

Annual General Meeting 2020

# ABN AMRO Bank N.V.

Gustav Mahlerlaan 10, Amsterdam, The Netherlands

22 April 2020

# Welcome

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## Mr Tom de Swaan

Chairman of the Supervisory Board  
ABN AMRO Bank N.V.





# 1. Opening remarks and announcements

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On the Convocation date, 11 March 2020, the issued capital of the company consisted of:

**940,000,001 ordinary shares**

Of which 470,940,001 depositary receipts have been issued and listed on Euronext Amsterdam (representing approximately 50,1 % of the total issued capital)

**A total of 940,000,001 votes can be cast**

# 1. Opening remarks and announcements

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## Agenda

1. Opening remarks and announcements
2. Annual report, corporate governance and annual financial statements
3. Dividend
4. Discharge
5. Report on functioning of external auditor
6. Remuneration policy
7. Amendment to the articles of association
8. Composition of the Supervisory Board
9. Issuance of new shares by ABN AMRO and acquisition of (depository receipts for) shares by ABN AMRO
10. Cancellation of (depository receipts for) shares in the issued share capital of ABN AMRO
11. Introduction of Robert Swaak as a member of the Executive Board
12. Any other business and conclusion



## 2. Annual report, corporate governance and annual financial statements



## 2(a) Report of the Executive Board for 2019

# Purpose-led organisation to benefit all stakeholders

## Societal and banking trends

- Continuously changing expectations
- Unbundling of value chains
- Megatrends



## Stakeholder expectations

- Clients
- Employees
- Investors
- Society

**Embraced by 93% of staff**



# Three pillars to help us live our purpose throughout the bank

## Sustainability



- 21bn sustainable investments PB, ahead of 2020 target
- Mortgage facility to invest in energy efficiency homes
- 15% of Natural Resource portfolio now Renewable Energy

## Customer experience



- Video banking now in all segments
- >70% of Retail products and services digital
- Extending client journeys to corporate finance, cyber security and accounting

## Future proof bank



- Increasing use of off premise cloud-based services
- 95% of employees working from home in COVID19 time within 10 days
- Product rationalisation >50%, e.g. in RB significant reduction loan products

# A strong and resilient bank

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## Strategic actions taken

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- Clear purpose and strategy
- Early adoption of sustainability
- Digital agenda progressing well
- Focused Private Bank North-West Europe
- Strong cost discipline
- ROE consistently 10% or higher since IPO
- Strong capital position

## Taking action on challenges

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- First large Dutch bank to charge negative rates
- Comprehensive plan concerning Detecting Financial Crime underway; full cooperation with Dutch public prosecutor on investigation
- Continued de-risking of cyclical sectors in Corporate & Institutional Banking; reviewing additional measures needed

# Strong Dutch economy well positioned to absorb the COVID19 crisis

## Dutch economy continued to outperforming Eurozone

		2017	2018	2019
<b>Netherlands</b>	GDP (% yoy)	3.0%	2.5%	1.7%
	Unemployment rate (%)	4.9%	3.8%	3.4%
	Government debt (% GDP)	57%	52%	49%
<b>Eurozone</b>	GDP (% yoy)	2.5%	1.9%	1.2%
	Unemployment rate (%)	9.1%	8.2%	7.6%
	Government debt (% GDP)	87%	88%	87%

Source: ABN AMRO Group Economics, CBS Statline

# COVID19 crisis: banks this time part of solution

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- Support measures for some 50,000 SMEs with loans up to EUR 50 million automatically  
deferring of principal and interest payments for SMEs for six months
- Crisis has large impact on economy, our clients and the quality of our loan portfolio
- Substantial loss ABN AMRO Clearing in Q1
- FY2020 and especially Q1 2020 cost of risk to be materially higher than the through-the-cycle cost of risk; loss expected in Q1
- Strong capital position to cope with an economic setback

# Solid financial results in 2019

## Development key financials

EUR bn	2018	2019
Operating income	9.1	8.6
Operating expenses	5.4	5.3
Profit	2.3	2.0

