

ABN AMRO Bank N.V.

Remuneration report 2021

Remuneration report

Letter from the Chair of the Remuneration Committee

Dear shareholder,

We hereby present our remuneration report for the year 2021. In this letter, I would like to reflect briefly on some key topics and considerations for the Remuneration Committee in the past year.

In 2021, we made progress in executing our strategy to be a personal bank in the digital age, serving clients where we have scale in the Netherlands and Northwest Europe. ABN AMRO aims to pursue a responsible remuneration policy within the regulatory boundaries and considering the interests of our stakeholders. As a value-driven organisation, our decisions and behaviour need to be in line with our purpose and strategy. Our remuneration policy should enable us to attract and retain the right talent and ensure that we meet our responsibilities to clients and other stakeholders, both now and in the future. We need well-trained, engaged and entrepreneurial employees with the right expertise, as well as flawless processes and technologies. We need to enable our employees to develop new skills by investing in employee development. We also need to be able to continue to create value for our stakeholders and society at large. We strive to embed new remuneration regulations effectively and efficiently in our reward policies and principles.

Strategy execution

As part of the simplification of our organisational structure, and to better serve our clients, the Executive Committee was changed into an extended Executive Board. We welcomed Choy van der Hooft-Cheong (CCO Wealth Management), Dan Dorner (CCO Corporate Banking) and Gerard Penning (Chief Human Resources Officer) as members of the Executive Board from 24 November 2021. We also announced Annerie Vreugdenhil as a candidate for the position of CCO Personal & Business Banking, for which regulatory approval has been obtained. The Executive Committee ceased to exist from the same date. The former Executive Committee members Daphne de Kluis and Rutger van Nouhuijs resigned in 2021, and the employment contracts of Pieter van Mierlo and Frans van der Horst are due to end during 2022. In early 2022, Christian Bornfeld resigned as at 1 May 2022. In Q4 2021, as part of the implementation of the new structure, a reorganisation was conducted at the level of the Extended Leadership Team (i.e. all direct reports to the Executive Board with managerial responsibility). All members of the Extended Leadership Team were appointed with effect from 1 January 2022.

Executive Board Remuneration Policy

In 2022, with the new Executive Board members and the Extended Leadership Team having been installed, the focus will continue to be on strategy execution, also in the organisational layers below the Extended Leadership Team. In 2022, we will initiate internal and external stakeholder engagements on a proposal for adjusting our Executive Board Remuneration Policy, and more specifically the performance KPIs for Executive Board members, in order to achieve more alignment with our strategy and expected legislation.

Negotiations of Collective Labour Agreement ('CLA')

In the Netherlands, our Collective Labour Agreements (comprising the CLA employment conditions and the Social Plan) are applicable to the vast majority of the employees. The CLA employment conditions and the Social Plan both reached the end of their term on 1 January 2022. Following extensive negotiations with the unions, agreement was reached on CLA employment conditions for the period from 1 January 2022 to 1 July 2022, with a specific focus on arrangements for hybrid working, wellbeing and employability. The transportation arrangements were also updated to take into account hybrid working and our sustainability strategy. The Social Plan, which is a separate CLA, has been extended for a period of three years.

Settlement agreed with the Netherlands Public Prosecution Service (NPPS) April 2021

On 19 April 2021, it was announced that ABN AMRO had accepted a settlement offer from the NPPS relating to the previously announced investigation into the bank's AML activities in the Netherlands over the period 2014-2020. As part of this settlement, we paid a fine of EUR 300 million and EUR 180 million as a disgorgement. ABN AMRO deeply regrets the situation and recognises the seriousness of the matter, in which we fell short in fulfilling our role as a gatekeeper seeking to combat money laundering. The settlement was taken into account when deciding on the award of variable remuneration for 2021, as described in the report below.

Diversity & equal pay

We aim to provide a working environment where everyone can be themselves and feel safe, regardless of their race, ethnicity, gender, religion, age, disability, sexual orientation, gender identity or gender expression. In 2021, we were given the first ever Diamond Award for cultural diversity by the 'Talent to the Top Foundation'. This award recognises our broad-ranging efforts to promote diversity, including our programmes that support employees with different cultural backgrounds and offer jobs to refugees with residence

permits. In 2022 we will introduce a pilot in which employees can swap two public holidays for two days off that are of significance to their religious or philosophical beliefs.

Equal pay for equal work is an important principle within ABN AMRO and progress in equal pay is continuously monitored. During the past few years, ABN AMRO has achieved good results on equal pay within the CLA population in the Netherlands. In 2021, preparations were made to adjust the remuneration methodology for the Dutch CLA+ employees (i.e. employees appointed at a job level that exceeds the CLA job levels) and to improve arrangements ensuring equal pay for equal work or work of equal value. These changes were implemented with effect from 1 January 2022.

Aside from paying equally for equal work or work of equal value, good progress has been achieved on diversity in appointments within our Dutch CLA+ population. The gender diversity of the Extended Leadership Team increased from 44% to 47% female employees as at 1 January 2022 as a result of the reorganisation at the level of the Extended Leadership Team. The Executive Board consisted of 33.33% female members until 24 November 2021. From that date, the Executive Board consisted of 28% female members and will increase to 37.5% female members upon appointment of Annerie Vreugdenhil. For most of 2021, the Supervisory Board consisted of 43% female members. The current composition of the

Supervisory Board complies with the Act on Gender Balance in Management and Supervisory Boards (*Wet Evenwichtiger verhouding tussen mannen en vrouwen in bestuur en raden van commissarissen*), which came into force on 1 January 2022.

