

Annual General Meeting 2018

# ABN AMRO Group N.V.

Gustav Mahlerlaan 10, Amsterdam

29 May 2018

# Welcome

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**Mr Steven ten Have**

**Interim chairman of the Supervisory Board**

**ABN AMRO Group N.V.**

# 1. Opening remarks and announcements

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- ▶ Welcome
- ▶ Please choose channel one for an English translation of this meeting

## 1. Opening remarks and announcements

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On the Record date, 1 May 2018, 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. Composition Supervisory Board
7. Issuance of new shares and acquisition of shares/depository receipts by ABN AMRO Group
8. Cancellation of (depository receipts for) shares in the issued share capital of ABN AMRO Group
9. Amendment to the Articles of Association and authorisation to have the deed of amendment executed in front of the Dutch civil law notary
10. Any other business and conclusion

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

## 2a. Report of the Executive Board in respect of 2017



# Good results in 2017

## Underlying Profit

EUR m	FY2017	FY2016
Underlying profit	2,791	2,076
Special items		-271
Reported profit	2,791	1,806

## Operating income

EUR m	FY2017	FY2016
Total Client Loans <sup>1)</sup>	248,443	246,155
Net interest income	6,456	6,277
Operating income	9,290	8,588

## Operating expenses and impairments

EUR m	FY2017	FY2016
Operating expenses	5,582	5,657
Impairment charges	-63	114

## Dividend 2017

EUR m	FY2017	FY2016
Reported earnings per share	2.89	1.87
Dividend per share	1.45	0.84
Yield <small>as per 28 May 2018</small>	6.1%	3.5%

1) Excluding netting adjustment and excluding loans to professional counterparties

## Good progress on financial targets in 2017

### Return on Equity over FY2017

Target 10 – 13%

14.5%

FY2015: 12.0%

FY2016: 11.8%

### Cost/Income Ratio over FY2017

Target 56 – 58% by 2020

60.1%

FY2015: 61.8%

FY2016: 65.9%

### CET1 Ratio at year-end

Target 17.5 – 18.5%

17.7%

YE2015: 15.5%

YE2016: 17.0%

### Dividend pay-out over FY2017

50% as from and over 2017

50%

2015: 40%

2016: 45%

# Responsible banking as a companywide focus point

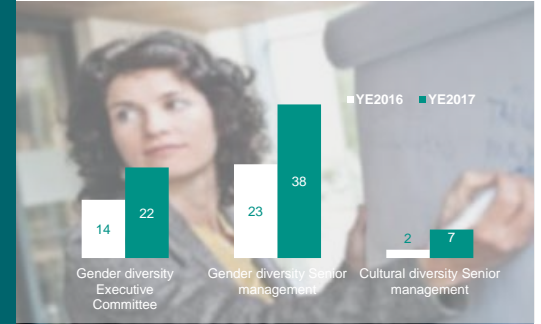
## DJSI Index

Score of 91 out of 100 points  
top 5% globally



## Diversity

Gender and cultural diversity improving



## Mission 2030

Making Real Estate more sustainable by improving average energy efficiency from D to A



## Sustainable AuM

Target to double from EUR 8 bn to EUR 16 bn by YE2020



# Digital innovation to further improve customer experience

## Videobanking

Offering clients advice by webcam from the comfort of their homes



## Digital Innovators

Agile organisations offering online propositions for self-directed clients



## Open Banking

Ready for Open Banking. API developer portal for co-creation and innovation



## NPS

Improving for most segments

Net Promotor Score	2017	2016
Retail Banking	-9	-15
Commercial Bank	-6	-23
Private Banking	12	-1
CIB	32	40

