

**ABN AMRO Bank N.V.**

# **Abbreviations and definitions of important terms 2022**

# Abbreviations

This document contains a list of important and commonly used abbreviations presented in the Corporate reporting 2022 of ABN AMRO Bank N.V. (this list is not exhaustive).

Term	Definition
<b>ABU</b>	Algemene Bond Uitzendondernemingen (Federation of Private Employment Agencies)
<b>AEX</b>	Amsterdam Exchange Index
<b>AFM</b>	Autoriteit Financiële Markten (Netherlands Authority for the Financial Markets)
<b>AGM</b>	Annual General Meeting
<b>AI</b>	Artificial intelligence
<b>ALM</b>	Asset & Liability Management
<b>AMA</b>	Advanced Measurement Approach
<b>AML</b>	Anti-Money Laundering
<b>AMX</b>	Amsterdam Midcap Index
<b>API</b>	Application programming interface
<b>AT1</b>	Additional Tier 1
<b>ATM</b>	Automatic teller machine
<b>A-IRB</b>	Advanced Internal Ratings-Based
<b>bps</b>	Basis points
<b>BRRD</b>	Bank Recovery and Resolution Directive
<b>CASY</b>	Client Assessment on Sustainability
<b>CB</b>	Commercial Banking
<b>CBS</b>	Centraal Bureau voor de Statistiek (Statistics Netherlands)
<b>CCO</b>	Chief Commercial Officer
<b>CCP</b>	Central Clearing Counterparty
<b>CCR</b>	Counterparty Credit Risk
<b>CDC</b>	Collective Defined Contribution
<b>CDD</b>	Customer Due Diligence
<b>CDR</b>	Commission Delegated Regulation
<b>CDS</b>	Credit Default Swap
<b>CDSB</b>	Climate Disclosure Standards Board
<b>CP/CD</b>	Commercial paper/ Certificates of Deposit
<b>CEM</b>	Current exposure method
<b>CEO</b>	Chief Executive Officer
<b>CER</b>	Climate-related and environmental risks
<b>CET1</b>	Common Equity Tier 1
<b>CFO</b>	Chief Financial Officer
<b>CHRO</b>	Chief Human Resources Officer

Term	Definition
<b>CI&amp;TO</b>	Chief Innovation & Technology Officer
<b>CIB</b>	Corporate & Institutional Banking
<b>CLA</b>	Collective Labour Agreement
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CoR</b>	Cost of Risk
<b>CRD</b>	(the EU's) Capital Requirements Directive
<b>CRE</b>	Commercial real estate
<b>CRO</b>	Chief Risk Officer
<b>CRR</b>	Capital Requirements Regulation
<b>CRS</b>	(European) Common Reporting Standard
<b>CSA</b>	Credit Support Annexes
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>CTF</b>	Counter-Terrorism Financing
<b>CVA</b>	Credit Valuation Adjustment
<b>DDoS</b>	Distributed Denial of Service
<b>DAC6</b>	Directive on Administrative Cooperation 6
<b>DFC</b>	Detecting Financial Crime
<b>DJSI</b>	Dow Jones Sustainability Index
<b>DLT</b>	Distributed Ledger Technology
<b>DNSH</b>	Do no significant harm
<b>DNB</b>	De Nederlandsche Bank N.V. (Dutch central bank)
<b>DoD</b>	Definition of Default
<b>DPPS</b>	Dutch Public Prosecutor Services
<b>DR</b>	Depository receipt
<b>DVA</b>	Debit Valuation Adjustment
<b>EAD</b>	Exposure At Default
<b>EBA</b>	European Banking Authority
<b>EC</b>	Economic Capital
<b>ECB</b>	European Central Bank
<b>ECL</b>	Expected credit loss
<b>EDTF</b>	Enhanced Disclosure Task Force
<b>E&amp;E</b>	Entrepreneur & Enterprise
<b>EEA</b>	European Economic Area
<b>EES</b>	Employee Engagement Survey