As Covid-19 continues to affect the way we live and work, I would like to thank our staff for their ceaseless dedication to our clients. I am pleased to report that our employee engagement remains high at 82%. This was after another challenging year, in which our employees were once again challenged to combine their work and private lives. I appreciate how challenging it can be to keep doing your job well in these circumstances. Although we continuously strive to support our colleagues in these difficult circumstances, we also realise that this period has demanded a lot from our employees. I would therefore like to thank all our employees most sincerely for their continuous efforts. Please allow me to emphasise how important it is to continue taking good care of yourselves and each other.

On behalf of the Remuneration Committee of the Supervisory Board,

Arjen Dorland

Chair of the Remuneration Committee

Remuneration principles and policies

General

The only way to successfully execute our strategy is to create conditions in which all our employees can use their talents to contribute to our goals and to develop or acquire the right skills. We strive to achieve a future-proof workforce, with an excellent employee experience and leadership that inspires, alongside efficient organisational structures, processes and IT systems that help our employees work more effectively.

ABN AMRO aims to be a bank at the heart of society that is relevant and responsible, now and in the future. Our

purpose is clearly defined as ‘Banking for better, for generations to come’. Our strategy is based on our purpose and the three strategic pillars:

- ▶ Customer experience;
- ▶ Sustainability;
- ▶ Future-proof bank.

We want to create value for society, not only as a provider of financial services to our clients but also as an employer. Since ABN AMRO also publishes this Remuneration report separately from the Integrated Annual Report, we refer to the Strategy, value creation & performance chapter of the Integrated Annual Report for further context.

Remuneration principles



ABN AMRO has embedded its long-term corporate strategy in its remuneration policy and principles. Our remuneration principles are set out in ABN AMRO’s Global Reward Policy, which is designed to support the bank’s business and risk strategy, objectives, values and long-term interests. ABN AMRO’s Global Reward Policy and remuneration principles apply to all of our employees at all levels and in all countries of ABN AMRO’s international network (including branch offices) and underscore our goal of nurturing a culture of engaged, well-trained, knowledgeable and high-performing people and processes.

The Supervisory Board approves the general remuneration principles laid down in the Global Reward Policy. The policy is reviewed regularly, taking into consideration the company’s strategy and culture (and any changes in these), as well as factors such as risk awareness, targets, corporate values and any updates due to laws and regulations.

Composition of remuneration packages

A typical remuneration package for ABN AMRO employees consists of an annual base salary, annual variable remuneration (if the relevant market practice so requires, mainly outside the Netherlands) and fringe benefits. Different ranges apply to the various salary scales in each country, but we always position our remuneration levels around the median of the relevant labour market, while keeping labour costs under control.

ABN AMRO’s collective labour agreement (CLA) governs the remuneration packages for employees based in the Netherlands (including Identified Staff), unless they have been appointed to a CLA+ position.

Limitations on variable remuneration

As a financial institution, ABN AMRO is subject to many guidelines and restrictions with respect to remuneration. Since 2015, additional limitations with respect to remuneration and particularly variable remuneration have applied to the Dutch financial sector, impacting all staff of ABN AMRO, with even more restrictions applying to financial institutions of which shares are held by the Dutch State. In alignment with the Act on the Remuneration Policy for Financial Undertakings (Wbfo), the variable compensation is capped at (an average of) 20% of base salary for those employed in the Netherlands.

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. As ABN AMRO has not requested shareholder approval to increase the maximum variable compensation percentage to 200%, a cap of 100% applies outside the Netherlands.

Bonus prohibition

As long as the Dutch State holds any interest in ABN AMRO, ABN AMRO is required to apply the bonus prohibition to a specific group of senior employees, as defined in the Wbfo. Senior employees in scope of the bonus prohibition are not allowed to be granted any variable remuneration or individual salary increases until the Dutch State no longer holds an interest in ABN AMRO ('Bonus Prohibition').

Remuneration details of Identified Staff

Staff whose professional activities could have a material impact on the bank's risk profile are defined as Identified Staff. Within ABN AMRO, the group of Identified Staff consists of:

- ▶ Members of the Executive Board or Supervisory Board;
- ▶ Members of the Executive Committee, not being a member of the Executive Board (until 24 November 2021);
- ▶ Members who hold a position at CLA+ level (including 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 or fulfilling specific roles;
- ▶ Other employees whose total remuneration exceeds specific thresholds.

All variable remuneration awards for Identified Staff are subject to and structured in accordance with the applicable Variable Compensation Plan.

Before any variable remuneration is granted to Identified Staff, 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 an 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. 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 years following the first payment. This remuneration vests only after an explicit ex-post risk assessment: the 'malus assessment'. This assessment is performed by the Control functions and also results in an advice to the Executive Board, which decides whether a malus is applicable. The Executive Board's decision must be formally approved by the Supervisory Board, based on the advice of the Remuneration Committee.

Equal pay

ABN AMRO aims to create an environment where staff can express their identity and where equal work or work of equal value is rewarded equally. Through its diversity and inclusion policy, ABN AMRO aims to be an organisation where people feel safe and welcome. Rewarding equal work equally is of fundamental importance and has ABN AMRO's full attention.

Internal research shows that, for several years in a row, and within the CLA population in the Netherlands, men and women in the same salary scale have – on average – been paid equally and have had the same opportunities for promotion. In the case of the CLA+ positions, however, salary differences between men and women have been identified. In 2021, therefore, a new equal pay methodology was prepared, and then implemented with effect from 1 January 2022. As preparation for this new methodology, the job grades in the CLA+ positions have been (or will shortly be) regraded and the midpoints of the salary scales have been benchmarked against the market. Going forward, discretionary salary increases are being replaced by pre-set salary increases linked to the position in the salary scale in

combination with the individual performance score, in line with market practice for these job grades.