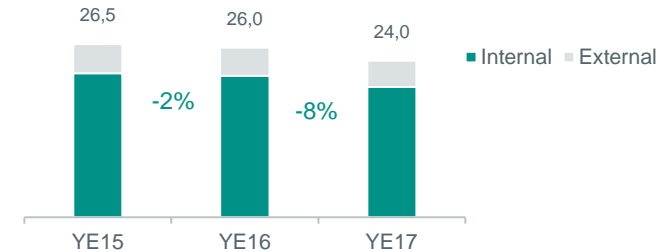
# Business transformation and simplification on track

## Progress on transformation

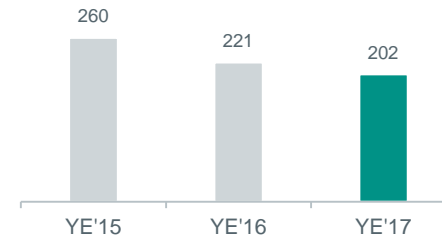
- ✓ Senior management simplification
- ✓ Head office cost reductions
- ✓ Cost savings coming through
- ✓ IT simplification, standardisation
- ✓ Digitalisation in Retail Banking
- ✓ Private Banking disposal, simplification and digitalisation
- ✓ Agile way of working implemented

## Business simplification

FTEs '000



Retail branches



# Solid first quarter of 2018

## Q1 2018 Results

EUR m	Q1 2018	Q1 2017
Underlying profit	595	615
Net interest income	1,671	1,596
Total Client Loans	252,940	249,540

Progress on targets	Q1 2018	2017
Return on Equity	11.5%	14.5%
Cost/Income Ratio	57.9%	60.1%
CET1 Ratio at the end of period	17.5%	17.7%

## Key points

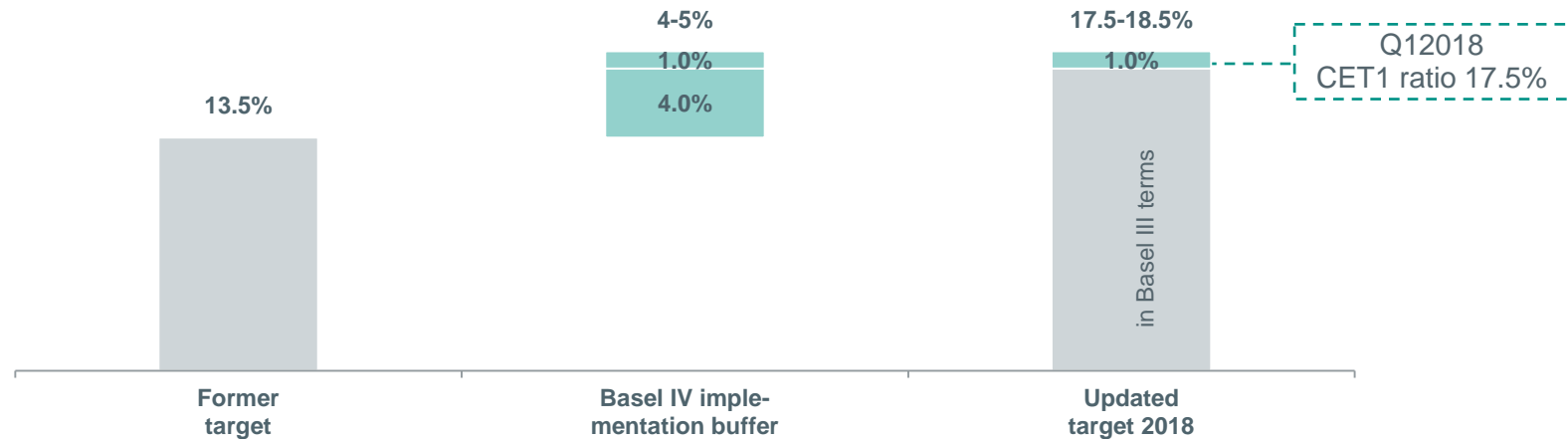
- Net profit of EUR 595m, down 3%
- Improved operating result led to a C/I ratio of 57.9%
- Operating expenses flat
- Impairments up, reflecting challenges in specific sectors
- Strong CET1 ratio of 17.5%