Term	Definition
<b>eNPS</b>	Employee Net Promoter Score
<b>ERM</b>	Enterprise risk management
<b>ESEF</b>	European Single Electronic reporting Format
<b>ESG</b>	Environmental, social and governmental
<b>ESRS</b>	European Sustainability Reporting Standards
<b>EU</b>	European Union
<b>EUR</b>	euro
<b>ExBo</b>	Executive Board
<b>ExCo</b>	Executive Committee
<b>FACTA</b>	US Foreign Account Tax Compliance Act
<b>FBEE</b>	Independent Foundation for Banking Ethics Enforcement
<b>FIU</b>	Financial Intelligence Unit
<b>FR&amp;R</b>	Financial Restructuring & Recovery
<b>FTE</b>	Full-Time Equivalent (a measurement of number of staff)
<b>FVA</b>	Funding Valuation Adjustment
<b>FVOCI</b>	Fair Value through Other Comprehensive Income
<b>FTPL</b>	Fair Value Through Profit or Loss
<b>FX</b>	Foreign exchange
<b>GAR</b>	Green Asset Ratio
<b>GDP</b>	Gross domestic product
<b>GDPR</b>	General Data Protection Regulation
<b>GF</b>	Group Functions
<b>GFS</b>	Global financial services
<b>GHG</b>	Greenhouse gas emissions
<b>GwH</b>	Gigawatt hour
<b>HR</b>	Human Resources
<b>&lt;IR&gt;</b>	Integrated reporting
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>IBOR</b>	Interbank Offered Rates
<b>ICAAP</b>	Internal Capital Adequacy Assessment Process
<b>ICS</b>	International Card Services B.V.
<b>IFRS</b>	International Financial Reporting Standards
<b>IIRC</b>	International Integrated Reporting Council
<b>ILO</b>	International Labour Organisation
<b>ILAAP</b>	Internal Liquidity Adequacy Assessment Process
<b>IMF</b>	International Monetary Fund
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPO</b>	Initial Public Offering
<b>IR</b>	Integrated Reporting

Term	Definition
<b>IRB</b>	Internal Ratings-Based (approach)
<b>IRC</b>	Incremental risk charge
<b>ISSB</b>	International Sustainability Standards Board
<b>IT</b>	Information technology
<b>KPI</b>	Key Performance Indicator
<b>KRI</b>	Key risk indicator
<b>KYC</b>	Know Your Client
<b>LCR</b>	Liquidity Coverage Ratio
<b>LED</b>	Light-emitting diode
<b>LGD</b>	Loss Given Default
<b>lhs</b>	Left hand side
<b>LLP</b>	Limited Liability Partnership
<b>LPD</b>	Lifetime Probability of Default
<b>LtD ratio</b>	Loan-to-Deposit (ratio)
<b>LtMV</b>	Loan-to-Market-Value
<b>M&amp;A</b>	Mergers and acquisitions
<b>MCS</b>	Management Control Statement
<b>MDA</b>	Maximum Distributable Amount
<b>M-MDA</b>	Maximum Distributable Amount related to MREL
<b>MEV</b>	Macroeconomic variable
<b>MiFID II</b>	Markets in Financial Instruments Directive II
<b>MREL</b>	Minimum Requirements for own funds and Eligible Liabilities
<b>NACE</b>	Nomenclature of Economic Activities
<b>NAV</b>	Net Asset Value
<b>NBBU</b>	Dutch Association of Intermediary Organisations and Temporary Employment Agencies
<b>NCTO</b>	New Client Take On
<b>NCV</b>	Net Collateral Value
<b>NFR</b>	Non-financial risk
<b>NFRD</b>	Non-Financial Reporting Directive
<b>NFT</b>	Non-fungible token
<b>NGO</b>	Non-Governmental Organisation
<b>NHG</b>	Nationale Hypotheek Garantie (Dutch State-guaranteed mortgages)
<b>NII</b>	Net Interest Income
<b>NIM</b>	Net Interest Margin
<b>NLFI</b>	Netherlands Financial Investments
<b>NMD</b>	Non-maturing deposits
<b>NOW-1</b>	Noodmaatregel Overbrugging voor Werkgelegenheid 1 (NL Paycheck protection programme)
<b>NPE</b>	Non-Performing Exposures

