

# Remuneration Report 2020

**ABN AMRO Bank N.V.**

**Remuneration  
Report 2020**

# Remuneration report

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'. We want to create value for society not only as a provider of financial services to our clients but also as an employer. ABN AMRO's remuneration principles apply to all of our employees and underscore our goal of nurturing a culture of engaged, well-trained and high performing people and processes. Since this remuneration report is also published separately, reference is made to other parts of the annual report for further context, such as strategy and financial performance.

## Remuneration policy Remuneration in relation to corporate strategy and interests

ABN AMRO has embedded its long-term corporate strategy applicable during most of 2020, as well as its sustainability policies, in its remuneration policy and principles. This strategy is based on our purpose ('Banking for better, for generations to come') and the three strategic pillars reflected in our remuneration philosophy:

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

ABN AMRO is currently embedding its updated strategy, as communicated on 30 November 2020, in its remuneration policy.

## Remuneration in a regulated environment

As a financial institution, ABN AMRO is subject to many guidelines and restrictions with respect to remuneration. Since 2015, limitations with respect to remuneration and particularly variable remuneration have applied to all employees in the Dutch financial sector, with even more restrictions applying to financial institutions supported by the Dutch State by way of shareholdings. As long as the Dutch state holds an interest, ABN AMRO will apply a prohibition on bonuses and individual salary increases (together referred to as 'the Bonus Prohibition') for a specific group of senior employees.

## Responsible remuneration policy

ABN AMRO pursues a responsible remuneration policy that remains within the regulatory boundaries, while taking into account the interests of stakeholders and best practices. Our business strategy puts our positive and proactive purpose at the centre of everything we do. This means we are rethinking, innovating and pulling together to move forward with our purpose. To achieve that, we need well trained, engaged and entrepreneurial employees and

flawless processes and technologies. We need to keep our current employees engaged and enable them to develop new skills by investing in employee development. We also need to be able to attract new talent to deliver and 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, while safeguarding our licence to operate, achieving our ambitions, and balancing our risks and opportunities.

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. The Global Reward Policy principles apply at all levels and in all countries of ABN AMRO's international network (including branch offices). 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. In addition, ABN AMRO's enhanced People Strategy includes building a stronger link between the performance and reward strategy and framework.

The Supervisory Board approves the general remuneration principles laid down in the Global Reward Policy and assesses the general principles and exceptions that relate to the applicable governance and/or international guidelines and regulations within the financial sector. The policy is reviewed regularly, considering the company's strategy and culture (and any changes in these), as well as factors such as risk awareness, targets and corporate values.

We are well aware that the only way to successfully implement 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. With 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.

## Performance management and KPI setting

Our annual performance management cycle for Identified Staff aims to create links between performance (realistic, sustainable results) and reward in such a way that reward is aligned with both the employee's and the bank's performance. We use a set of balanced financial and non-financial KPIs, as well as qualitative and quantitative

KPIs. For 2020, our group non-financial KPIs consisted of sustainability (based on the Dow Jones Sustainability Index ranking and ABN AMRO's score on sustainability according to clients and as measured by Brand Track, which conducts continual online market research into our brand position), employee engagement (via the annual Employee Engagement Survey) and house in order (conveying the desired compliance and risk culture). The financial KPI used in 2020 at a group level for non-commercial business lines was the CET1 ratio. Fee and commission income, cost ceiling (non-commercial business lines only), cost/income ratio and RAROE are used at the business line level.

There is ample room for setting individual KPIs, such as individual leadership, which includes risk awareness, culture transformation and strategy execution. The table of KPIs for Identified Staff provides more insight into the methodology used.

In line with the general trend toward less hierarchy and more teamwork, ABN AMRO wants to subject employees to fewer 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 strive to make our staff's work more meaningful, while at the same time ensuring their duties are aligned with all the bank's current and future priorities. Our performance management aims to further emphasise our employees' ambitions, expertise and development and seek alignment with our goals (which includes reskilling and upskilling), such as 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 dialogue and recognition for outstanding performance.

### Implementation of the Shareholder Rights Directive in 2020

On 1 December 2019, new legislation following the Shareholder Rights Directive II ('the Shareholder Rights Directive') entered into force, giving shareholders a stronger position with regard to the remuneration of Supervisory Board and Executive Board members, and creating more transparency. ABN AMRO has implemented the Shareholder Rights Directive's requirements into the remuneration policies as much as possible, with due observance of the applicable remuneration restrictions, such as the Bonus Prohibition.