# Share price performance since IPO



Source: S&P Global Intelligence, 28 May 2018

# Updated capital target range of 17.5-18.5% for 2018



- ▶ Prudent buffer for Basel IV – full implementation of Basel IV expected for 2027
- ▶ Aim to meet FL Basel IV CET1 requirement early in phase-in period (starting in 2022)
- ▶ Capital target range to be reviewed at year-end 2018



## Wrap-up and looking ahead

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- ▶ Good financial results in 2017
- ▶ Good progress on non-financial targets
- ▶ Continued focus on client centricity
- ▶ Sustainability as an investment in our future

## 2b. Report of the Supervisory Board in respect of 2017

## 2b. Report of the Supervisory Board in respect of 2017

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Please refer to the Supervisory Board Report as included on pages 144 through 152 in the Annual Report 2017

## 2c. Presentation Employee Council

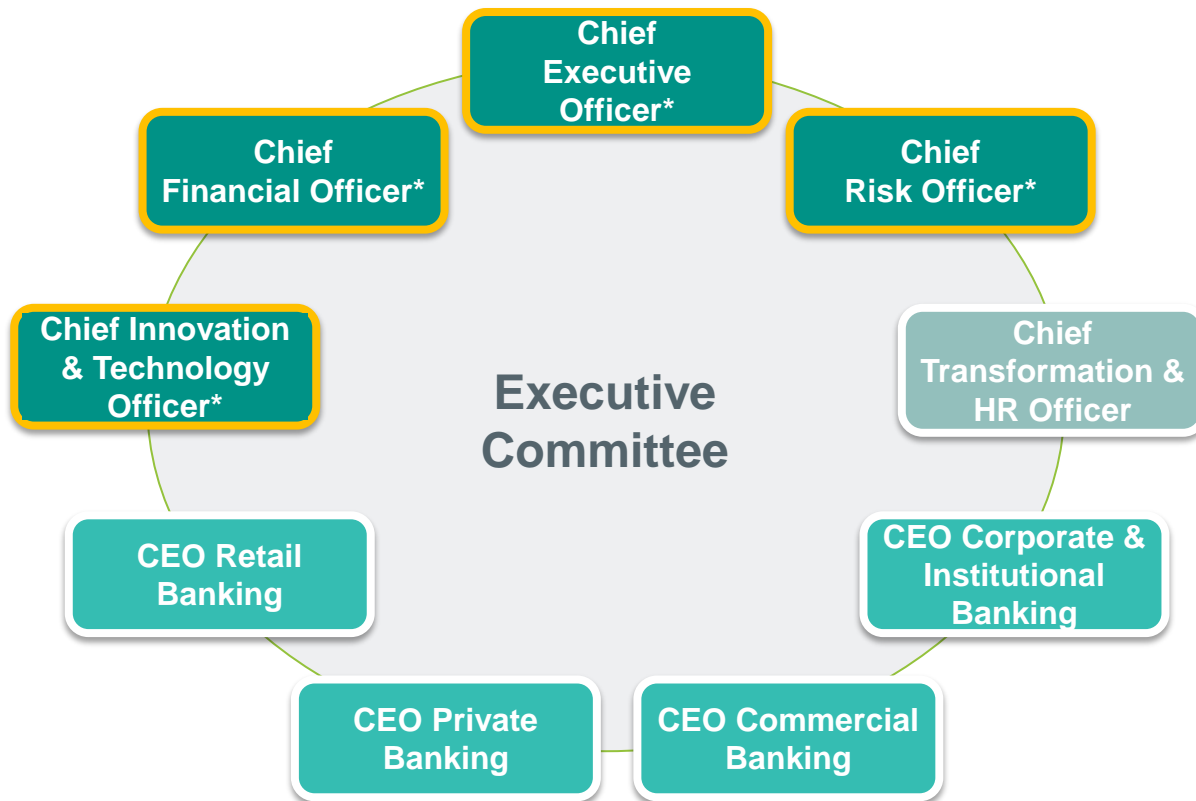
## 2d. Corporate Governance

## 2d. Corporate Governance

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Please refer to the Management Structure section as included on pages 137 through 143 and the Corporate Governance section of the Governance Report as included on pages 153 through 169 in the Annual Report 2017