Term	Definition
<b>NPPS</b>	Netherlands Public Prosecutor Services
<b>NPS</b>	Net Promoter Score
<b>NSFR</b>	Net Stable Funding Ratio
<b>NVB</b>	Nederlandse Vereniging van Banken (Dutch Banking Association)
<b>NZBA</b>	Net Zero Banking Alliance
<b>OCI</b>	Other comprehensive income
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OTC</b>	Over-The-Counter
<b>P&amp;BB</b>	Personal & Business Banking
<b>P&amp;L</b>	Profit & loss
<b>PaaS</b>	Platform-as-a-Service
<b>PBAF</b>	Platform Biodiversity Accounting Financials
<b>PC</b>	Performance Certificates
<b>PCAF</b>	Platform Carbon Accounting Financials
<b>PCC</b>	Personal Communication Channel
<b>PD</b>	Probability of Default
<b>POCI</b>	Purchased or originated credit-impaired
<b>PRIIPS</b>	Packaged Retail and Insurance-based Investment Products
<b>PSD 2</b>	Payment Services Directive 2
<b>PV01</b>	Present Value of 1 basis point
<b>R&amp;CC</b>	Risk & Capital Committee
<b>RAROE</b>	Risk-Adjusted Return On Equity
<b>RARORAC</b>	Risk-Adjusted Return On Risk-Adjusted Capital
<b>rhs</b>	Right hand side
<b>RMBS</b>	Residential Mortgages-Backed Securities
<b>rNPS</b>	Relational Net Promoter Score
<b>ROE</b>	Return on Equity
<b>ROU</b>	Right of use
<b>RRE</b>	Residential real estate
<b>RWA</b>	Risk-Weighted Assets
<b>SA</b>	Standardised Approach
<b>SaaS</b>	Software-as-a-service
<b>SA-CCR</b>	Standardised approach for measuring counterparty credit risk
<b>SAS</b>	Sustainability Acceleration Standards
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SB</b>	Supervisory Board

Term	Definition
<b>SBTi</b>	Science-Based Targets initiative
<b>SDG</b>	Sustainable Development Goal
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>SFR</b>	Sustainable Finance Regulation
<b>SIF</b>	Sustainable Investment Fund
<b>SIRA</b>	Systematic Integrity Risk Analysis
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>SPE</b>	Special Purpose Entity
<b>SPPI</b>	Solely payments of principal and interest
<b>SRD</b>	Shareholders Rights Directive
<b>SREP</b>	Supervisory Review and Evaluation Process
<b>SSL</b>	Sustainability-linked loans
<b>STAK AAB</b>	Stichting Administratiekantoor Continuïteit ABN AMRO Bank
<b>STP</b>	Straight-through-processing
<b>SVaR</b>	Stressed Value-at-Risk
<b>T2</b>	Tier 2
<b>TCFD</b>	Taskforce on Climate-related Financial Disclosures
<b>TLTRO</b>	Targeted Long-Term Refinancing Operations
<b>TOZO</b>	Self-Employed Income Support (acronym in Dutch)
<b>TRIM</b>	Targeted Review of Internal Models
<b>TVL</b>	Tegemoetkoming Vaste Lasten (Reimbursement of Fixed Costs (initialisation in Dutch))
<b>UCR</b>	Uniform Counterparty Rating
<b>UNEP</b>	UN Environment Programme
<b>USD</b>	US Dollar
<b>UTP</b>	Unlikely-to-pay
<b>VaR</b>	Value-at-Risk
<b>VCM</b>	Value creation model
<b>VCT</b>	Value-creating topic
<b>VRF</b>	Value Reporting Foundation
<b>WM</b>	Wealth Management

# Definitions of important terms

This document contains a list of important and commonly used definitions presented in the Corporate reporting 2022 of ABN AMRO Bank N.V. (this list is not exhaustive).

Term	Definition
<b>ABN AMRO Bank N.V.</b>	Also referred to as ABN AMRO Bank, ABN AMRO, the Bank or the parent company. Together with its consolidated entities in the Netherlands and abroad referred to as the group.
<b>Adaptability</b>	Keeping pace with, and constantly adapting to, developments within the bank and in the outside world
<b>Additional Tier 1 capital (AT1)</b>	Capital that consists of items that meet the following main criteria: they should be perpetual, subordinated, have neither a maturity date nor an incentive to redeem, have full dividend/coupon discretion and be loss absorbing at discretion of the Bank, as defined in Capital Requirements Regulation (CRR).
<b>Advanced Internal Ratings-Based (A-IRB)</b>	The highest and most detailed level of credit risk calculation for determining capital adequacy levels under Basel III, based on the use of internal models to assess risk.
<b>Advanced Measurement Approach (AMA)</b>	The highest and most detailed level of operational risk calculation for determining capital adequacy levels under Basel II, based on the use of internal models to assess risk.
<b>Ageas</b>	Ageas SA/NV (formerly known as Fortis SA/NV) and Ageas N.V. (formerly known as Fortis N.V.) together.
<b>Bail-in</b>	An arrangement as defined in Article 3A:44 of the Dutch Financial Supervision Act, through which creditors of a failing financial institution are required to cancel some of its debts as part of a plan to save the financial institution from collapse.
<b>Basel III/IV</b>	The finalised Basel III standards of 7 December 2017 (Basel IV) imply a major change in the way banks have to determine their risk-weighted assets (RWAs) when calculating their minimum regulatory capital. For additional information, please refer to the Regulatory environment in Annual Report 2018.
<b>Basis point (bp)</b>	One hundredth of 1 percentage point.
<b>Biodiversity</b>	The variety of life on earth at all its levels, from genes to ecosystems
<b>Capital adequacy</b>	Measure of a company's financial strength, often expressed in equity as a percentage of total assets or, in the case of banks, in the CET1 ratio.
<b>Certificate of deposit</b>	An unsecured short-term funding instrument with maturities up to one year.