Performance management and KPI-setting

General

In line with the general trend toward less hierarchy and more teamwork, ABN AMRO wants to subject employees to fewer controls, empower them more, and offer them tools that will keep them well-equipped for their job and help them deal with the ever-changing environment. We are striving 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. Our performance management aims to support our employees' ambitions, to build expertise and knowledge and to seek alignment with our goals (including reskilling and upskilling), thus creating long-term value for all our stakeholders. We aim to use Performance Management as a driving force for a culture of performance and accountability, characterised by clear expectations, single-point accountability, honest and courageous dialogues and recognition for outstanding performance.

Our performance management aims to create a clear link 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. KPIs used are financial and non-financial, as well as qualitative and quantitative.

Identified Staff

For Identified Staff (CLA and CLA+) a specific KPI framework applies, linked to the strategy of ABN AMRO and approved by the Executive Board and Supervisory Board. For 2021, the group non-financial KPIs consisted of sustainability assets, while the group financial KPI was the CET1 ratio. The business line non-financial KPIs were gender diversity in the sub-top, net growth in strategic segments and rNPS, while the business line financial KPIs were cost level and segment ROE. At an individual level, objectives were set for results, behaviour and development. In the final performance scores, conveying the desired compliance and risk culture is taken into account at a business line and individual level.

Executive Board

The annual KPI framework is approved by the Supervisory Board. The performance criteria for Executive Board members are based on financial and non-financial measures at an organisation, business line and individual level, as set out in the Executive Board Remuneration Policy. The performance criteria and targets set reflect and contribute to key elements of the strategy of ABN AMRO and long-term value creation, especially Sustainability and House in Order. Annual targets are set for all KPIs. The performance of Executive Board members against

these KPIs is continually monitored by the Supervisory Board. In consultation with all relevant departments within ABN AMRO, the Supervisory Board assesses Executive Board members' performance against the KPIs and targets set.

Regulatory developments and business events 2021

Collective Labour Agreements

ABN AMRO's Dutch collective labour agreement applied until 1 January 2022. Negotiations on the collective labour agreement to apply from 1 January 2022 started during 2021. On 26 November 2021, a new CLA was agreed upon for the period from 1 January to 1 July 2022.

Retention related to wind-down of non-European Corporate & Institutional Banking activities

As announced on 12 August 2020, all non-European CIB client activities (except for Clearing) are currently being wound down. To mitigate the risk of staff leaving, and to ensure a compliant, controlled and client-focused wind-down, retention packages were awarded in 2020 to non-European CIB employees. The first payment of these retention awards was included in the remuneration report of 2020. The second payment of the retention awards, if applicable, was made in 2021 and is included in the remuneration report for the year.

Settlement agreed with the Netherlands Public Prosecution Service April 2021

On 19 April 2021, ABN AMRO published details of its settlement with the NPPS. The fine and disgorgement pertaining to this settlement were explicitly considered when the award of variable remuneration for 2021 was being determined.

Relevant regulatory developments

The EBA Guidelines on Sound Remuneration Policies, applying from 31 December 2021, were published on 2 July 2021. The revised guidelines require institutions, inter alia, to apply sound and gender-neutral remuneration policies to all staff and to incorporate changes introduced by CRD V (which entered into force on 28 December 2020).

On 21 April 2021, the European Commission also published its Implementing Regulation (EU) 2021/637. This requires institutions, from 28 June 2021, to disclose the information regarding their remuneration policy and practices required by Article 450 of Regulation (EU) No 575/2013 (i.e. Pillar 3 disclosure).

On 19 October 2021, the Restrained Remuneration Policy Decree (Financial Supervision Act) 2021 (*Regeling beheerst belongingsbeleid Wft 2021*) replaced the Restrained Remuneration Policy Decree (Financial Supervision Act) 2017 (*Regeling beheerst belongingsbeleid Wft 2017*). This followed the entry into force of EU Directive 2019/2034

of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms, which applies solely to investment firms.

On 27 October 2021, the European Commission adopted a review of EU banking rules. The new rules – comprising the Banking Package 2021, including proposed changes to the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) – will ensure that EU banks become more resilient to potential future economic shocks, while also contributing to Europe's recovery from the Covid-19 pandemic and the transition to climate neutrality. The proposed amendments in the CRD relate, inter alia, to gender-neutral remuneration policies and the responsibilities of the Remuneration Committee in relation to senior staff in internal control functions.

The Dutch Corporate Governance Code Monitoring Committee has provided further guidance on how to include information regarding the pay ratio in the remuneration report, starting from the financial year beginning on or after 1 January 2021.

On 14 June 2021, the Regulatory Technical Standards for Identified Staff 2021 replaced the Regulatory Technical Standards for Identified Staff 2014, supplementing Directive 2013/36/EU of the European Parliament and of the Council, with regard to regulatory technical standards. These standards set out the criteria for defining managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and set out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive.

In the ex ante risk assessment in 2021, the impact of the award of variable remuneration on the total capital position of ABN AMRO was taken into account, as requested by the ECB in its letter dated 15 December 2020.

The Sustainable Finance Disclosure Regulation (SFDR) came into force on 10 March 2021. This focuses on the need for the remuneration policy applicable to staff, especially those involved in ABN AMRO's investment products and services, to be consistent with the integration of sustainability risks. ABN AMRO is currently implementing this by taking a sustainability KPI into account when awarding variable remuneration.

Forecast 2022

Legislation expected in 2022

Environmental, social and governance (ESG) issues remain highly important for credit institutions. The ESG-related regulations, guidelines and other publications (such as the

Taxonomy Regulation, SFDR, NFRD, CRD V, CRR II, EBA guidelines and reports, ECB guidance and reports and the European Commission's proposals and delegated acts) include ESG disclosure requirements applying, inter alia, to remuneration policies. Some of those requirements entered into force in 2020 and during 2021, while others apply from 2022 onwards or even later. Proposals on new legislation in the Netherlands are also pending, but it is still unclear whether and when any amendments will take effect (*Nadere beloningsregels financiële sector*).