## 2d. Corporate Governance



\* Member of the Executive Board

## 2e. Implementation of remuneration policy



## 2e. Implementation of remuneration policy

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Please refer to the Remuneration Report as included on pages 170 through 178 in the Annual Report 2017

## 2f. Presentation and Q&A external auditor



**ABN AMRO Group N.V.**  
**Financial Statements 2017**  
General Meeting – 29 May 2018



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

# Financial statements 2017

## Audit scope

- Consolidated financial statements & Director's report
- Quarterly reviews
- Integrated annual review 2017
- Corep / finrep and other prudential reporting

## Timing



# Financial statements 2017

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## Audit approach

- What has continued?
  - Top down, risk based
  - Control environment / risk control framework
  - Substantive procedures
  - Multi-location audit
  - Team (sector knowledge, experts)
- What has changed?
  - More use of data analytics
  - Implementation of IFRS 9

## Key audit matters

- Estimation uncertainty:
  - impairment allowances for loans and receivables – customers
  - Provisions
- Use of suspense accounts
- Reliability and continuity of the information technology and systems
- Lower estimation uncertainty
  - Financial instruments at fair value

# Financial statements 2017

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## Materiality

- 5% of operating profit before taxation,
- EUR 150 million
- 2016: EUR 130 million
- Application of materiality
- Reporting threshold EUR 7.5 million

## Topics discussed with those charged with governance

- Independence
- Overall approach and scope of the audit
- Management letter
- Accounting policies applied
- Accounting estimates
- Quarterly review report
- Long form audit report 2017
- Audit differences above the threshold

# Financial statements 2017

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## Auditor's report

- Unqualified opinion 2017
- Key audit matters and conclusion
- Scope
- Materiality
- Director's report / non financial information
- Going concern

## Other results of our audit

- Quarterly review reports
- Integrated Annual Review 2017
- Prudential reporting
- Statutory audit subsidiaries
- Other assurance engagements

Questions?



## 2g. Adoption of audited annual financial statements 2017

## 2g. Adoption of audited annual financial statements

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Please refer to the Annual Financial Statements as included on pages 179 through 296 in the Annual Report 2017

# Represented Capital General Meeting 2018

## Represented votes General Meeting 2018

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Present or represented at this ABN AMRO General Meeting 2018 are

**1078 shareholders and depository receipt holders**

These represented at the Record Date (1 May 2018)

**816,175,065 votes, or 86.83% of the total votes**

# Voting instructions

## Voting instructions mobile device

### Mobile Device

- ▶ Please make sure you follow the instructions on the instruction card

### During voting

- ▶ The options are visible on your device
- ▶ Press 'for', 'against' or 'abstain'
- ▶ Your choice is visible
- ▶ Your last choice will be registered

### Smart Card

- ▶ Please make sure your smartcard is inserted with the chip facing forward

### During voting

- ▶ The options are visible on your device
- ▶ Press 1, 2 or 3
- ▶ Your choice is visible
- ▶ Your last choice will be registered

## 2g. Adoption of audited annual financial statements

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It is proposed to adopt the audited annual financial statements 2017



Voting  
item

## 2g. Adoption of audited annual financial statements

Adoption of the audited annual financial statements 2017



**Vote is open**

**1 = For**

**Please make your choice**

**2 = Against**

**3 = Abstain**



## 2g. Adoption of the annual financial statements

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Adoption of the audited annual financial statements 2017