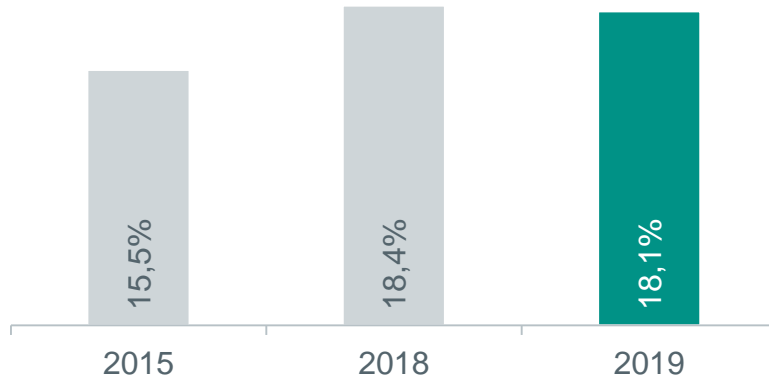
## Development key financial targets

	2018	2019	Target
ROE	11.4%	10.0%	10-13%
C/I ratio	58.8%	61.2%	56-58%
CET1 ratio	18.4%	18.1%	17.5-18.5%
Dividend pay-out ratio	62%	62%	Additional distributions considered above 50% of sustainable profit

# Strong capital position; final dividend payment for 2019 postponed

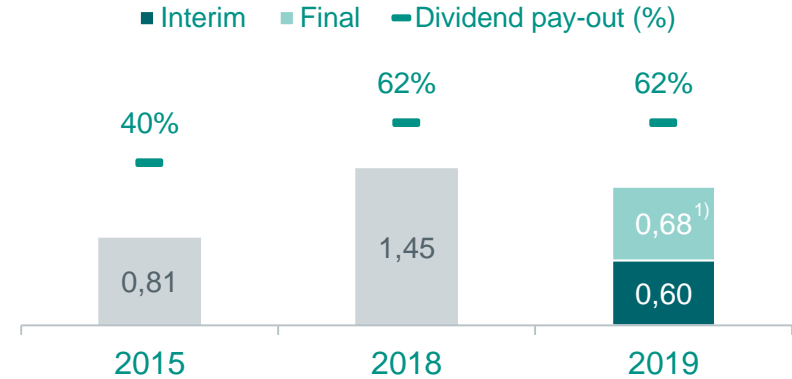
## Basel III CET1 ratio strong

CET1 in %, Basel III



## Total dividend

EUR per share, % pay-out



1. Following the recommendation of the ECB, ABN AMRO has decided to make the actual payment conditional upon a reassessment of the situation once the uncertainties caused by COVID19 disappear and, in any case, not before October 2020

# Continued progress on non-financial targets 1/2

## Group targets

	2018	2019	Target 2020
Gender diversity in top	28%	28%	30% women in the top
Gender diversity in subtop	27%	27%	35% women in subtop
DJSI ranking	Top 5% of banking sector <sup>1)</sup>	Top 10% of banking sector <sup>1)</sup>	Top 5% of banking sector
Banking confidence monitor	3.3	3.2	Leading among large banks
Employee engagement	80%	80%	80%

1. As reported in the Robeco SAM Yearbook

## Continued progress on non-financial targets 2/2

### Net Promoter Score

	2018	2019	Target 2020
Retail Banking	-9	-10	$\geq -10$
Private Banking	-1	+9	$\geq +9$
Commercial Banking	-2	+1	$\geq +1$
Corporate & Institutional Banking	+45	+29	$\geq +29$





# Closing remarks



## 2(b) Report of the Supervisory Board for 2019

## 2(b) Report of the Supervisory Board for 2019

Please refer to the Report of the Supervisory Board as included on pages 146 through 153 of the Annual Report 2019.





## 2(c) Presentation Employee Council

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# Ms Rianne Kamphuis

Chair Employee Council

ABN AMRO Bank N.V.





## 2(d) Corporate Governance

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Please refer to the Leadership and Governance section as included on pages 138 through 160 in the Annual Report 2019.