On 21 January 2022, the EBA launched two consultations for updating (i) its Guidelines on the remuneration benchmarking exercise, and (ii) its Guidelines for collecting data on high earners.

The above list of legislation and regulations is a non-exhaustive summary. Reference is also made to the Regulatory developments section in the Introduction chapter of the Integrated Annual Report 2021. If needed, ABN AMRO will adjust its remuneration policies to ensure compliance with applicable legislation and regulations. Shareholders' approval will also be requested, when required.

Executive Board Remuneration Policy

In 2022, we will initiate internal and external stakeholder engagements on a proposal for adjusting our Executive Board Remuneration Policy, and more specifically the performance KPIs for Executive Board members, in order to achieve more alignment with our strategy and expected legislation on sustainability.

Remuneration for all staff and Identified Staff Remuneration for all staff

In general, the remuneration packages for all staff are structured in accordance with regulations and restrictions applying to the financial sector. A remuneration package for all staff may consist of the following components (depending on local market practice):

- ▶ Fixed salary;
- ▶ Variable remuneration;
- ▶ Pension contribution;
- ▶ Benefits and other entitlements.

For all staff based outside the Netherlands, ABN AMRO takes into account relevant business dynamics (e.g. market conditions, and local labour and tax legislation) when deciding on the composition of remuneration packages.

Gender pay gap

The gender pay gap is the difference in average gross salaries between men and women. ABN AMRO calculates the overall gender pay gap, as well as the gender pay gap corrected per salary scale, for its employees in the Netherlands. The gender pay gap corrected per salary scale

represents the average gross salary differences between men and women in the same salary scale. For ABN AMRO employees in the Netherlands, the gender pay gap corrected per salary scale amounts to 0.27% in favour of men. The overall gender pay gap (uncorrected per salary scale) in 2021 amounted to 14.7%. The overall gender pay gap is mainly caused by more men than women holding positions in the higher job grades. ABN AMRO will continue focusing on increasing gender diversity in the higher job levels so as to reduce the overall gender pay gap. The increased diversity in the appointments at ELT level is an example of this.

Remuneration details of Identified Staff

Variable remuneration awarded to Identified Staff is awarded in line with the terms and conditions of the Variable Compensation Plan, which imposes restrictions on variable remuneration. The variable remuneration is split into an upfront award of 60% and a deferred award of 40%. Deferred variable remuneration in the current Variable Remuneration Plan (applicable from December 2020) vests in equal instalments in the four years after the first payment. The instrument underlying the non-cash award consists of performance certificates. The value of the performance certificates depends on the share price of ABN AMRO and hence fluctuates in line with the market. The value of the performance certificates will be paid out in cash. A one-year retention period applies to the non-cash award.

Variable remuneration awards related to the performance years 2016 to November 2020 (inclusive) vest in equal instalments in the three years after the first payment. The instrument underlying the non-cash award consists of Depositary Receipts (DRs). The value of the DRs depends on the development of the share price of ABN AMRO and can be paid out in cash or by releasing the original number of DRs to the employee. A two-year retention period applies to the non-cash award. Variable remuneration awards with respect to the performance years up to and including 2015 consisted of performance certificates as a non-cash instrument. The value of these performance certificates fluctuated in line with the net asset value of ABN AMRO. The final deferred pay-out of the value of performance certificates was made in March 2021.

Malus assessment in 2021

The malus assessment is conducted by the Executive Board and Supervisory Board upon analysis and advice of the control functions Risk, Compliance and Audit, and also based on input from all other relevant ABN AMRO departments, including HR and Finance. The malus assessment includes determining whether any new information is available that prevents the vesting of deferred variable remuneration, such as:

- ▶ 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);
- ▶ a significant downturn in the financial performance of the institution or business unit (based on specific indicators);
- ▶ a significant failure of risk management in the institution or business unit in which the Identified Staff member works;
- ▶ significant changes in the institution's economic or regulatory capital base.

In addition, the Supervisory Board has the discretionary power to reduce any variable remuneration to a suitable amount if, in its opinion, payment of such remuneration 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 and designed to circumvent the effects of the risk controls that have been embedded in the bank's Variable Compensation Plan is not permitted.

For the performance period 2021, 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 2020 performance period;
- ▶ The second tranche of deferred variable compensation for the 2019 performance period;
- ▶ The third tranche of deferred variable compensation for the 2018 performance period.

For performance period 2021, the Supervisory Board decided in three individual cases to apply a malus with respect to the vesting of any remaining deferred variable compensation for the 2018, 2019 and 2020 performance periods. As the staff members have left the bank and any entitlements to receive deferred variable remuneration have been forfeited, the malus has no further financial consequences.

The other deferred variable compensation awards with respect to the above three performance periods will be granted to the relevant Identified Staff members in line with the terms and conditions of the Variable Compensation Plan.

Remuneration details of Identified Staff

The following tables contain remuneration details of Identified Staff. The first table is the segregated overview of

the number of Identified Staff and their aggregated remuneration (in thousands) per business line.

	2021		2020	
	Number of FTEs (Identified Staff) ²	Aggregated remuneration (in thousands)	Number of FTEs (Identified Staff) ²	Aggregated remuneration (in thousands)
Retail Banking	33	8,516	28	8,673
Commercial Banking	38	9,395	39	9,339
Private Banking	30	9,414	34	12,570
Corporate & Institutional Banking	81	33,708	91	33,852
Group Functions ¹	168	44,454	158	43,846
Total	350	105,487	350	108,280

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).