In preparation for the Executive Board remuneration policy and Supervisory Board remuneration policy, ABN AMRO Bank assessed the remuneration against a peer group of financial and non-financial companies in the Netherlands and Europe. The peer group consisted of companies comparable to ABN AMRO Bank in terms of market, size

or profile. The results of the benchmark clearly indicate that, in respect of the annual fixed fee, ABN AMRO was positioned below or at the 25th percentile against the chosen peer groups. In addition, we invited stakeholders to consultation meetings to enable the Chairman of our Remuneration Committee to hear feedback and explore ways of implementing our remuneration policy and to address areas of concern. The remuneration policies were prepared with due observance of those valuable views received and mindful, among other things, of the highly regulated environment within which ABN AMRO operates.

With regard to the Executive Board remuneration policy, we continued our remuneration policy as most recently adopted in 2015 and updated to comply with new legislation. Variable remuneration remained part of the remuneration package. Additional information on variable remuneration is included in the Executive Board remuneration policy since this is required by the new Shareholder Rights Directive, although variable and share-based remuneration cannot be awarded by ABN AMRO while the Bonus Prohibition applies. With regard to the Supervisory Board remuneration policy, the changes are discussed below under Supervisory Board remuneration in 2020. There were no deviations from the decision-making process for implementing the remuneration policies of the Executive Board and Supervisory Board, and no deviations in the execution of these remuneration policies.

The Annual General Meeting in 2020 was an important opportunity for all shareholders and depositary receipt holders to express their views. 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.

At the Annual General Meeting in 2020, the remuneration report for the financial year 2019 was put to an advisory vote, with 99.08% of the (non-binding) votes cast being in favour of a positive advice. ABN AMRO was pleased to note the positive advisory vote and feedback, and has built on it in shaping this year's remuneration report.

### Changes expected in 2021

ABN AMRO's collective labour agreements apply until 1 January 2022. Therefore, negotiations on the collective labour agreements as from 1 January 2022 will start in the course of 2021. The current term of the CAO Banken ended on 1 January 2021.

The following changes in laws and regulations regarding remuneration came into force at the end of 2020 or are expected in 2021:

- 1) the Act on Implementation of Capital Requirements 2020, implementing the Capital Requirements Directive V (CRD V) into Dutch law, partially entered into force on 29 December 2020;
- 2) the Act on Further Remuneration Restrictions for Financial Undertakings is expected to come partly into force on 1 July 2021 and partly on 1 July 2022;
- 3) various related and updated regulations, such as the Regulatory Technical Standards on Identified Staff (to be adopted by the European Commission);
- 4) the final version of the updated EBA Guidelines on Sound Remuneration Policies, which will provide EBA guidance on the CRD V amendments, is expected in 2021.
- 5) the implementation of the Sustainable Finance Disclosure Regulation (SFDR), which also focuses on the need for the remuneration policy applicable to staff involved in ABN AMRO's investment products and services to be consistent with the integration of sustainability risks.

The above list of legislation and regulations is a non-exhaustive summary. Reference is also made to the Regulatory environment section in this Annual Report. If needed, ABN AMRO will adjust its remuneration policies to ensure compliance with applicable laws and regulations. Shareholders' approval will be requested, when required. To that extent, ABN AMRO's Variable Compensation Plan was amended to reflect the changed requirements regarding the minimum deferral period, the non-cash instruments and the possibility to apply an exemption where relevant. In addition, the retention period of the non-cash instrument has been amended.

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

### Supervisory Board remuneration in 2020

The remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders, based on a proposal submitted by the Supervisory Board. ABN AMRO does not grant any variable remuneration or equity to Supervisory Board members. Up to 1 January 2020, the level of remuneration had not changed since 2010. With effect from 1 January 2020, and for the first time, indexation of 2.5%, in line with the CAO Banken, was applied to the annual fees paid to the Supervisory Board members, as well as an increase of 1.5% per annum<sup>1</sup>, as approved by the General Meeting of Shareholders on 22 April 2020. The annual fees for 2020 were as follows:

- ▶ Membership of the Supervisory Board: EUR 52,000 (EUR 67,600 for the Chairman);
- ▶ Membership of a Committee: EUR 13,000 (EUR 15,600 for the Chairman).