## 2(e) Remuneration Report for 2019



## 2(e) Remuneration report

### Mr Arjen Dorland

Chairman Remuneration Committee  
ABN AMRO Bank N.V.



Please also refer to the Remuneration Report as included on pages 160 through 170 of the Annual Report 2019.

## **Represented votes General Meeting 2020**

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Present or represented at this ABN AMRO Annual General Meeting 2020 are

**814 shareholders and depository receipt holders**

These represented at the Record Date 11 March 2020

**769,523,853 votes, or 81.86% of the total votes**



## 2(f) Presentation and Q&A external auditor

# ABN AMRO Bank N.V.

## Financial Statements 2019

General Meeting 2020

■ ■ ■ ■  
The better the question. The better the answer.  
The better the world works.

**EY**  
Building a better  
working world



### Scope

- Consolidated financial statements & Director's report
- Quarterly reviews
- Integrated annual review 2019
- Corep / finrep and other prudential reporting



### Audit Approach

- What has continued?
  - Understand the business and its environment
  - Top down, risk based
  - Control environment / risk control framework
  - Substantive procedures
  - Multi-location audit
  - Team (sector knowledge, specialists)
- What has changed?
  - Increased number of hours of specialists
  - Increased attention on new disclosure requirements

### Audit Focus

#### Estimation uncertainty:

- Impairment allowances for loans and advances
- Provisions for legal claims and compliance matters
- Investigation Department of Justice
- Reliability and continuity of the information technology and systems

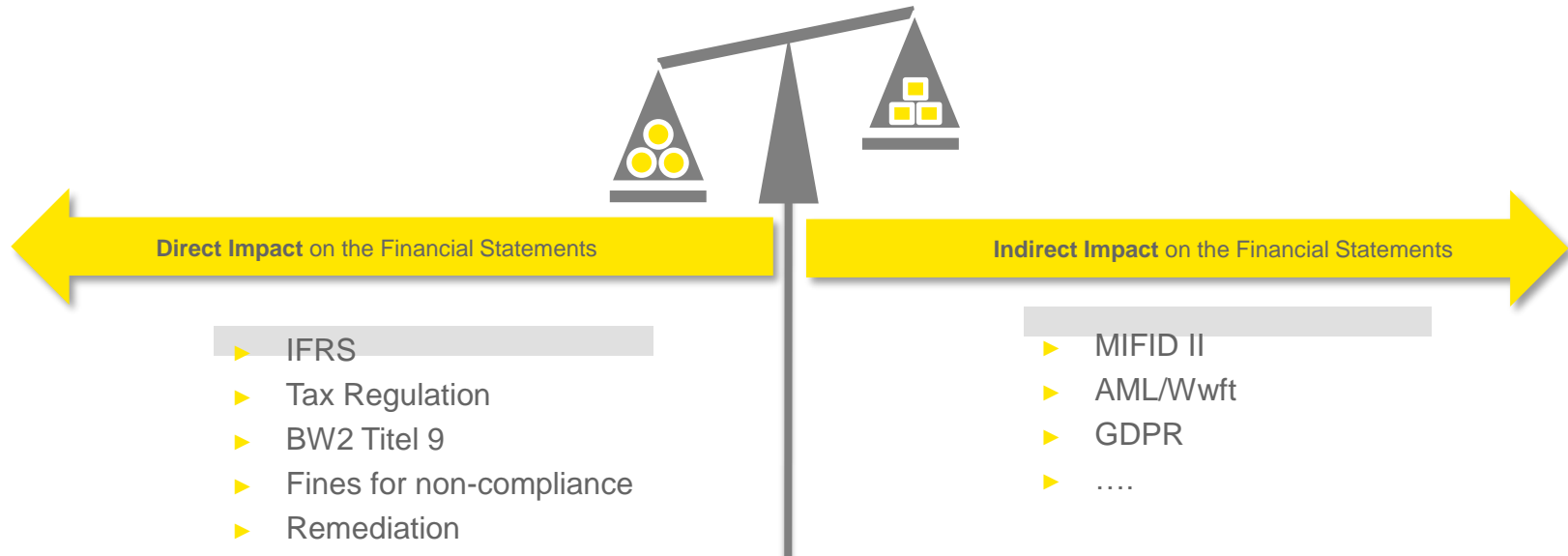
### Materiality



- 5% of operating profit before taxation: EUR 140 million
- 2018: EUR 150 million
- Application of materiality
- Reporting threshold EUR 7.0 million