Term	Definition
<b>Circular economy</b>	Promoting the responsible use of resources by financing circular business activities
<b>Client assets</b>	Assets, including investment funds and assets of private individuals and institutions, which are professionally managed with the aim of maximising the investment result. Client assets also include cash and securities of clients held on accounts with ABN AMRO.
<b>Client data protection</b>	Ensuring that clients' data is protected by ABN AMRO's policies and systems in compliance with relevant regulatory requirements
<b>Climate change</b>	A change in the state of the climate caused by an increase in levels of atmospheric carbon dioxide
<b>Clear and appropriate advice</b>	Giving advice that is relevant, in the client's interest, and understandable
<b>Co-creation and innovation</b>	Collaborating and innovating to meet clients' needs, and creating more efficient services and operations
<b>Commercial paper (CP)</b>	An unsecured short-term funding instrument with maturities up to one year.
<b>Consortium</b>	Refers to The Royal Bank of Scotland Group plc ('RBS Group'), Ageas and Banco Santander S.A. ('Santander'), which jointly acquired ABN AMRO Holding on 17 October 2007 through RFS Holdings B.V. ('RFS Holdings'). On 3 October 2008, the State of the Netherlands became the successor of Ageas.
<b>Corporate governance</b>	Adhering to policies and practices that ensure accountability, fairness and transparency
<b>Cost of risk</b>	Annualised impairment charges on loans and advances customers for the period divided by the average loans and advances customers (excluding at fair value through P&L) on the basis of gross carrying amount and excluding the fair value adjustments from hedge accounting.
<b>Coverage ratio</b>	Coverage ratio shows the extent to which the stage exposures are covered by the allowances for credit losses.
<b>Covered bonds</b>	Covered bonds are secured long-term funding instruments. This type of bond differs from a standard bond because of the possibility of recourse to a pool of assets. In a default event, the bondholder has recourse to the issuer and the respective pool of assets.

Term	Definition
<b>Credit risk</b>	Risk of a financial loss that occurs if a client or counterparty fails to meet the terms of a contract or otherwise fails to perform as agreed.
<b>Credit valuation adjustments</b>	Market value adjustments for counterparty credit risk.
<b>Customer experience</b>	Ensuring all interactions meet clients' expectations by putting clients at the centre of everything the bank does
<b>Depository receipt</b>	Negotiable certificate which represents ownership of the securities of a non-domiciled issuer while being able to be admitted to trading on a regulated market and traded independently of the securities of the non-domiciled issuer.
<b>Devops</b>	DevOps is a market standard practice for IT development. It brings development and IT operations (maintenance) together in one team, increasing efficiency by reducing handovers.
<b>Digitalisation</b>	Harnessing advances in digital technology to improve service to clients
<b>Diversity and equal opportunities</b>	Reflecting the diversity of society in ABN AMRO's employee population, and taking diversity into account in the bank's products and services
<b>Duration of equity</b>	Duration of equity indicates the sensitivity of the market value of equity to a 1% parallel change in the yield curve. The targeted interest risk profile results in a limit of the duration of equity between 0 and 7 years.
<b>Economic capital (EC)</b>	An estimate of the amount of capital that the bank should possess in order to be able to sustain larger-than-expected losses with a given level of certainty.
<b>Efficient operations management</b>	Relationship between the bank's input and output, allowing ABN AMRO to reduce unnecessary costs while also increasing revenue
<b>Employee empowerment</b>	Creating an open culture where employees are empowered to perform to the best of their ability
<b>Employee engagement</b>	A business management concept that describes the level of enthusiasm and dedication a worker feels toward his/her job.
<b>Employee health and safety</b>	Advocating best practice in vitality, health and safety for ABN AMRO employees
<b>Employee training and education</b>	Providing employees with training and education to increase their knowledge and stimulate personal and professional development
<b>Encumbered assets</b>	Assets that have been pledged or are subject to an arrangement, either explicitly or implicitly, in any way to secure, collateralise or credit enhance a transaction.