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

Supervisory Board members are appointed by the General Meeting upon nomination by the Supervisory Board. The initial appointment period is 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 35 and Note 37 to the Consolidated Annual Financial Statements.

<sup>1</sup> In conformity with the remuneration policy, for the four years 2020, 2021, 2022 and 2023, these fees for the Supervisory Board membership will also be increased with a fixed percentage of 1.5% representing the general salary increases in accordance with the Dutch general banks collective labour agreement for the years 2015-2019 during which these fees have not been increased.

## Remuneration for the individual Supervisory Board members

(In thousands)	2020 <sup>8</sup>	2019 <sup>8</sup>
T. de Swaan	96	90
S. ten Have <sup>1</sup>		19
A.C. Dorland	81	75
L.J. Griffith <sup>2</sup>	78	3
M.P. Lap <sup>3</sup>	78	50
F.J. Leeftang <sup>4</sup>		23
J.M. Roobeek <sup>5</sup>		70
J.B.J. Stegmann	81	78
A.M. Storåkers <sup>6</sup>	78	43
M.L. Tannemaat <sup>7</sup>	4	
J.S.T. Tiemstra	81	78
<b>Total</b>	<b>577</b>	<b>529</b>

<sup>1</sup> S. ten Have stepped down as member of the Supervisory Board with effect from 24 April 2019.  
<sup>2</sup> L.J. Griffith was appointed as member of the Supervisory Board with effect from 17 December 2019.  
<sup>3</sup> M.P. Lap was appointed as member of the Supervisory Board with effect from 24 April 2019.  
<sup>4</sup> F.J. Leeftang stepped down as a member from the Supervisory Board with effect from 24 April 2019.  
<sup>5</sup> J.M. Roobeek stepped down as member of the Supervisory Board with effect from 17 December 2019.  
<sup>6</sup> A.M. Storåkers was appointed as member of the Supervisory Board with effect from 24 April 2019.  
<sup>7</sup> M.L. Tannemaat was appointed as member of the Supervisory Board with effect from 15 December 2020.  
<sup>8</sup> Remuneration amounts excluding VAT.

## Loans from ABN AMRO to Supervisory Board members

(In thousands)	2020			2019		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
T. de Swaan	1,597		1.0%	1,407		2.8%
L.J. Griffith <sup>1</sup>	428	94	1.8%	522		1.8%
J.B.J. Stegmann		500	0.1%	500	400	0.1%
J.M. Roobeek <sup>2</sup>				1,600		3.0%

<sup>1</sup> L.J. Griffith was appointed as member of the Supervisory Board with effect from 17 December 2019.

<sup>2</sup> J.M. Roobeek stepped down as member of the Supervisory Board with effect from 17 December 2019.

## Executive Board remuneration in 2020

The Supervisory Board is responsible for proposing the remuneration policy and principles for the Executive Board and also executes the policy for the Executive Board.

The policy and principles are subject to shareholder approval. The fixed remuneration for the four members of ABN AMRO's Executive Board, all statutory directors, has been set at a level slightly below that of the former

CEO and Managing Board members. The Executive Board members' views were taken into account in the design of the remuneration policy.

Details of the remuneration of the individual members of the Executive Board and the Executive Committee are provided in Note 35 and Note 37 to the Consolidated Annual Financial Statements.

## Remuneration for the individual Executive Board members

(In thousands)	Base salary	Compensation for lease car expenses	Benefits from mortgage interest rate	Variable remuneration <sup>6</sup>	2020		Severance payments	Total <sup>8</sup>
					Total pension-related contributions <sup>7</sup>			
					Post-employment pension (a)	Short-term allowances (b)		
R.A.J. Swaak <sup>1</sup>	527				21	153		701
C. van Dijkhuizen <sup>2</sup>	633				25	184	190	1,032
C.J. Abrahams <sup>3</sup>	645				30	182		857
C.M. Bornfeld <sup>4</sup>	645				30	182		857
T.J.A.M. Cuppen <sup>5</sup>	645				30	182		857
<b>Total</b>	<b>3,095</b>				<b>136</b>	<b>883</b>	<b>190</b>	<b>4,304</b>
<b>2019</b>								
C. van Dijkhuizen <sup>2</sup>	741				38	222		1,001
C.J. Abrahams <sup>3</sup>	629				38	183		850
C.M. Bornfeld <sup>4</sup>	629				38	183		850
T.J.A.M. Cuppen <sup>5</sup>	629				38	183		850
<b>Total</b>	<b>2,628</b>				<b>152</b>	<b>771</b>		<b>3,551</b>

<sup>1</sup> R.A.J. Swaak was appointed as CEO with effect from 22 April 2020.