### Topics discussed with Audit Committee/Supervisory Board

- Independence
- Overall approach and scope of the audit
- Management letter
- Accounting policies applied
- Accounting estimates
- Significant difficulties encountered during the audit
- Quarterly review report
- Long form audit report 2019
- Audit differences above our threshold
- Component Auditors



ISA 250: Consideration of Law and Regulation in our Audit



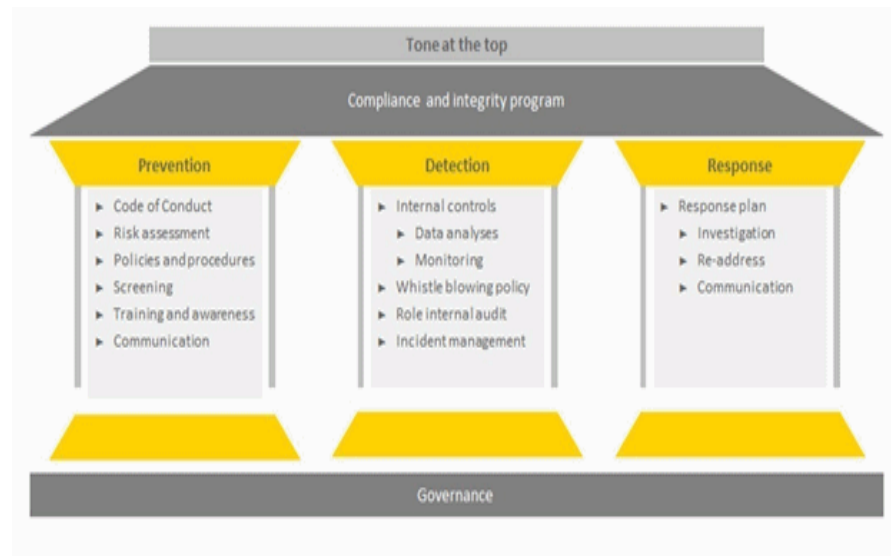
## Non-Financial Information

- Non-Financial Information in our Audit
  - Dutch Accounting Standard 400/Dutch Civil Code
  - Consistency with Financial Statements Audit
  - Compliance Corporate Governance Code
  - Task Force Climate Related Disclosures (TFCD)
  - Involvement of specialists in both areas
  - Integrated Annual Review Report



Together with our forensic specialists we evaluate the following topics, relevant to the financial audit, including, but not limited to:

- ▶ Assessment Integrity framework
- ▶ Review non-compliance with law and regulations and corruption and bribery
- ▶ Inherent risks and controls;
- ▶ Journal Entry Testing
- ▶ Review Accounting Estimates for management bias
- ▶ Management override
- ▶ Other matters



## Conclusion and Other Audit Deliverables

- Unqualified opinion 2019 – Consolidated Financial Statements
- Quarterly review reports
- Integrated Annual Review 2019
- Prudential reporting
- Statutory audit subsidiaries
- Other assurance engagements

## Covid-19

- Unadjusting Subsequent Event for 2019 Financial Statements



Questions?



## 2(g) Adoption of audited annual financial statements 2019

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Please refer to the Annual Financial Statements as included on pages 171 through 280 of the Annual Report 2019.





## 3(a) Explanation dividend policy

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### Mr Kees van Dijkhuizen

CEO ABN AMRO Bank N.V.



Please refer to pages 64, 120 and 121 of the Annual Report 2019





**4(a) Discharge of each member of the Executive Board in office during the financial year 2019 for the performance of his or her duties during 2019**

## 4(a) Discharge of each member of the Executive Board in office during the financial year 2019 for the performance of his or her duties during 2019

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It is proposed to discharge each member of the Executive Board in respect of the performance of his or her duties in the financial year ending on 31 December 2019 to the extent apparent from the Annual Report 2019, including the Annual Financial Statements 2019, and from disclosures and statements made during the General Meeting.