**Vote is closed**

## 2g. Adoption of audited annual financial statement

Adoption of the audited annual financial statements 2017

	Votes	%
In favour	815,479,416	99.99%
Against	88,423	0.01%
Abstentions	607,226	

## 3. Dividend

## 3a. Explanation dividend policy

### 3a. Explanation dividend policy

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Please refer to pages 68, 124 and 308 of the Annual Report 2017

## 3b. Proposal for dividend 2017

### 3b. Proposal for dividend 2017

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It is proposed to adopt a final cash dividend of EUR 752 million or EUR 0.80 per share over the financial year 2017



Voting  
item

### 3b. Proposal for dividend 2017

Adoption of a final cash dividend of EUR 752 million or EUR 0.80 per share over the financial year 2017



Voting  
item

Vote is open

Please make your choice

1 = For

2 = Against

3 = Abstain



### 3b. Proposal for dividend 2017

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Adoption of a final cash dividend of EUR 752 million or EUR 0.80 per share over the financial year 2017



**Vote is closed**

### 3b. Proposal for dividend 2017

Adoption of a final cash dividend of EUR 752 million or EUR 0.80 per share over the financial year 2017

	Votes	%
In favour	813,058,577	99.64%
Against	2,946,118	0.36%
Abstentions	170,370	

## 4. Discharge

## 4a. Discharge of each member of the Executive Board

## 4a. Discharge of each member of the Executive Board

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It is proposed to discharge each member of the Executive Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



Voting  
item

## 4a. Discharge of each member of the Executive Board

Discharge of each member of the Executive Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



Voting  
item

**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 4a. Discharge of each member of the Executive Board

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Discharge of each member of the Executive Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



**Vote is closed**

## 4a. Discharge of each Managing Board member

Discharge of each member of the Executive Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year

	Votes	%
In favour	802,342,174	99.18%
Against	6,623,412	0.82%
Abstentions	7,209,479	



## 4b. Discharge of each member of the Supervisory Board

## 4b. Discharge of each member of the Supervisory Board

It is proposed to discharge each member of the Supervisory Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



Voting  
item

## 4b. Discharge of each member of the Supervisory Board

Discharge of each member of the Supervisory Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



Voting  
item

**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 4b. Discharge of each member of the Supervisory Board

Discharge of each member of the Supervisory Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year



Voting  
item

**Vote is closed**

## 4b. Discharge of each Supervisory Board member

Discharge of each member of the Supervisory Board in office during the financial year 2017 ending on 31 December 2017 for the performance of his or her duties during that year

	Votes	%
In favour	802,269,615	99.18%
Against	6,623,522	0.82%
Abstentions	7,281,928	

## 5. Report on functioning of external auditor

## 5. Evaluation external auditor (1)

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### Approach

On an annual basis the performance of the external auditor is evaluated by ABN AMRO management, via an internal survey. The 2017 financial statements audit was the second year for EY as external auditor of ABN AMRO, so a learning curve compared to the traditionally more difficult first financial statements audit year was expected.

### Outcome

The average result of EYs performance, scored by ABN AMRO management, is 3.5 on a 5-point scale <sup>1)</sup> (2016 survey result 3.3), which represents a 'Satisfactory' to 'Good' score.

<sup>1)</sup> 5-point scale: 1=Weak, 2=Below average, 3=Satisfactory, 4=Good, 5=Excellent

## 5. Evaluation external auditor (2)

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### Positive observations

Main positive points are noted around independence, objectivity, professionalism, expertise, quality of communication and the EY core team is seen as the most efficient part. Especially at Senior Management level (responses from Executive Board/Audit Committee members) the overall score of EY is good (around 4.0 on average).

### Attention points

Room for improvement was observed around timely discussion of issues with management, creating consistency in EY teams (business understanding and staffing) and on efficiency (need for understanding documentation requests by EY) , especially at some subsidiaries. Actions have been agreed with EY.