The following two tables contain an overview of the number of employees with annual remuneration exceeding EUR 1 million per business line and organisational level

(i.e. ExBo/ExCo, Executive Committee -1 and -2, and Other Identified Staff). The three employees mentioned in each table are the same three 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	3							
Group Functions ¹								

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

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

(in FTE) ¹	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
Executive Board / Executive Committee								
Executive Committee -1 and -2 above CLA								
Other Identified Staff	3							

¹ Identified staff only.

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

	Number of FTEs (identified staff)		Aggregated remuneration (in thousands)
	SB, ExBo, ExCo, ExCo1 and ExCo2	Other identified staff	
Fixed remuneration over 2021	131	219	95,293
Variable remuneration over 2021 ¹	84	80	10,194
- of which in cash			5,097
- of which in non-cash instruments			5,097
- of which unconditional (up-front payment)			6,116
- of which conditional (deferred payment)			4,078
Retention payments over 2021	2	13	3,865
Sign-on payments over 2021		1	10
Severance payments over 2021 ²	5	3	3,049

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

² The highest severance pay amounted to EUR 903 thousand.

As at the end of 2021 the following non-cash awards were in place, reflecting the variable remuneration awards from 1 January 2016 until 31 December 2021, and every

depository receipt representing its fair value in alignment with the Variable Compensation Plan.

(In thousands of DRs)	2021		2020	
Outstanding at 1 January		859		751
Granted during the year		313		361
Forfeited during the year	12		18	
Paid out during the year cash	279		211	
Paid out during the year DRs	27		24	
Less: total paid out/forfeited		-318		-253
Outstanding at 31 December		854		859

The award of performance-related variable remuneration is linked to the performance of the bank and the underlying business lines. As ABN AMRO's financial results in 2021 improved significantly in comparison to its financial results in 2020, the overall award of performance-related variable remuneration increased. This increase was subsequently corrected for the settlement agreed with the NPPS. As the settlement was specifically related to our activities in the Netherlands, it was decided to apply a reduction of 25% to the award of variable remuneration for CLA+ employees on

a Dutch employment contract and to the bonus pool for eligible employees in the Netherlands. As a result, the performance-related variable remuneration of all staff, including Identified Staff, increased from EUR 16 million in 2020 to EUR 45 million in 2021.

Total retention payments increased from EUR 14 million in 2020 to EUR 33 million in 2021, mainly due to the retention payments made in respect of the wind-down of certain non-European CIB activities.

2021 Performance indicators for Identified Staff

	Weighting Executive Board ⁵	Weighting Executive Committee	Weighting above CLA identified staff	Weighting CLA identified staff
Organisation level KPIs	30-65%	30-45%	10-20%	10-15%
Businessline level KPIs	0-35%	20-40%	35-50%	25-30%
Individual KPI ¹	35%	30-35%	40-45%	60%
Total	100%	100%	100%	100%
- of which financial ^{2,4}	20-30%	20-30%	15-30%	12-23%
- of which non-financial ^{3,4}	70-80%	70-80%	70-85%	77-88%

¹ Individual KPI: For employees above CLA, the individual KPI refers to the score on individually determined KPIs.

² Financial KPIs include a selection of Return on Equity, CET1 ratio, Cost/income ratio, Cost ceiling, Cost level and Segment ROE.

³ Non-financial KPIs include a selection of Sustainability DJSI, Employee engagement, House in Order, NPS, Sustainability assets, Gender diversity sub-top and Net growth in strategic segments.

⁴ The mix and weighting of KPIs are tailored to specific function of the identified staff member.

⁵ The CEO only has KPIs on an individual and organisation level.

Executive Board

Executive Board Remuneration Policy

The Supervisory Board is responsible for the execution of the Executive Board Remuneration Policy. In line with the policy, an increase of 1.4% in the fixed salary was applied with effect from 1 July 2021 following the CLA for the banking sector.

Executive Board Remuneration Policy - scenario analyses

Scenario analyses are the analyses conducted by the Supervisory Board at the time the remuneration policy was formulated and before determining the remuneration of individual Executive Board members. They show the possible outcomes of the variable remuneration components and the way in which these affect the remuneration of the Executive Board members. The Supervisory Board establishes whether the scenario analyses result in appropriate levels of remuneration, and whether measures are required to limit the remuneration.

As a matter of principle, the total target remuneration of the Executive Board members is below the median in the relevant benchmarking population. It was decided to continue of the previous remuneration policy with only some refinements to safeguard alignment with the new Shareholders Rights Directive. Moreover, considering that no variable remuneration is awarded and the remuneration restrictions that apply to ABN AMRO, the Supervisory Board is of the opinion that scenario analyses have resulted in the appropriate levels of remuneration and that further scenario analyses are less relevant.

Contractual elements

All members of the Executive Board have a services agreement (*overeenkomst van opdracht*) with ABN AMRO for an unlimited period of time which constitutes the contractual relationship between ABN AMRO and the Executive Board member. 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.

Fixed remuneration

ABN AMRO strives to position the overall level of direct compensation for Executive Committee members and positions at above-CLA level around the market median levels. In line with the Executive Board Remuneration policy, a 1.4% increase, following the CLA for the banking sector, was applied to the fixed remuneration with effect from 1 July 2021.

From 1 January 2021 until 1 July 2021:

- ▶ Membership of the Executive Board: EUR 645,163 (EUR 759,978 for the CEO)

From 1 July 2021 until 1 January 2022:

- ▶ Membership of the Executive Board: EUR 654,195 (EUR 770,618 for the CEO)

Variable remuneration

As long as the Dutch State holds shares in ABN AMRO, the Executive Board members are not entitled to variable remuneration. As this continued to be the case in the 2021 performance year, the Executive Board did not receive any variable remuneration.