<sup>2</sup> The Executive Board membership for C. van Dijkhuizen ended on 22 April 2020. The services agreement of C. van Dijkhuizen ended on 31 October 2020.

<sup>3</sup> C.J. Abrahams receives a compensation for housing costs (2020: EUR 92 thousand; 2019: EUR 94 thousand) and flight tickets (2020: EUR 7 thousand; 2019: EUR 13 thousand) to his home country which is not included in the base salary.

<sup>4</sup> C.M. Bornfeld receives a compensation for housing costs (2020: EUR 129 thousand; 2019: EUR 132 thousand) and flight tickets to his home country (2020: EUR 4 thousand; 2019: EUR 13 thousand) which is not included in the base salary.

<sup>5</sup> In addition to remuneration, T.J.A.M. Cuppen received a benefit for the personal use of the company car (2020: EUR 3 thousand; 2019: EUR 3 thousand).

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

<sup>7</sup> The Executive Board members participate in ABN AMRO Bank's pension plans for employees in the Netherlands. This participation is not mandatory for C.J. Abrahams considering his current non-Dutch tax resident status. 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 110,111 (2019: EUR 107,593) and (b) the arrangement in accordance with the ABN AMRO Collective Labour Agreement ('ABN AMRO CAO').

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

## Loans from ABN AMRO to Executive Board members

(In thousands)	2020			2019		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
There are no loans to members of the Executive Board						

### Annual fixed remuneration for 2020

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

The three members of the Executive Board (excluding the Chairman) each earn the same salary, which for 2020 amounted to EUR 645,163 gross per annum. The difference between the salary of the Chairman of the Executive Board, Robert Swaak, and other members is 15% on an annual basis. His annual salary for 2020 amounted to EUR 759,978 gross.

### Variable remuneration

The remuneration package for members of the Executive Board provides for a variable compensation component. However, the Bonus Prohibition does not allow payment of such compensation to board members of financial institutions falling under the scope of the Financial Supervision Act during the period the Dutch State provides support through a shareholding in the institution. The members of the Executive Board are therefore not entitled to receive variable remuneration during the period of state ownership. As this continued to be the case in the 2020 performance year, Executive Board members did not receive any variable remuneration.

### Benefits

The Chairman and members of the Executive Board participate in ABN AMRO's pension schemes applicable to all employees in the Netherlands, whereby it should be noted that Clifford Abrahams is not a Dutch tax resident.

For pensionable salary up to the applicable threshold, which for 2020 amounted to EUR 110,111, a collective defined contribution (CDC) pension scheme applies. The standard retirement age is aligned to the dates on which the Executive Board members will be eligible for Dutch State old-age pension (AOW), while the average pension accrual is 1.875% and the employee pension contribution is 5.5%. For pensionable salary in excess of EUR 110,111, 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 34% in 2020 and 35% in 2019. In addition to pension benefits, Executive Board members are eligible for benefits such as a company car and a chauffeur.

### Severance

The remuneration policy for Executive Board members provides for a severance payment up to a maximum of one year's gross salary in the event their 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. Based on the remuneration policy for Executive Board members, Kees van Dijkhuizen was awarded a severance payment equivalent to three months' gross fixed salary upon his departure in 2020.

### Scenario analyses

Scenario analyses are the analyses conducted by the Supervisory Board when formulating the remuneration policy 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. With the choice for continuation of the previous remuneration policy with only some refinements to safeguard alignment with the new Shareholders Rights Directive and considering no variable remuneration is awarded and the remuneration restrictions that apply to ABN AMRO, the Supervisory Board is of the opinion that scenario analyses resulted in the appropriate levels of remuneration and that further scenario analyses are less relevant.

### Contractual relationships and appointment periods

All current Executive Board members have been appointed for a maximum of four years, with the appointment ending at the close of the first Annual General Meeting held after the agreed term has passed since their appointment date, unless a shorter period is set at the time of appointment or reappointment, taking into account the rotation scheme. Kees van Dijkhuizen was appointed CEO and Chairman of the Executive Board and Executive Committee on 1 January 2017 and his term ended at the close of the Annual General Meeting held on 22 April 2020. In the same Annual General Meeting Robert Swaak was appointed CEO and Chairman for a period of four years.