## 5. Evaluation external auditor (3)

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### Re-appointment EY

EY just started its 3rd year as external auditor of ABN AMRO. Because we consider continuity as important and auditor's rotation is only due after 10 years, we expect to propose to the General Meeting re-appointment of EY for the coming years. Soon we will start discussions with EY about that.

## 6. Composition Supervisory board

## 6a. Collective profile of the Supervisory Board

## 6b. Notification of Supervisory Board vacancies

## 6c. Opportunity to make recommendations by the General Meeting

## 6d. Re-appointment of Steven ten Have as member of the Supervisory Board

## 6d. Re-appointment of Steven ten Have

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It is proposed to re-appoint Steven ten Have as member of the Supervisory Board



Voting  
item

## 6d. Re-appointment of Steven ten Have

Re-appointment of Steven ten Have as member of the Supervisory Board



**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**



## 6d. Re-appointment of Steven ten Have

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Re-appointment of Steven ten Have as member of the Supervisory Board



Voting  
item

**Vote is closed**

## 6d. Re-appointment of Steven ten Have

It is proposed to re-appoint Steven ten Have as member of the Supervisory Board

	Votes	%
In favour	811,535,938	99.45%
Against	4,463,545	0.55%
Abstentions	175,582	

## 7. Issuance and acquisition of shares

## 7. Issuance and acquisition of shares

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The authorisations to issue shares, to exclude pre-emptive rights and to acquire (depository receipts for) shares allow ABN AMRO flexibility and the ability to respond quickly to comply with regulatory requirements

## 7a. Authorisation to issue shares and grant rights to subscribe for shares

## 7a) Authorisation to issue shares

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It is proposed to authorise the Executive Board to issue ordinary shares and to grant rights to subscribe for such ordinary shares



Voting  
item

- ▶ up to a maximum of 10% of the issued share capital
- ▶ for a period of 18 months
- ▶ subject to the approval of the Supervisory Board

## 7a) Authorisation to issue shares

Authorisation of the Executive Board to issue shares and grant rights to subscribe for shares



**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 7a) Authorisation to issue shares

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Authorisation of the Executive Board to issue shares and grant rights to subscribe for shares



**Vote is closed**



## 7a. Authorisation to issue shares

Authorisation of the Executive Board to issue shares and grant rights to subscribe for shares

	Votes	%
In favour	804,746,676	98.60%
Against	11,403,018	1.40%
Abstentions	25,371	

## 7b. Authorisation to limit or exclude preemptive rights

## 7b. Authorisation to limit or exclude pre-emptive rights

It is proposed to authorise the Executive Board to limit or exclude pre-emptive rights in connection with the issue authorisation granted under agenda item 7(a).



- ▶ for a period of 18 months
- ▶ subject to the approval of the Supervisory Board

## 7b. Authorisation to limit or exclude pre-emptive rights

Authorisation of the Executive Board to limit or exclude pre-emptive rights



**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 7b. Authorisation to limit or exclude pre-emptive rights

Authorisation of the Executive Board to limit or exclude pre-emptive rights



**Vote is closed**

## 7b. Authorisation regarding pre-emptive rights

Authorisation of the Executive Board to limit or exclude pre-emptive rights

	Votes	%
In favour	758,044,668	92.88%
Against	58,105,124	7.12%
Abstentions	25,273	

## 7c. Authorisation to acquire shares or depository receipts

## 7c. Authorisation to acquire shares or depositary receipts

It is proposed to authorise the Executive Board to acquire shares or depositary receipts in ABN AMRO Group's own capital



- ▶ for a period of 18 months
- ▶ subject to the approval of the Supervisory Board and the ECB and other relevant regulatory authorities
- ▶ on the stock exchange or through other means (including but not limited to by means of acquiring derivatives, or private or over-the-counter transactions, block trades or otherwise)
- ▶ at a price between the nominal share value and the highest price traded on Euronext on the preceding or trading day of the relevant transaction
- ▶ limited to 10% of the issued share capital of ABN AMRO Group