Benefits

The Chair and members of the Executive Board participate in ABN AMRO's pension schemes applicable to all employees in the Netherlands. For pensionable salary up to the applicable threshold, which for 2021 amounted to EUR 112,189, a collective defined contribution (CDC) pension scheme applies. The pension contribution is 37%, of which 5.5% is an employee contribution. In the event of death or when the Executive Board member becomes eligible for the state old-age pension (AOW), the services agreement automatically terminates by operation of law. The intended pension accrual is 1.875%, based on a pension age of 68. In 2021, the pension accrual was 1.76%. For pensionable salary in excess of EUR 112,189, employees receive an allowance that can be used to build up a net pension in a group defined contribution (DC) plan. The allowance amounted to 30% in 2021. 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 if their 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. No severance was paid to Executive Board members in 2021.

2021 Remuneration for the individual Executive Board members

In 2021, other short-term benefits and the compensation for lease car expenses were included in the table

Remuneration for the individual Executive Board members.

The comparative figures have been adjusted accordingly.

	2021							
	Base salary	Compensation for lease car expenses	Benefits from mortgage interest rate	Variable remuneration ¹²	Total pension-related contributions ¹³	Severance payments	Other short-term benefits	Total
					Post-employment pension (a)	Short-term allowances (b)		
(In thousands)								
R.A.J. Swaak ^{1,2}	765				31	196		992
C.M. Bornfeld ^{1,3}	650				31	161	162	1,004
C.J. Abrahams ^{1,4}	108				5	27	20	159
T.J.A.M. Cuppen ^{1,5}	650	34			31	161		876
D. Dorner ^{1,6}	67		1		3	17	3	90
C. van der Hooft - Cheong ^{1,7}	67	2	1		3	17		89
L. Kramer ^{1,8}	381	6			18	95	59	558
G.R. Penning ^{1,9}	67				3	17		87
A. Roest ^{1,10}	161	5	6		8	40		220
Total	2,915	47	7		133	730	244	4,075
								2020
R.A.J. Swaak ^{1,2}	527				21	153		701
C. van Dijkhuizen ^{1,11}	633				25	184	190	1,032
C.J. Abrahams ^{1,4}	645				30	182	99	956
C.M. Bornfeld ^{1,3}	645				30	182	156	1,013
T.J.A.M. Cuppen ^{1,5}	645	34			30	182		891
Total	3,095	34			136	883	190	4,593

¹ The total short-term benefits consist of base salary, compensation for lease car expenses, mortgage interest rate benefit, variable remuneration and other short-term benefits. Other short-term benefits consists of flight tickets, a housing allowance and international schooling costs for ExBo members' children when applicable.

² Total short-term benefits for R.A.J. Swaak amounted to EUR 765 thousand in 2021 (2020: EUR 527 thousand). R.A.J. Swaak was appointed with effect from 22 April 2020.

³ Total short-term benefits for C.M. Bornfeld amounted to EUR 812 thousand in 2021 (2020: EUR 801 thousand).

⁴ Total short-term benefits for C.J. Abrahams amounted to EUR 128 thousand in 2021 (2020: EUR 744 thousand). C.J. Abrahams left ABN AMRO on 1 March 2021.

⁵ Total short-term benefits for T.J.A.M. Cuppen amounted to EUR 684 thousand in 2021 (2020: EUR 679 thousand).

⁶ Total short-term benefits for D. Dorner amounted to EUR 70 thousand in 2021. D. Dorner was appointed with effect from 24 November 2021.

⁷ Total short-term benefits for C. van der Hooft-Cheong amounted to EUR 69 thousand in 2021. C. van der Hooft-Cheong was appointed with effect from 24 November 2021.

⁸ Total short-term benefits for L. Kramer amounted to EUR 446 thousand in 2021. L. Kramer was appointed with effect from 1 June 2021.

⁹ Total short-term benefits for G. Penning amounted to EUR 67 thousand in 2021. G. Penning was appointed with effect from 24 November 2021.

¹⁰ Total short-term benefits for A. Roest amounted to EUR 172 thousand in 2021. The components for A. Roest relate to her interim ExBo appointment from 1 March 2021 until 1 June 2021.

¹¹ The Executive Board membership of C. van Dijkhuizen ended on 22 April 2020. The services agreement of C. van Dijkhuizen ended on 31 October 2020.

¹² Owing to the Bonus Prohibition Act, the Executive Board members are not entitled to receive variable compensation. This prohibition has applied since the 2011 performance.

¹³ The Executive Board members participate in ABN AMRO Bank's pension plans for employees in the Netherlands. Total pension-related contributions refer to (a) the employer contribution to the pension fund (for the CDC pension scheme for pensionable income up to EUR 112,189 (2020: EUR 110,111) and (b) the arrangement in accordance with the ABN AMRO Collective Labour Agreement ('ABN AMRO CAO').

2021 Loans from ABN AMRO to Executive Board members

	2021			2020		
(In thousands)	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
D. Dorner ¹	484		1.4%			
C. van der Hooft - Cheong ²	1,591		1.5%			
G.R. Penning ³	265		0.7%			
A. Roest ⁴	3,158		1.8%			

¹ D. Dorner was appointed with effect from 24 November 2021.

² C. van der Hooft-Cheong was appointed with effect from 24 November 2021.

³ G. Penning was appointed with effect from 24 November 2021.

⁴ A. Roest was an interim ExBo member from 1 March 2021 until 1 June 2021.