Clifford Abrahams was appointed CFO and a member of the Executive Board and Executive Committee on 1 September 2017 and was appointed Vice-Chairman with effect from 1 March 2018. Clifford Abrahams resigned as CFO with effect from 28 February 2021. Tanja Cuppen was appointed CRO and a member of the Executive Board and Executive Committee on 1 October 2017. Christian Bornfeld was appointed CI&TO and a member of the Executive Board and Executive Committee on 1 March 2018 and Vice-Chairman with effect from 1 March 2021. The terms of Tanja Cuppen and Christian Bornfeld end at the close of the Annual

General Meeting in April 2021 and they will be proposed for reappointment by the Supervisory Board.

All Executive Board members have a services agreement (overeenkomst van opdracht) with ABN AMRO which constitutes the contractual relationship between ABN AMRO and the Executive Board member. The agreement is effective from the date of the Executive Board member's first appointment and is entered into for an unlimited period of time. The Executive Board member may terminate the agreement subject to a notice period of three months, whereas ABN AMRO must observe a notice period of six months. In principle, and to the extent possible, ABN AMRO will explore and discuss with the Executive Board member the intentions with regard to renewal of the member's appointment six months before the appointment period expires. The services agreement can be terminated by ABN AMRO immediately and without observing a notice period in the event of an urgent cause as stipulated in

Sections 678 and 669, Book 7, of the Dutch Civil Code. If the Executive Board member passes away or reaches the old-age pension (AOW) retirement age, the services agreement automatically terminates by operation of law.

### Executive Board 2020 performance

The performance targets for 2020 were set by the Supervisory Board. 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 2020. The performance outcome is based on a set of financial and non-financial performance indicators, as well as on individual leadership, as set out in the table below and as also described above. Owing to the applicable Bonus Prohibition, members of the Executive Board are not eligible for variable remuneration linked to their performance during 2020.

2020				
(in thousands)	Variable plan	Level	Type <sup>1,2</sup>	Weight
<b>Name (position)</b>				
R.A.J. Swaak (CEO)	VCP ABN AMRO	Organisation	Financial	30%
			Non-financial	35%
		Business line	Financial	n/a
			Non-financial	n/a
		Individual	Non-financial	35%
<b>Total</b>				<b>100%</b>
C. van Dijkhuizen (CEO)	VCP ABN AMRO	Organisation	Financial	30%
			Non-financial	35%
		Business line	Financial	n/a
			Non-financial	n/a
		Individual	Non-financial	35%
<b>Total</b>				<b>100%</b>
C.J. Abrahams (CFO)	VCP ABN AMRO	Organisation	Financial	30%
			Non-financial	25%
		Business line	Financial	n/a
			Non-financial	10%
		Individual	Non-financial	35%
<b>Total</b>				<b>100%</b>
C.M. Bornfeld (CI & TO)	VCP ABN AMRO	Organisation	Financial	10%
			Non-financial	20%
		Business line	Financial	10%
			Non-financial	25%
		Individual	Non-financial	35%
<b>Total</b>				<b>100%</b>
T.J.A.M. Cuppen (CRO)	VCP ABN AMRO	Organisation	Financial	10%
			Non-financial	20%
		Business line	Financial	10%
			Non-financial	25%
		Individual	Non-financial	35%
<b>Total</b>				<b>100%</b>

<sup>1</sup> Financial KPIs include Return on equity, Cost ceiling, Cost/income ratio, RAROE, Strategy value creation and CET1 ratio.

<sup>2</sup> Non-financial KPIs include sustainability, Net Promoter Score, Employee Engagement, Permanent education and House in order.



## Development of annual remuneration of Executive Board members

The table below shows the development of the annual remuneration of Executive Board members. The table shows how changes in annual remuneration relate to last

year, to the bank's performance and to developments in average employee remuneration. 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.