Term	Definition
<b>Ethics and integrity</b>	Complying with laws and regulations, and acting in a morally correct manner by considering the rights and interests of all legitimate stakeholders
<b>Exposure at Default (EAD)</b>	EAD models estimate the expected exposure at the time of a counterparty's default.
<b>Exposure measure</b>	As defined under the revised version of the Basel III, a bank's total Exposure Measure is the sum of the following exposures: (a) on-balance sheet exposures, (b) derivative exposures, (c) securities financing transaction exposures, and (d) other off-balance sheet exposures.
<b>Financial performance</b>	Delivering stable, healthy results that meet the bank's financial targets
<b>Forbearance</b>	Forbearance is applicable when: (a) The counterparty is facing (or is about to face) financial difficulty, and (b) The terms and conditions of the contract have been modified, or the contract has been refinanced by the Bank, due to these financial difficulties, and (c) The contract has been modified or refinanced on such terms that the Bank would not have agreed to if the counterparty had been financially healthy (concession). Only the combination of all these three criteria constitutes forbearance.
<b>Fortis Bank Nederland</b>	The legal entity Fortis Bank (Nederland) N.V., previously named Fortis Bank Nederland (Holding) N.V., which merged with ABN AMRO Bank Standalone pursuant to the Legal Merger.
<b>Full-time equivalent (FTE)</b>	The ratio of the total number of paid hours during a period to the number of working hours in that period.
<b>Fundamental value creator</b>	These are topics that are not strategic differentiating, but are key to our licence to operate.
<b>Geopolitical instability</b>	Responding to political, social, economic, demographic and geographical developments and trends
<b>Human rights</b>	Respecting human rights in ABN AMRO's operations and in business relationships through the bank's value chain
<b>Impaired exposures</b>	Exposures for which not all contractual cash flows are expected and/or exposures more than 90 days past due for which impairments are determined on a portfolio basis.
<b>Impaired ratio</b>	The impaired ratio shows which fraction of the gross carrying amount of a financial asset category consists of impaired exposures.
<b>Interest-Only Mortgages</b>	Type of mortgage in which the mortgagor is required to pay only interest with the principal repaid in a lump sum at a specified date.

Term	Definition
<b>International Financial Reporting Standards (IFRS)</b>	IFRS, formerly known as International Accounting Standards, are drawn up and recommended by the International Accounting Standards Board. The European Union has required IFRS to be used by all exchange-listed companies in the EU since the start of the financial year 2005.
<b>Leverage ratio</b>	Ratio dividing the Bank's tier 1 capital by its total exposure value and is expressed as a percentage.
<b>Liquidity coverage ratio (LCR)</b>	The LCR is intended to promote resilience to potential liquidity disruptions over a thirty-day horizon. The LCR requires banks to hold sufficient highly-liquid assets equal to or greater than the net cash outflow during a thirty-day period.
<b>Market risk (banking book)</b>	Market risk in the banking book, mainly interest rate risk, is the risk of a yield curve development that is unfavourable for the bank. Other market risks are limited in the banking book, either through hedging (foreign rate exchange risk) or in general (other market risk types).
<b>Market risk (trading book)</b>	Market risk in the trading book is the risk of loss resulting from unfavourable market price movements which can arise from trading or holding positions in financial instruments in the trading book.
<b>Maximum Distributable Amount</b>	Article 141 CRD IV provides that institutions which fail to meet their combined buffer requirement must calculate, according to a pre-defined regulatory formula, the maximum amount they are allowed to pay in the form of dividends (on CET1 instruments), discretionary coupons (on Additional Tier 1 instruments) or through the creation of new obligations to pay bonuses and pensions rights.
<b>Medium-term notes</b>	Medium-term notes are unsecured funding instruments with maturities up to ten years and issued in several currencies.
<b>Minimum Requirement of own funds and Eligible Liabilities (MREL)</b>	The MREL consists of own funds and part of a bank's liabilities. If a bank fails and goes into resolution, the MREL acts as a buffer to absorb losses and to provide new capital to the bank.
<b>Net Promoter Score (NPS)</b>	This metric shows the extent to which customers would recommend ABN AMRO's products or services to others. The customer is regarded as a 'promoter' (score of 9 or 10), as 'passively satisfied' (score of 7 or 8) or as a 'detractor' (score of 0 to 6). The NPS is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'. The score is expressed as an absolute number between -100 and +100.