Voting  
item



**4(b) Discharge of each member of the Supervisory Board in office during the financial year 2019 for the performance of his or her duties during 2019**

## 4(b) Discharge of each member of the Supervisory Board in office during the financial year 2019 for the performance of his or her duties during 2019

It is proposed to discharge each member of the Supervisory Board (including those members of the Supervisory Board that were in office during a part of the financial year) in respect of the performance of his or her duties in the financial year ending on 31 December 2019 to the extent apparent from the Annual Report 2019, including the Annual Financial Statements 2019, and from disclosures and statements made during the General Meeting.



Voting  
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## 5. Report on functioning of external auditor

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### Mr Tjalling Tiemstra

Chairman Audit Committee

ABN AMRO Bank N.V.



## 5. Report on functioning of external auditor

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### Approach

On an annual basis the performance of the external auditor is evaluated by the Supervisory Board of ABN AMRO. The evaluation includes an internal survey.

### Outcome

- The overall score on a 5 point scale improved slightly from 3.4 in 2018 to 3.6 in 2019, representing an overall Satisfactory performance evaluation;
- In general, respondents are positive about EY. Positive elements are in particular noted regarding independence, objectivity and knowledge;
- The working relationships between local EY teams and management of subsidiaries have improved;
- Some suggestions were made to further streamline the mutual exchange and communication regarding data and insights.



## 6(a) Adoption of remuneration policy for the Executive Board



## 6(a) Adoption of remuneration policy for the Executive Board

The Supervisory Board proposes to adopt the remuneration policy for the Executive Board as laid down in the proposed remuneration policy for the Executive Board including the accompanying letter included in the meeting documents for the General Meeting. A resolution to adopt the remuneration policy for the Executive Board is adopted by a majority of at least 75% of the votes cast.



Voting  
item



## 6(b) Adoption of remuneration policy for the Supervisory Board

## 6(b) Adoption of remuneration policy for the Supervisory Board

The Supervisory Board proposes to adopt the remuneration policy for the Supervisory Board as laid down in the proposed remuneration policy for the Supervisory Board including the accompanying letter included in the meeting documents for the General Meeting. A resolution to adopt the remuneration policy for the Supervisory Board is adopted by a majority of at least 75% of the votes cast.



Voting  
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## 7. Amendment to the Articles of Association

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With the approval of the Supervisory Board, the Executive Board proposes to the General Meeting to amend the Articles of Association. The reason for the amendment of the Articles of Association is directly related to changes in legislation.



Voting  
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In addition, it is proposed that each civil-law notary, candidate civil-law notary and employee of De Brauw Blackstone Westbroek N.V. be jointly and severally authorised to execute the deed of amendment to the Articles of Association.

The draft deed of amendment to the Articles of Association drawn up by De Brauw Blackstone Westbroek N.V. and the full text of the Articles of Association following the proposed amendments are included in the meeting documents for the General Meeting.



## 8(a) Collective profile of the Supervisory Board

## 8(a) Collective profile of the Supervisory Board

The Supervisory Board intends to change the collective profile of the Supervisory Board. The purpose of the amendment is to embed knowledge and experience in the field of the impact of technologies, both current and emerging, on consumers, businesses and business models in the Supervisory Board. Apart from this addition, the amendment is not intended to make any substantive changes.

The amended collective profile is included in the meeting documents for the General Meeting. The General Meeting is requested to approve the proposed changes to the collective profile of the Supervisory Board.