### Development of annual remuneration

(in thousands)	Function	2015 - 2016		2016 - 2017		2017 - 2018		2018 - 2019		2019 - 2020		Reporting year
		Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	2020
<b>ExBo</b>												
R.A.J. Swaak <sup>1</sup>	CEO									701	n/a	701
C. van Dijkhuizen <sup>2</sup>	CEO			976	n/a	-6	-1%	31	3%	31	3%	1,032
C. van Dijkhuizen	CFO	26	3%	-825	n/a							
G. Zalm <sup>3</sup>	CEO	34	3%	-991	n/a	-93	n/a					
C.J. Abrahams <sup>4</sup>	CFO			277	n/a	547	n/a	26	3%	7	1%	857
C.M. Bornfeld <sup>5</sup>	CI&TO					687	n/a	163	n/a	7	1%	857
T.J.A.M. Cuppen <sup>6</sup>	CRO			207	n/a	617	n/a	26	3%	7	1%	857
W. Reehoorn <sup>7</sup>	CRO	27	3%	663	n/a	-1,530	n/a					
J. van Hall <sup>8</sup>	COO	27	3%	26	3%	-107	n/a	-786	n/a			
C.E. Princen <sup>9</sup>	PR&I	664	n/a	-1,504	n/a							
C.F.H.H. Vogelzang <sup>10</sup>	R&PB	27	3%	-224	n/a	-643	n/a					
J.G. Wijn <sup>11</sup>	CB	27	3%	-569	n/a	-298	n/a					
<b>Company performance</b>												
(underlying) Profit		152	8%	715	34%	-441	-16%	-304	-13%	-2,091	-102%	-45
(underlying) Cost/income ratio		4.1%	7%	-5.8%	-9%	-1.3%	-2%	2.4%	4%	5.2%	8%	66.4%
(underlying) Return on equity		-0.2%	-2%	2.7%	23%	-3.1%	-21%	-1.4%	-12%	-108.0%	-108%	-0.8%
<b>Average employee remuneration</b>												
		<b>2</b>	<b>2%</b>	<b>3</b>	<b>3%</b>	<b>3</b>	<b>3%</b>	<b>3</b>	<b>3%</b>	<b>-5</b>	<b>-5%</b>	<b>99</b>

<sup>1</sup> R.A.J. Swaak was appointed as CEO with effect from 22 April 2020.

<sup>2</sup> C. van Dijkhuizen succeeded G. Zalm as CEO as of 1 January 2017.

<sup>3</sup> The Managing Board membership for G. Zalm ended on 1 January 2017. G. Zalm's employment agreement ended on 1 February 2017.

<sup>4</sup> C.J. Abrahams joined the Executive Board on 1 September 2017.

<sup>5</sup> C.M. Bornfeld joined the Executive Board on 1 March 2018.

<sup>6</sup> T.J.A.M. Cuppen joined the Executive Board on 1 October 2017.

<sup>7</sup> The Executive Board membership for W. Reehoorn ended on 1 November 2017. As W. Reehoorn's employment agreement ended on 1 July 2018, his remuneration relates to the period up to 1 July 2018. The severance payment was awarded in 2017.

<sup>8</sup> The Executive Board membership for J. van Hall ended on 1 March 2018. As J. van Hall's employment agreement ended on 1 September 2018, his remuneration relates to the period up to 1 September 2018. The severance payment was awarded in 2018.

<sup>9</sup> The Managing Board membership for C.E. Princen ended on 1 January 2017. The employment agreement of C.E. Princen ended on 1 July 2017. Remuneration in 2016 includes the period up to 1 July 2017. The severance payment was awarded in 2016.

<sup>10</sup> C.F.H.H. Vogelzang stepped down as Managing Board member on 6 February 2017. The employment agreement of C.F.H.H. Vogelzang ended on 1 September 2017.

<sup>11</sup> J.G. Wijn stepped down as Managing Board member on 18 January 2017. The employment agreement of J.G. Wijn ended on 1 May 2017.

## Identified Staff remuneration

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

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

risk committees, having credit authority above a certain threshold and fulfilling specific roles;

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

### Composition of remuneration packages

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



for ABN AMRO employees consists of an annual base salary, annual variable remuneration if the relevant market practice so requires, and fringe benefits. We also have in place specific rules for staff whose professional activities could have a material impact on the bank's risk profile; these individuals are referred to as Identified Staff. A typical remuneration package for Identified Staff consists of the following components:

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

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

ABN AMRO's collective labour agreement (CLA) governs the remuneration packages for Identified Staff based in the Netherlands unless they have been appointed to a position not governed by the CLA. For Identified Staff based outside the Netherlands, ABN AMRO takes into account relevant business dynamics (e.g. market conditions, local labour and tax legislation) when deciding on the composition of their reward packages. For the latter two categories of employees, the overall direct compensation is aimed to be positioned around the median levels in the relevant market. The maximum variable compensation percentage for employees working outside the Netherlands in another European Economic Area ('EEA') state is 100%; for employees working outside the EEA more than 100% is allowed, with a maximum of 200% and subject to shareholder approval. These percentages are in line with the international market environment in which we operate. ABN AMRO has not requested shareholder approval to increase the maximum variable compensation percentage to 200%, and hence applies 100% globally.