## 7c. Authorisation to acquire shares or depositary receipts

Authorisation of the Executive Board to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital



Voting  
item

**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 7c. Authorisation to acquire shares or depositary receipts

Authorisation of the Executive Board to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital



Voting  
item

**Vote is closed**

## 7c. Authorisation to acquire shares or DRs

Authorisation of the Executive Board to acquire shares or depositary receipts for shares in ABN AMRO Group's own capital

	Votes	%
In favour	815,116,851	99.92%
Against	635,486	0.08%
Abstentions	422,728	

## 8. Cancellation of (depository receipts for) shares in the issued share capital

## 8. Cancellation of shares

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It is proposed to the General Meeting to resolve to cancel (depository receipts for) shares in the issued share capital of ABN AMRO Group held by ABN AMRO Group



Voting  
item

- ▶ At the proposal of the Executive Board
- ▶ Subject to approval of the Supervisory Board
- ▶ Subject to approval of the ECB and other relevant regulators
- ▶ Limited to a maximum of 10% of the total issued share capital of ABN AMRO Group
- ▶ For a period of 18 months

## 8. Cancellation of shares

Resolution of the General Meeting to cancel (depository receipts for) shares in the issued share capital of ABN AMRO Group held by ABN AMRO Group



Voting  
item

**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 8. Cancellation of shares

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Resolution of the General Meeting to cancel (depository receipts for) shares in the issued share capital of ABN AMRO Group held by ABN AMRO Group



Voting  
item

**Vote is closed**

## 8. Cancellation of shares

Approval by the General Meeting to cancel (depository receipts for) shares in the issued share capital of ABN AMRO Group held by ABN AMRO Group

	Votes	%
In favour	816,061,031	100.00%
Against	14,423	0.00%
Abstentions	99,611	



## 9. Amendment to Articles of Association

## 9. Amendment to the Articles of Association

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It is proposed to the General Meeting to resolve:

- ▶ to amend the Articles of Association of ABN AMRO Group N.V. in order to decrease the authorised capital from EUR 4,700,000,000 to EUR 2,400,000,000; and
- ▶ to authorize each (deputy) civil law notary and employee of De Brauw Blackstone Westbroek, severally, to have the deed of amendment of the Articles of Association of ABN AMRO Group N.V. executed



Voting  
item

## 9. Amendment to the Articles

Authorisation from the General Meeting to resolve:

- ▶ to amend the Articles of Association of ABN AMRO Group N.V. in order to decrease the authorised capital from EUR 4,700,000,000 to EUR 2,400,000,000; and
- ▶ to authorize each (deputy) civil law notary and employee of De Brauw Blackstone Westbroek, severally, to have the deed of amendment of the Articles of Association of ABN AMRO Group N.V. executed



Voting  
item

**Vote is open**

**Please make your choice**

**1 = For**

**2 = Against**

**3 = Abstain**

## 9. Amendment to the Articles

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Authorisation from the General Meeting to resolve:

- ▶ to amend the Articles of Association of ABN AMRO Group N.V. in order to decrease the authorised capital from EUR 4,700,000,000 to EUR 2,400,000,000; and
- ▶ to authorize each (deputy) civil law notary and employee of De Brauw Blackstone Westbroek, severally, to have the deed of amendment of the Articles of Association of ABN AMRO Group N.V. executed



Voting  
item

**Vote is closed**

## 9. Amendment to the Articles of Association

Authorisation from the General Meeting

	Votes	%
In favour	815,986,939	100.00%
Against	13,571	0.00%
Abstentions	174,555	

## 10. Any other business and conclusion

## 10. Any other business and conclusion

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▶ Q&A

## 10. Any other business and conclusion

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- ▶ Thank you for your attendance
- ▶ Please join us for drinks in the lounge outside this conference room