Voting  
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## 8(b) Notification of Supervisory Board vacancies





**8(c) Opportunity for the General Meeting to make recommendations, with due regard to the profiles**



## 8(d) Re-appointment of members of the Supervisory Board

## 8(d) Re-appointment of members of the Supervisory Board

**(i) Announcement to the General Meeting of the Supervisory Board's nomination of Mr Arjen Dorland, Mr Jurgen Stegmann and Mr Tjalling Tiemstra for re-appointment.**

The Supervisory Board proposes to the General Meeting the re-appointment of Mr Arjen Dorland to the Supervisory Board for a period of four years, Mr Jurgen Stegmann to the Supervisory Board for a period of three years and Mr Tjalling Tiemstra to the Supervisory Board for a period of two years, effective after 11 the close of the General Meeting and which ends at the close of ABN AMRO's annual general meeting in 2024, 2023 and 2022, respective.

## 8(d) Re-appointment of members of the Supervisory Board

(ii) Re-appointment of Mr Arjen Dorland as a member of the Supervisory Board

### Arjen Dorland

The Supervisory Board has nominated Arjen Dorland for re-appointment as a member of the Supervisory Board. Arjen Dorland was first appointed to the Supervisory Board on 18 May 2016.

The Supervisory Board proposes to the General Meeting to re-appoint Arjen Dorland as a member of the Supervisory Board, for a period effective as of the close of the General Meeting and which ends at the close of the annual general meeting of ABN AMRO in 2024.



## 8(d) Re-appointment of members of the Supervisory Board

(iii) Re-appointment of Mr Jurgen Stegmann as a member of the Supervisory Board

### Jurgen Stegmann

The Supervisory Board has nominated Jurgen Stegmann for re-appointment as a member of the Supervisory Board. Jurgen Stegmann was first appointed to the Supervisory Board on 12 August 2016.

The Supervisory Board proposes to the General Meeting to re-appoint Jurgen Stegmann as a member of the Supervisory Board, for a period effective as of the close of the General Meeting and which ends at the close of the annual general meeting of ABN AMRO in 2023.



## 8(d) Re-appointment of members of the Supervisory Board

(iv) Re-appointment of Mr Tjalling Tiemstra as a member of the Supervisory Board

### Tjalling Tiemstra

The Supervisory Board has nominated Tjalling Tiemstra for re-appointment as a member of the Supervisory Board. Tjalling Tiemstra was first appointed to the Supervisory Board on 18 May 2016.

The Supervisory Board proposes to the General Meeting to re-appoint Tjalling Tiemstra as a member of the Supervisory Board, for a period effective as of the close of the General Meeting and which ends at the close of the annual general meeting of ABN AMRO in 2022.





**9. Issuance of new shares by ABN AMRO and acquisition of (depository receipts for) shares by ABN AMRO**

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

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It is proposed to the General Meeting to authorise the Executive Board for a period of 18 months as from the date of the General Meeting, subject to the approval of the Supervisory Board, (i) to issue ordinary shares (excluding, for the avoidance of doubt, ordinary shares B) and (ii) to grant rights to subscribe for such ordinary shares up to a maximum of 10% of ABN AMRO's issued share capital as at the date of the General Meeting, provided that each such authorisation will not be used for issuances 15 related to a distribution of stock dividend or for issuances in connection with management or employee incentive plans (the Issue Authorisation).



Voting  
item



## 9(b) Authorisation to limit or exclude pre-emptive rights

It is proposed to the General Meeting to authorise the Executive Board for a period of 18 months as from the date of the General Meeting, subject to the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights accruing to shareholders in connection with ordinary share issuances pursuant to the Issue Authorisation.



Voting  
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## 9(c) Authorisation to acquire (depository receipts for) shares in ABN AMRO's own capital

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It is proposed to the General Meeting to authorise the Executive Board for a period of 18 months from the date of the General Meeting to acquire, subject to the approval of the Supervisory Board, fully paid up ordinary shares in its own share capital under the conditions mentioned in the meeting documents.



Voting  
item



**10. Cancellation of (depository receipts for) shares  
in the issued share capital of ABN AMRO**

## 10. Cancellation of (depository receipts for) shares in the issued share capital of ABN AMRO

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It is proposed to the General Meeting to resolve, at the proposal of the Executive Board, subject to the approval of the Supervisory Board, as well as the approval of the ECB and other relevant regulators, to cancel all or part of the fully paid up ordinary shares in ABN AMRO's own share capital (excluding, for the avoidance of doubt, ordinary shares B) or Depositary Receipts, held by ABN AMRO as a result of acquisitions on the stock exchange or by other means under the authority provided to the Executive Board under agenda item 9(c) (the Treasury Shares).