Development of annual remuneration of Executive Board members

The following table shows the annual development in the remuneration of Executive Board members. The table shows how changes in annual remuneration relate to the previous year, to the bank's performance and to developments in the average employee remuneration (excluding social security charges). For a like-for-like comparison, the average employee remuneration is

excluding social security charges. The column 'Absolute change' shows the difference in the indicator over two periods in time, while the column 'Relative' shows the increase or decrease as a percentage.

In 2021, other short-term benefits were included in the disclosure of total Executive Board remuneration. The comparative figures have been adjusted accordingly.

(in thousands)	Function	2016 - 2017		2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		Reporting year
		Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	2021
ExBo												
R.A.J. Swaak ¹	CEO							701	n/a	291	n/a	992
C.M. Bornfeld ^{2,3}	CI&TO			825	n/a	218	n/a	-30	-3%	-9	-1%	1,004
C.J. Abrahams ^{3,4}	CFO	316	n/a	630	n/a	11	1%	-1	0%	-797	n.a.	159
T.J.A.M. Cuppen ^{3,5}	CRO	216	n/a	643	n/a	26	3%	7	1%	-15	-2%	876
D. Dorner ⁶	CCO									90	n/a	90
C. van der Hooft - Cheong ⁷	CCO									89	n/a	89
L. Kramer ⁸	CFO									558	n/a	558
G. Penning ⁹	CHRO									87	n/a	87
A. Roest ¹⁰	CFO									220	n/a	220
Company performance												
Profit		715	34%	-441	-16%	-304	-13%	-2,091	-102%	1,279	n.a.	1,234
Cost/Income ratio		-5.8%	-9%	-1.3%	-2%	2.4%	4%	5.2%	8%	10.0%	15%	76.4%
Return on Equity		2.7%	23%	-3.1%	-21%	-1.4%	-12%	-108.0%	-108%	6.7%	n.a.	5.8%
Average employee remuneration												
		3	3%	3	3%	3	3%	-5	-5%	4	4%	103

¹ R.A.J. Swaak joined the Executive Board on 22 April 2020.

² C.M. Bornfeld joined the Executive Board on 1 March 2018.

³ In 2021, other short-term benefits were included in the disclosure of total remuneration of ExBo. The comparative figures have been adjusted accordingly.

⁴ C.J. Abrahams joined the Executive Board on 1 September 2017 and left ABN AMRO on 1 March 2021.

⁵ T.J.A.M. Cuppen joined the Executive Board on 1 October 2017.

⁶ D. Dorner joined the Executive Board on 24 November 2021.

⁷ C. van der Hooft-Cheong joined the Executive Board on 24 November 2021.

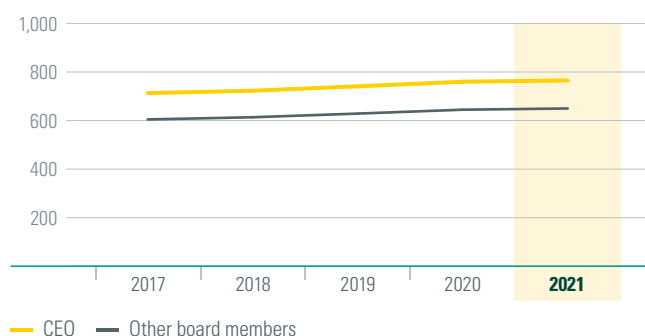
⁸ L. Kramer joined the Executive Board on 1 June 2021.

⁹ G. Penning joined the Executive Board on 24 November 2021.

¹⁰ A. Roest was appointed as an interim CFO in the Executive Board from 1 March 2021 until 1 June 2021.

The 5-year development in the annualised base salary of the CEO and other board positions is visualised below. Due to the bonus prohibition, the salary of the Executive Board has only been increased by the collective salary increase in the CLA for the banking sector.

5-year annualised average base salary – Executive Board (in thousands)



Pay ratio

The pay ratio is the comparison between the total annual remuneration of the CEO and the average salary of all employees. In line with our overall remuneration philosophy, we strive for a moderate pay ratio. The salary of our CEO does not fluctuate as it has been set in line with the Executive Board Remuneration Policy and does not contain any variable elements.

The ratio of the mean annual employee remuneration and the total annual remuneration of the CEO has been calculated in line with the guidance from the Corporate Governance Code Monitoring Committee, whereby temporary agency workers and external contractors have been excluded. The ratio was 8.78 in 2021. The ratio represents the CEO's total remuneration, including pension costs and social security charges, divided by the mean employee remuneration including pension costs and social

security charges during 2021. This ratio is considered to be a fair reflection of ABN AMRO's current position. The ratios published in 2016, 2017, 2018, 2019 and 2020 were 11.4, 10, 9.6, 9.6 and 10.2 respectively.

In line with the Guidance from the Corporate Governance Code Monitoring Committee for 2021, the social security charges have been taken into consideration, whereas these charges were not taken into consideration in previous years. Without social security charges, the pay ratio in 2021 would have been 9.62.

The pay ratio within ABN AMRO is substantially lower than in other AEX and AMX companies.

2021 Performance of the Executive Board

The performance targets for 2021 were set by the Executive Board and approved by the Supervisory Board. The non-financial KPIs Sustainability and House in Order are specifically focused on the long-term strategy of ABN AMRO. The KPI Sustainability, its targets and measures are linked to the Dow Jones Sustainability Index (DJSI). The KPI House in Order means actively conveying the desired compliance and risk culture, effective risk management and solution management. The KPI Employee Engagement, its targets and measures are linked to the results obtained in the respective annual employee engagement survey and focused on both the short- and long-term achievements. All financial KPIs are focused on long-term profitable growth, a healthy balance of capital and the need to control our costs in order to be sustainable.