Term	Definition
<b>Net Stable Funding Ratio (NSFR)</b>	The objective of the NSFR is to promote resilience over a longer time horizon by creating additional incentives to fund activities with more stable sources of funding on an ongoing basis.
<b>NII-at-Risk</b>	The NII-at-Risk metric indicates the change in net interest income during the coming 12 months, comparing the NII calculated using a constant yield curve with the NII calculated using a yield curve that is gradually shifted to a total of 200 basis points. The net interest income is negatively impacted when rates rise.
<b>NLFI</b>	Stichting administratiekantoor beheer financiële instellingen (NL Financial Investments). On 29 September 2011 the Dutch State transferred its shares in ABN AMRO Group N.V. and in ABN AMRO Preferred Investments B.V. to NLFI. NLFI is a foundation and was set up to avoid potential conflicting responsibilities that the Minister of Finance might otherwise face, as a shareholder and as a regulator, and to avoid political influence being exerted.
<b>Operational risk</b>	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.
<b>Own environmental impact<sup>1</sup></b>	Monitoring the environmental impact of ABN AMRO's own operations
<b>Past due ratio</b>	The past due ratio shows which fraction of the gross carrying amount of a financial asset category is past due but not impaired.
<b>Payment holiday</b>	Deferral of principal and interest payments provided by ABN AMRO to clients.
<b>Permanent modification</b>	Terms and conditions of a contract such as interest, principal, repayment terms, tenor or financial covenants are changed permanently.
<b>Preference share</b>	A share that receives a fixed rate of dividend ahead of ordinary shares.
<b>Qualifying revolving exposures</b>	Qualifying revolving exposures are revolving, unsecured and uncommitted exposures to private individuals that meet additional criteria specified in the CRD. These outstanding balances are permitted to fluctuate, based on decisions to borrow and repay, up to a limit set by the bank.
<b>Refinancing</b>	A contract is considered to be refinanced when the objective of the new contract is to enable the repayment or partial repayment of an existing contract where the counterparty is unable to meet the existing obligations.
<b>Regulatory compliance</b>	Complying with internal/external rules and regulations, both existing and upcoming

<sup>1</sup> 'Environmental impact' in 2020 assessment.

Term	Definition
<b>Responsible investment and financing</b>	Selling and/or investing in products, companies or initiatives that endeavour to make a positive environmental and/or social impact
<b>Risk profile/management</b>	Ensuring that the bank's risk profile, systems and procedures enable the bank to manage risk effectively
<b>Risk-weighted assets (RWA)</b>	Total assets and off-balance sheet items calculated to reflect the risks relating to the various balance sheet items.
<b>Royal Bank of Scotland (RBS)</b>	The Royal Bank of Scotland N.V., formerly known as ABN AMRO Bank N.V. prior to the Legal Demerger.
<b>Savings mortgages</b>	Mortgages with a separate savings account, whereby the savings balance is used to repay the principal at maturity.
<b>Secure banking</b>	Protecting data belonging to ABN AMRO and the bank's clients against potential security breaches and attacks
<b>Senior non-preferred</b>	Unconditional, senior and unsecured obligations and rank pari passu amongst themselves and senior to subordinated notes, but junior to senior preferred notes and any claims benefiting from legal or statutory preferences.
<b>Senior preferred</b>	Debt securities that give the note holders the first crack at recovering their funds, in the event that the company declares bankruptcy and liquidates its assets.
<b>Social impact</b>	Creating equal opportunities and strengthening financial inclusion and resilience through products and services to tackle social challenges and build a more inclusive society
<b>STAK AAB</b>	An independent holder of shares in ABN AMRO Bank's issued share capital, for the purpose of administration (ten titel van beheer) in exchange for depositary receipts.
<b>Standardised Approach (Basel III)</b>	This approach measures credit risk in a standardised manner, supported by external credit assessments.
<b>Strategic differentiators</b>	These are topics, vital to our strategy, where we believe we can create most value for our stakeholders and that differentiate us from our competitors.
<b>Strong balance sheet</b>	Ensuring that ABN AMRO has sufficient financial resources to withstand possible stress

