	70-80%	70-80%	70-85%	50-100%

¹ Individual KPI: For employees above CLA the individual KPI refers to leadership.

² Financial KPIs include Return on Equity, cost ceiling/cost income ratio, RAROE and CET1 ratio.

³ Non-financial KPIs include sustainability, Net Promoter Score, Employee Engagement and House in order.

⁴ Mix and weighting of KPIs tailored to specific function of the identified staff member.

⁵ The CEO only has KPIs on Individual and Organisation level.

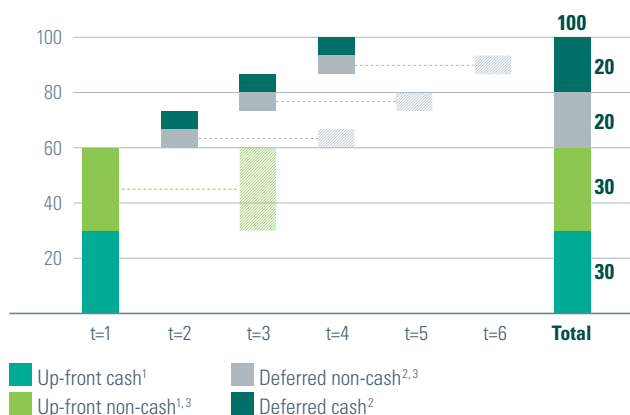
Variable remuneration for Identified Staff

All variable remuneration awards for Identified Staff are subject to and structured in accordance with ABN AMRO's variable compensation plan. Before any variable remuneration is granted, ABN AMRO applies an ex-ante risk assessment consisting of collective quantitative risk adjustment mechanisms (such as the solvency check) and a qualitative individual check (the gatekeeper). The gatekeeper procedure is part of the performance management framework and provides for an assessment of each individual Identified Staff member by the control functions (Risk, Compliance and Audit) on the basis of several behavioural elements.

This assessment results in advice to the Executive Board, which ultimately decides on whether variable compensation can indeed be granted to the Identified Staff member concerned. The Executive Board's decision must be formally approved by the Supervisory Board, based on the advice of the Remuneration Committee. The variable remuneration is awarded over time and split between an up-front portion (60%) and a deferred portion (40%), with all portions divided equally between a cash and a non-cash instrument, as shown in the following chart.

Variable remuneration

(in %)



¹ The up-front payment (60% in total) is awarded in March following the relevant performance year.

² The deferred award (40% in total) vests in three separate tranches respectively 1, 2 and 3 years after the end of the relevant performance year.

³ All non-cash awards are subject to a two-year retention period.

Once the variable compensation amounts have been awarded, they are divided into cash and non-cash parts, and upfront and deferred parts. Up-front variable remuneration is awarded in the first quarter of the year following the relevant performance year, while deferred variable remuneration vests in equal instalments in the three years following the first payment. This remuneration vests only after an explicit ex-post risk assessment: the 'malus assessment'.

The Supervisory Board approved the new variable compensation plan, which was updated to reflect changes in the non-cash instrument, on 14 May 2019. Since the awards reflecting the 2016 performance year, the instrument underlying the non-cash award has consisted of an award in the form of a depositary receipt (DR) award, which is a conditional right to receive DRs. One DR represents one share in ABN AMRO. The number of DRs to be awarded is calculated on the basis of the fair market value, which is equivalent to the average of the closing prices of the DRs as reported on the composite tape for securities at Euronext for the period of five trading days preceding the award date, which would normally be the first Thursday of March. The value therefore fluctuates in line with the market price of the DRs and its use will result in an increased alignment between remuneration and shareholder value for all employees participating in the variable compensation plan.

Variable income awards with respect to the performance years up to and including 2015 will continue to use performance certificates, the value of which fluctuates in line with the net asset value of ABN AMRO.

A two-year retention period applies to the non-cash instruments. Any unconditional instrument will therefore need to be retained for a further two years.

The malus assessment is conducted by the Risk, Compliance, HR, Finance and Audit control functions, and any outcome is subject to approval by the Executive Board and Supervisory Board. The assessment includes determining whether any new information is available that prevents the vesting of deferred remuneration.

This could include:

- ▶ Evidence of misconduct or serious error by the staff member (e.g. breach of a code of conduct or other internal rules, especially concerning risks);
- ▶ The institution or the business unit subsequently suffers a significant downturn in its financial performance (specific indicators must be used);
- ▶ The institution or the business unit in which the Identified Staff member works suffers a significant failure of risk management;
- ▶ Significant changes in the institution's economic or regulatory capital base.

The Supervisory Board decided that, based on the reassessment performed by the control functions, there was no reason to apply a collective malus with respect to the vesting of:

- ▶ The first tranche of deferred variable compensation for the 2018 performance period;
- ▶ The second tranche of deferred variable compensation for the 2017 performance period;
- ▶ The third tranche of deferred variable compensation for the 2016 performance period.