The Supervisory Board has assessed the performance of each Executive Board member, based on the performance targets, and has concluded that all members of the Executive Board had a good overall performance in 2021. The scores are within a 1-5 bandwidth, whereby a 3 score is defined as 'meets requirements'. The 2-score for sustainability is related to our target to reach the top 10% of the Dow Jones Sustainability Index, which target was not achieved. Other scores were equal to 'meets requirements' or 'exceeds requirements'. The performance outcome is based on a set of financial and non-financial performance indicators, at organisation, business line and individual levels, as set out in the following table and as also described above. The score in the following table represents the score on the respective KPI. Different weights per KPI apply for each Executive Board member, depending on their role.

Score 1-5	Type	KPI	Score 2021 ²
Organisation	Financial	ROE	5
		CET1 ratio	4
		Cost/income ratio	3
	Non-financial	Sustainability	2
		Employee engagement	3
Business line	Financial	House in order	3
		Cost ceiling	4
		Cost/income ratio	3
	Non-financial	Employee engagement	3
		House in order	4
Individual	Financial	NPS	3
		n/a	
	Non-financial ¹		4

¹ The score is the average of the absolute scores for all four KPIs for all ExBo members.

² The scores are the average of the absolute scores of all ExBo members.

Supervisory Board Supervisory Board Remuneration Policy

The remuneration of the Supervisory Board is set in line with the Supervisory Board Remuneration Policy. In line with this policy, a 1.5% indexation of the annual fees was applied as at 1 January 2021, as well as an increase of 1.4% with effect from 1 July 2021, following the CLA for the banking sector.

Fixed remuneration

The annual fees for 2021 were as follows:

From 1 January 2021 until 1 July 2021:

- ▶ Membership of the Supervisory Board: EUR 52,780 (EUR 68,614 for the Chair)
- ▶ Membership of a Committee: EUR 13,195 (EUR 15,834 for the Chair)

From 1 July 2021 until 1 January 2022:

- ▶ Membership of the Supervisory Board: EUR 53,519 (EUR 69,575 for the Chair)
- ▶ Membership of a Committee: EUR 13,380 (EUR 16,056 for the Chair)

The remuneration for Supervisory Board committee membership is limited to two committee memberships. ABN AMRO does not grant any variable remuneration or equity to Supervisory Board members. Supervisory Board members are appointed by the General Meeting upon nomination by the Supervisory Board. The initial appointment period is four years unless a shorter period is set at the time of appointment. Supervisory Board members can be reappointed. Details of the remuneration of the individual members of the Supervisory Board are provided in Note 36 and Note 38 to the Consolidated Annual Financial Statements.

2021 Remuneration for the individual Supervisory Board members

(In thousands)	2021 ³	2020 ³
T. de Swaan	98	96
A.C. Dorland	82	81
L.J. Griffith	80	78
M.P. Lap	80	78
J.B.J. Stegmann ¹	72	81
A.M. Storåkers	80	78
M.L. Tannemaat ²	80	4
J.S.T. Tiemstra	82	81
Total	654	577

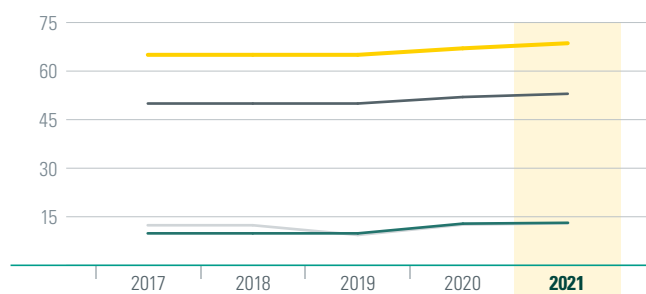
¹ J.B.J. Stegmann stepped down as a member of the Supervisory Board with effect from 14 November 2021.

² M.L. Tannemaat was appointed as a member of the Supervisory Board with effect from 15 December 2020.

³ Remuneration amounts excluding VAT.

5-year annualised average base salary – Supervisory Board

(in thousands)



— Chair SB — Member SB — Audit/Risk & Capital Committee
— Remuneration Committee/Nomination Committee

2021 Loans from ABN AMRO to Supervisory Board members

(In thousands)	2021			2020		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
T. de Swaan	1,591	6	1.0%	1,597		1.0%
L.J. Griffith	339	89	1.8%	428	94	1.8%
M.L. Tannemaat ¹	772		1.7%			
J.B.J. Stegmann ²					500	0.1%

¹ M.L. Tannemaat was appointed as a member of the Supervisory Board with effect from 15 December 2020.

² J.B.J. Stegmann stepped down as a member of the Supervisory Board with effect from 14 November 2021.

Stakeholder views

Annual General Meeting 2020

The Annual General Meeting in 2020 was an opportunity for all shareholders and depositary receipt holders to express their views on our remuneration policy for the Executive Board and Supervisory Board. The remuneration policies for the Executive Board and Supervisory Board were adopted, with 99.56% and 99.51%, respectively, of the votes cast. These new remuneration policies apply as of 1 January 2020 for a period of four years. The Remuneration Committee may ask the general meeting to adopt an amendment at an earlier date if this is considered appropriate.

During the Annual General Meeting of 21 April 2021, the 2020 remuneration report was put to an advisory vote, with 99.59% of the votes cast being in favour of a positive advice. ABN AMRO was pleased to note the positive advisory vote.

Works Council meetings in 2021

In 2021, several requests for advice were submitted to the Works Council, including requests on the reorganisation of the Extended Leadership Team, the equal pay requirements for CLA+ employees and various other topics. The adjusted remuneration methodology for Dutch CLA+ employees – to improve on equal pay for equal work or work of equal value – was discussed with the Works Council, which issued a positive advice on implementation.

The Works Council has given consent for equal pay requirements to be implemented in the CLA+ employment conditions.

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