Term	Definition
<b>Supervisory Review and Evaluation Process</b>	Process in which the supervisor regularly assesses and measures the risks for a bank. Specifically, the SREP shows where a bank stands in terms of capital requirements and the way it deals with risks. At the end of the process, key objectives are set to address the identified issues, which the banks must "correct" within a specific time.
<b>Sustainable client assets</b>	Sustainable client assets are assets that ABN AMRO invests for its clients in investment funds, products and securities that explicitly base their investment approach and decisions on sustainable criteria. These investments explicitly factor in the social and environmental effects of investments.
<b>Talent attraction</b>	Attracting and retaining qualified, motivated and future-fit professionals
<b>Temporary modification</b>	Terms and conditions of a contract such as interest, principal, repayment terms, tenor or financial covenants are changed temporarily.
<b>Tier 1 ratio</b>	Tier 1 capital, the sum of the bank's CET1 capital and AT1 capital, expressed as a percentage of total risk-weighted assets.
<b>Trust Monitor AFM/NVB</b>	A survey conducted by market research institute GfK on what people in the Netherlands think about banks in general and their own bank and how they experience various aspects of services provided by banks.
<b>Uniform Counterparty Rating (UCR)</b>	The UCR is an obligor rating and refers to the probability of default by an obligor, i.e. the likelihood that a counterparty will fail to pay interest and/or principal and/or other financial obligations to the bank.
<b>Value-at-Risk banking book</b>	Value-at-Risk banking book (VaR banking book) is used as a statistical measure for assessing interest risk exposure. It estimates potential losses and is defined as the predicted maximum loss that might be caused by changes in risk factors under normal circumstances, over a specified period of time, and at a specified level of statistical confidence. A VaR for changes in the interest rate for the banking book is calculated at a 99% confidence level and a two-month holding period.
<b>Value-creating topics</b>	Those topics that create most value according to our stakeholders.
<b>Viable business model</b>	Maintaining a business model that delivers positive financial and non-financial results in both the medium and long term



## Definitions used for value-creating topics

The table below shows our value-creating topics for both 2020 and 2022, the definitions used for each topic and a page reference to content within the Integrated Annual Report 2022 relating to each topic:

Topic	Definition	2022 assessment	2020 assessment	Page reference
1 Secure banking	Protecting data belonging to ABN AMRO and the bank's clients against potential security breaches and attacks	✔	✔	40
2 Responsible investment and financing	Selling and/or investing in products, companies or initiatives that endeavour to make a positive environmental and/or social impact	✔	✔	33-38
3 Client data protection	Ensuring that clients' data is protected by ABN AMRO's policies and systems in compliance with relevant regulatory requirements	✔	✔	40
4 Own environmental impact <sup>1</sup>	Monitoring the environmental impact of ABN AMRO's own operations	✔	✔	148-151, 179
5 Diversity and equal opportunities	Reflecting the diversity of society in ABN AMRO's employee population, and taking diversity into account in the bank's products and services	✔	✔	37-38
6 Human rights	Respecting human rights in ABN AMRO's operations and in business relationships through the bank's value chain	✔	✔	37
7 Adaptability	Keeping pace with, and constantly adapting to, developments within the bank and in the outside world	✔	✔	39-40
8 Risk profile/management	Ensuring that the bank's risk profile, systems and procedures enable the bank to manage risk effectively	✔	✔	39-43, 57-177
9 Customer experience	Ensuring all interactions meet clients' expectations by putting clients at the centre of everything the bank does	✔	✔	30-32
10 Employee health and safety	Advocating best practice in vitality, health and safety for ABN AMRO employees	✔	✔	40-41
11 Climate change	A change in the state of the climate caused by an increase in levels of atmospheric carbon dioxide	✔	✔	34-36
12 Talent attraction	Attracting and retaining qualified, motivated and future-fit professionals	✔	✔	38
13 Digitalisation	Harnessing advances in digital technology to improve service to clients	✔	✔	39
14 Ethics and integrity	Complying with laws and regulations, and acting in a morally correct manner by considering the rights and interests of all legitimate stakeholders	✔	✔	42
15 Biodiversity	The variety of life on earth at all its levels, from genes to ecosystems	✔	✔	
16 Viable business model	Maintaining a business model that delivers positive financial and non-financial results in both the medium and long term	✔	✔	18-23
17 Employee empowerment	Creating an open culture where employees are empowered to perform to the best of their ability	✔	✔	40-41
18 Co-creation and innovation	Collaborating and innovating to meet clients' needs, and creating more efficient services and operations	✔	✔	39-40
19 Employee training and education	Providing employees with training and education to increase their knowledge and stimulate personal and professional development	✔	✔	40-41
20 Efficient operations management	Relationship between the bank's input and output, allowing ABN AMRO to reduce unnecessary costs while also increasing revenue	✔	✔	