Voting  
item



## 11. Introduction of Robert Swaak as a member of the Executive Board

## 11. Introduction of Robert Swaak as a member of the Executive Board

### Mr Robert Swaak

New member of the Executive Board and CEO  
ABN AMRO Bank N.V.



**Thank You, Kees!**



## 12. Any other business and conclusion





# Voting Results

<b>Voting Results</b>	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstain</b>
<b>2.(e)</b> Remuneration report for 2019	<b>762,409,372</b>	<b>99.08</b>	<b>7,104,473</b>	<b>0.92</b>	<b>1</b>
<b>2.(g)</b> Adoption of the audited Annual Financial Statements 2019	<b>765,572,003</b>	<b>99.68</b>	<b>2,467,729</b>	<b>0.32</b>	<b>1,474,114</b>
<b>4.(a)</b> Discharge of each member of the Executive Board in office during the financial year 2019 for the performance of his or her duties during 2019	<b>752,002,966</b>	<b>97.90</b>	<b>16,112,554</b>	<b>2.10</b>	<b>1,398,326</b>
<b>4.(b)</b> Discharge of each member of the Supervisory Board in office during the financial year 2019 for the performance of his or her duties during 2019	<b>752,002,966</b>	<b>97.90</b>	<b>16,112,554</b>	<b>2.10</b>	<b>1,398,326</b>

<b>Voting Results</b>	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstain</b>
<b>6.(a)</b> Adoption of remuneration policy for the Executive Board	<b>766,027,713</b>	<b>99.56</b>	<b>3,404,992</b>	<b>0.44</b>	<b>81,141</b>
<b>6.(b)</b> Adoption of remuneration policy for the Supervisory Board	<b>765,747,705</b>	<b>99.51</b>	<b>3,765,441</b>	<b>0.49</b>	<b>700</b>
<b>7</b> Amendment to the articles of association	<b>769,513,346</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>500</b>

<b>Voting Results</b>	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstain</b>
<b>8.(a)</b> Collective profile of the Supervisory Board	<b>769,513,845</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>
<b>8.(d)(ii)</b> Re-appointment of Mr Arjen Dorland as a member of the Supervisory Board	<b>758,931,737</b>	<b>98.62</b>	<b>10,581,409</b>	<b>1.38</b>	<b>700</b>
<b>8.(d)(iii)</b> Re-appointment of Mr Jurgen Stegmann as a member of the Supervisory Board	<b>760,909,223</b>	<b>98.88</b>	<b>8,603,923</b>	<b>1.12</b>	<b>700</b>
<b>8.(d)(iv)</b> Re-appointment of Mr Tjalling Tiemstra as a member of the Supervisory Board	<b>761,191,638</b>	<b>98.93</b>	<b>8,241,067</b>	<b>1.07</b>	<b>81,141</b>

<b>Voting Results</b>	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstain</b>
<b>9.(a)</b> Authorisation to issue shares and/or grant rights to subscribe for shares	<b>769,068,037</b>	<b>99.94</b>	<b>445,806</b>	<b>0.06</b>	<b>3</b>
<b>9.(b)</b> Authorisation to limit or exclude pre-emptive rights	<b>762,771,594</b>	<b>99.12</b>	<b>6,742,252</b>	<b>0.88</b>	<b>0</b>
<b>9.(c)</b> Authorisation to acquire (depository receipts for) shares in ABNAMRO's own capital	<b>766,654,527</b>	<b>99.64</b>	<b>2,738,372</b>	<b>0.36</b>	<b>120,947</b>
<b>10</b> Cancellation of (depository receipts for) shares in the issued share capital of ABN AMRO	<b>768,812,570</b>	<b>99.91</b>	<b>701,273</b>	<b>0.09</b>	<b>3</b>