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

### Performance indicators for Identified Staff

	Weighting Executive Board <sup>5</sup>	Weighting Executive Committee	Weighting above CLA identified staff	Weighting CLA identified staff
Organisation level KPIs	30-65%	20-30%	10-20%	10%
Businessline level KPIs	0-30%	35-60%	45-60%	15%
Individual KPI <sup>1</sup>	35%	20-35%	30-35%	75%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
- of which financial <sup>2,4</sup>	20-30%	20-40%	15-30%	0-50%
- of which non-financial <sup>3,4</sup>	70-80%	60-80%	70-85%	50-100%

<sup>1</sup> Individual KPI: For employees above CLA the individual KPI refers to leadership.

<sup>2</sup> Financial KPIs include a selection of Return on equity, CET1 ratio, Cost/income ratio, Strategy value creation, Cost ceiling, Fee and commission income and RAROE.

<sup>3</sup> Non-financial KPIs include a selection of Sustainability, Employee engagement, Permanent education, NPS and House in order.

<sup>4</sup> Mix and weighting of KPIs tailored to specific function of the identified staff member.

<sup>5</sup> The CEO only has KPIs on individual and organisation level.

### Variable remuneration for Identified Staff

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

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

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'.

For the award of variable remuneration for performance year 2020, two versions of the Variable Compensation Plan are applicable.

### Awards until 29 December 2020

Awards of variable remuneration to identified Staff before 29 December 2020 have taken place in accordance with the Variable Compensation plan as approved by the Supervisory Board on 14 May 2019. Deferred variable remuneration in this plan vests in equal instalments in three years after the first payment.

The instrument underlying the non-cash award consists of an award in the form of a depository receipt (DR) award, which is a conditional right to receive DRs. One DR represents one share in ABN AMRO. The number of DRs to be awarded is calculated on the basis of the fair market value, which is equivalent to the average of the closing prices of the DRs as reported on the composite tape for securities at Euronext for the period of five trading days preceding the award date, which would normally be the first Thursday of March. The value therefore fluctuates in line with the market price of the DRs. A two-year retention period applies to the non-cash instruments. Any unconditional instrument will therefore need to be retained for a further two years.

### Awards as of 29 December 2020

Awards of variable remuneration to Identified Staff as of 29 December 2020 will take place, to the extent legally possible, in accordance with the Variable Compensation Plan as approved by the Supervisory Board in 2020. Deferred variable remuneration in this plan vests in equal instalments in four years after the first payment. The instrument underlying 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 price of DRs. A one-year retention period applies to the non-cash instruments. Any unconditional instrument will therefore need to be retained for one more year.

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

The last deferred payout of the value of performance certificates will take place in March 2021.

### Malus assessment 2020

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 HR and Finance. Any outcome is subject to approval by the Executive Board and Supervisory Board. The assessment includes determining whether any new information is available that prevents the vesting of deferred variable remuneration.

This could include:

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

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

- ▶ The first tranche of deferred variable compensation for the 2019 performance period;
- ▶ The second tranche of deferred variable compensation for the 2018 performance period;
- ▶ The third tranche of deferred variable compensation for the 2017 performance period.

For performance period 2020, the Supervisory Board decided in two individual cases to apply a malus with respect to the vesting of any remaining deferred variable compensation for the 2017, 2018 and 2019<sup>1</sup> performance periods. Due to the Bonus Prohibition applicable to both staff members, the malus will have no financial impact. 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.

The Supervisory Board has the discretionary power to reduce any variable compensation to a suitable amount if, in its opinion, payment of the compensation would be unacceptable under the principle of reasonableness and fairness. The Supervisory Board is also authorised to reclaim any variable remuneration for any performance

<sup>1</sup> In 2019 and 2020, the Supervisory Board decided to continue a malus with regard to the performance periods 2015 and 2016 for two individuals.

period if the award, calculation or payment was based on incorrect data or if, in hindsight, the performance conditions were not achieved. The recipient will then be required to repay the relevant amount to the bank.