Topic	Definition	2022 assessment	2020 assessment	Page reference
21 Strong balance sheet	Ensuring that ABN AMRO has sufficient financial resources to withstand possible stress	✔	✔	44-51, 129-135
22 Regulatory compliance	Complying with internal /external rules and regulations, both existing and upcoming	✔	✔	225-229, 349-350
23 Corporate governance	Adhering to policies and practices that ensure accountability, fairness and transparency	✔	✔	179-235
24 Geopolitical instability	Responding to political, social, economic, demographic and geographical developments and trends	✔	✔	10-13
25 Financial performance	Delivering stable, healthy results that meet the bank's financial targets	✔	✔	44-51, 237-337
26 Clear and appropriate advice	Giving advice that is relevant, in the client's interest, and understandable	✔	✔	30-32
27 Social impact	Creating equal opportunities and strengthening financial inclusion and resilience through products and services to tackle social challenges and build a more inclusive society	✔		36-38
28 Circular economy	Promoting the responsible use of resources by financing circular business activities	✔	✔	36
29 Anti-corruption	Detecting and preventing corruption and other illegal financial activities (particularly money laundering and terrorist financing)		✔	41-42
30 Community investment	Supporting community projects and initiatives, contributing to society and benefiting future generations		✔	36-37
31 Fair taxes	Adhering to and advocating transparent tax policies to promote tax integrity		✔	43
32 Financial inclusion	Ensuring equal access to affordable and clear financial services in understandable language		✔	4-5, 36-38
33 Non-financial performance	Delivering stable and healthy non-financial results in areas such as customer satisfaction and diversity		✔	30-43
34 Platforms and eco-systems	Facilitating clients' access to products and services by working with innovative companies across different distribution channels		✔	39-40
35 Policy influence	Fostering constructive dialogue with politicians, policymakers and others to exert influence and encourage positive change		✔	25
36 Remuneration policy	Having a responsible and transparent remuneration policy for board members, senior managers and other employees		✔	209-223
37 Responsible procurement	Respecting social and environmental standards throughout the bank's procurement chain and in related business relations		✔	26-27
38 Stakeholder engagement	Involving stakeholders in the bank's decision-making and activities		✔	25
39 System stability	Ensuring that ABN AMRO's banking systems and services are reliable, stable and accessible for clients		✔	27, 39
40 Vision & leadership	Clearly defining, communicating and implementing a vision, purpose and strategy for the bank		✔	18-28

<sup>1</sup> 'Environmental impact' in 2020 assessment.

In table above, please mark out following as most material topics:

- ▶ Viable business model, customer experience, secure banking, risk profile/management, responsible investment and financing

### Comparison of results

Compared with our previous assessment in 2020, four topics were added to our value-creating topics short-list:

- ▶ Biodiversity, climate change, efficient operations management and social impact

At the same time, twelve topics were removed or merged with other topics:

- ▶ Anti-corruption, community investment, fair taxes, financial inclusion, non-financial performance, platforms and eco-systems, policy influence, remuneration policy,






- ▶ responsible procurement, stakeholder engagement, system stability and vision & leadership.

This comparison with the assessment in 2022 relates mainly to *inside-out* results only; the *outside-in* analysis was conducted more explicitly for the first time in 2022 as part of our introduction of *double materiality*.

For further details of our 2020 assessment (including our materiality matrix), please see our 2021 Integrated Annual Report, available online.

### How to read our value creation model

Our value creation model in our Integrated Annual Report 2022 (pages 26-27) is based on the <IR> Framework. The model comprises inputs, business activities, outputs and outcomes. For our model, we use six types of capital, based on the <IR> Framework:

 <p><b>Manufactured</b> Fixed assets, including the value of houses and the value of banking and investment services provided by ABN AMRO</p>	 <p><b>Human capital</b> Employees' time, skills and productivity, including the effects of employment and workplace health &amp; safety on well-being</p>
 <p><b>Financial</b> Money and other financial assets, including fees, commissions and other income for the bank; payments to suppliers, employees and investors; earnings and cost of capital</p>	 <p><b>Social capital</b> Social ties, norms, networks and stakeholder relations, including brand and customer loyalty and the bank's impact on social issues (such as child labour, gender discrimination, low pay and financial distress among clients unable to repay loans)</p>
 <p><b>Intellectual</b> Systems, processes and other intellectual property, including asset management, other fee-based services and data protection</p>	 <p><b>Natural capital</b> Use of natural resources, including the bank's contribution to climate change and impact on the environment, including pollution</p>

In addition, the model also shows our business activities – in effect, the bank's engine room, where value may be created or depleted through our lending, investment services, procurement, employment practices etc. Please note that our value creation model provides an overview only. Our activities are complex, comprise different value chains (by market or business), and connect directly to other value chains through our relationships with clients, suppliers and employees.