The Supervisory Board decided in six individual cases to apply a malus with respect to the vesting of any remaining deferred variable compensation for the 2016 and 2017 performance period, which affects two employees for a total outstanding amount of EUR 26 thousand.

The other deferred variable compensation awards with respect to the above three performance years will now be granted to the relevant Identified Staff members in line with the rules of the bank's variable compensation plan.

The Supervisory Board has the discretionary power to reduce any variable compensation to a suitable amount if, in its opinion, payment of the compensation would be unacceptable under the principle of reasonableness and fairness. The Supervisory Board is also authorised to reclaim any variable remuneration for any performance period if the award, calculation or payment was based on incorrect data or if, in hindsight, the performance conditions were not achieved. The recipient will then be required to repay the relevant amount to the bank.

Lastly, personal hedging or insurance linked to remuneration and liability in order to circumvent the risk control effects that have been embedded in the bank's variable compensation plan is not permitted.

Details of remuneration

Remuneration comprises fixed and variable compensation, employer pension contributions, sign-on, and retention and severance pay for 2019.

Remuneration details of Identified Staff

	2019		2018	
	Number of FTEs (Identified Staff) ²	Aggregated remuneration (in thousands)	Number of FTEs (Identified Staff) ²	Aggregated remuneration (in thousands)
Retail Banking	29	7,790	32	9,203
Commercial Banking	38	9,809	48	12,316
Private Banking	37	12,426	40	15,848
Corporate & Institutional Banking	93	36,838	108	41,982
Group Functions ¹	158	40,890	143	42,271
Total	355	107,753	371	121,619

¹ Executive and Supervisory Board members are reported under Group Functions.

² The number of FTEs includes all employees that were Identified Staff during the year (including leavers).

	Number of FTEs (identified staff)		Aggregated remuneration (in thousands)
	ExBo, ExCo, ExCo1 and ExCo2	Other	
Fixed remuneration over 2019	145	210	98,810
Variable remuneration over 2019 ¹	88	96	8,943
- of which in cash			2,686
- of which in non-cash instruments ²			2,682
- of which unconditional (up-front payment)			5,368
- of which conditional (deferred payment)			3,575
Retention payments over 2019	2		53
Sign on payments over 2019	1	2	360
Severance payments over 2019 ³	9	1	2,811

¹ Certain variable compensation elements are, due to their specific nature, paid out in cash and are not or only partially subject to deferral.

² The non-cash instruments are performance certificates and as from 2016 depository receipts.

³ Highest severance pay amounted EUR 436 thousand.

As at the end of 2019 the following non-cash awards exist, reflecting the performance years 2016-2018 and every depository receipt representing its fair value in alignment with the ABN AMRO Variable Compensation Plan.

(In thousands of DRs)	31 December 2019
Outstanding at 1 January	
Granted on approval date	701
Granted during the year	295
Forfeited during the year	12
Paid out during the year cash	224
Paid out during the year DRs	9
Less: total paid out/forfeited	-245
Outstanding at end of period	751

Remuneration details of all employees

(in FTE)	Remuneration in millions ²							
	1-1.5	1.5-2	2-2.5	2.5-3	3-3.5	3.5-4	4-4.5	>4.5
Retail Banking								
Commercial Banking								
Private Banking								
Corporate & Institutional Banking								
Group Functions ¹	1							

¹ Executive and Supervisory Board members are reported under Group Functions.

² Remuneration reflects the amounts paid in the financial year as per EBA requirement, as opposed to the remuneration disclosure in the tables Remuneration of Executive Board and Supervisory Board which represents the remuneration allocated to the financial year in accordance with EU IFRS.

The variable remuneration awarded to all employees including Identified Staff for 2019 amounted to EUR 9 million.

(in FTE)	Remuneration in millions ¹							
	1-1.5	1.5-2	2-2.5	2.5-3	3-3.5	3.5-4	4-4.5	>4.5
Executive Board / Executive Committee	1							
Executive Committee -1 and -2 above CLA								
Other Identified Staff								

¹ Remuneration reflects the amounts paid in the financial year as per EBA requirement, as opposed to the remuneration disclosure in the tables Remuneration of Executive Board and Supervisory Board which represents the remuneration allocated to the financial year in accordance with EU IFRS.

The ratio of the mean annual employee compensation and the total annual remuneration of the CEO was 9.6 in 2019, the same as in 2018. The ratio is equivalent to the CEO's remuneration, including pension costs, divided by the mean employee remuneration and pension costs for the average number of employees during 2019. This ratio is considered to be a fair reflection of ABN AMRO's current position. The ratios published in 2016, 2017 and 2018 were 11.4 and 10 and 9.6 respectively.