Lastly, personal hedging or insurance linked to remuneration and liability in order to circumvent the risk

control effects that have been embedded in the bank's Variable Compensation Plan is not permitted.

### Details of remuneration

Remuneration comprises fixed and variable compensation, employer pension contributions, sign-on, retention and severance pay for 2020.

### Remuneration details of Identified Staff<sup>1</sup>

	2020		2019	
	Number of FTEs (Identified Staff) <sup>2</sup>	Aggregated remuneration (in thousands)	Number of FTEs (Identified Staff) <sup>2</sup>	Aggregated remuneration (in thousands)
Retail Banking	28	8,673	29	7,790
Commercial Banking	39	9,339	38	9,809
Private Banking	34	12,570	37	12,426
Corporate & Institutional Banking	91	33,852	93	36,838
Group Functions <sup>1</sup>	158	43,846	158	40,890
<b>Total</b>	<b>350</b>	<b>108,280</b>	<b>355</b>	<b>107,753</b>

<sup>1</sup> Executive and Supervisory Board members are reported under Group Functions.

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

	Number of FTEs (identified staff)		Aggregated remuneration (in thousands)
	ExBo, ExCo, ExCo1 and ExCo2	Other	
Fixed remuneration over 2020	133	217	105,572
Variable remuneration over 2020 <sup>1</sup>	4	26	2,708
- of which in cash			812
- of which in non-cash instruments			812
- of which unconditional (up-front payment)			1,625
- of which conditional (deferred payment)			1,083
Retention payments over 2020	2	14	1,449
Sign-on payments over 2020	2	1	410
Severance payments over 2020 <sup>2</sup>	11	5	6,553

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

<sup>2</sup> Highest severance pay amounted EUR 1,204 thousand.

As at the end of 2020 the following non-cash awards exist, reflecting the performance years 2016-2019 and every

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

(In thousands of DRs)	2020	2019
<b>Outstanding at 1 January</b>	<b>751</b>	
Granted on approval date		701
Granted during the year	361	295
Forfeited during the year	18	12
Paid out during the year cash	211	224
Paid out during the year DRs	24	9
Less: total paid out/forfeited	-253	-245
<b>Outstanding at 31 December</b>	<b>859</b>	<b>751</b>

## Remuneration details of all employees

Remuneration comprises fixed and variable compensation, employer pension contributions, sign-on, retention and severance pay for 2020.

(in FTE)	Remuneration in millions <sup>2</sup>							
	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	2							
Corporate & Institutional Banking	2							
Group Functions <sup>1</sup>	1							

<sup>1</sup> Executive and Supervisory Board members are reported under Group Functions.

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

Although any award of variable remuneration would not have had a material impact on ABN AMRO's capital, there have been various reasons to reduce the performance-related variable remuneration considerably, taking into account ABN AMRO's financial results, the economic and health crisis due to Covid-19 and the role ABN AMRO plays in society. The reduction is also in line with regulatory guidance to this extent. For the 2020 performance period, ABN AMRO has decided not to award any performance-related variable remuneration to its employees in the Netherlands or to employees abroad within the CIB business line. In addition, the performance-related variable remuneration for employees abroad in the Private Banking

and Commercial Banking business lines has been reduced significantly. Consequently, the performance-related variable remuneration of all staff, including Identified Staff, decreased from EUR 65 million in 2019 to EUR 16 million in 2020. In 2019, an amount of EUR 9 million was erroneously reported as relating to all staff instead of only to Identified Staff. For non-identified Staff, this was EUR 56 million in 2019. The total amount of retention payments increased from EUR 1 million in 2019 to EUR 14 million in 2020, mainly due to the retention payments paid in relation to the wind-down of all non-European CIB activities (except Clearing).

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

<sup>1</sup> Identified staff only.

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

The ratio of the mean annual employee compensation and the total annual remuneration of the CEO was 10.2 in 2020. The ratio is equivalent to the CEO's remuneration, including pension costs, divided by the mean employee remuneration including pension costs during 2020. This ratio is considered to be a fair reflection of ABN AMRO's current position. The ratios published in 2016, 2017, 2018 and 2019 were 11.4, 10, 9.6 and 9.6 respectively.

