

**ABN AMRO Bank N.V.**

# **Remuneration Report 2022**

# Remuneration report



## Letter from the Chair of the Remuneration Committee

### Dear reader,

We hereby present our remuneration report for the year 2022. In this letter, I would like to reflect briefly on some key topics and considerations for the Remuneration Committee in the past year.

## Annual end of year process

One of the key topics for the Remuneration Committee is the annual performance management process. The weighting assigned to the individual objectives increased in comparison to the previous year, leading to more individual accountability. In addition, the 2022 targets for the Executive Board members were redistributed within the applicable Executive Board KPI framework, in accordance with the Executive Board Remuneration Policy. The KPIs and targets for CLA+ employees (i.e. employees appointed at a job level that exceeds the CLA job level) were also adjusted to put more emphasis on financial growth and targets for sustainability assets were included.

## Composition of Executive Board and Supervisory Board

Tom de Swaan was reappointed Chair of the Supervisory Board for another four years at the Annual General Meeting in April 2022. Sarah Russell was appointed to the Supervisory Board at the same meeting.

The Executive Board underwent various changes in 2022. Christian Bornfeld stepped down as Chief Information & Technology Officer (CITO) effective 1 May 2022, while Gerard Penning stepped down as Chief Human Resources Officer (CHRO) effective 1 December 2022. Annerie Vreugdenhil was appointed CCO Personal & Business Banking effective 1 March 2022, and Carsten Bittner was appointed CI&TO effective 1 January 2023. On 11 January 2023, Lars Kramer announced that he would step down as Chief Financial Officer (CFO) effective 30 April 2023. On behalf of the Remuneration Committee, I would like to express my appreciation for the contributions of Christian Bornfeld, Gerard Penning and Lars Kramer and am pleased to welcome Annerie Vreugdenhil and Carsten Bittner to the Executive Board.

It was announced on 1 February 2023 that ABN AMRO also planned to change the composition of the Executive Board to further strengthen strategy execution. A Chief Operations Officer (COO) position has consequently been added to the Executive Board. The COO will have primary responsibility for bank-wide operational performance and for accelerating

change management in close consultation with the other Executive Board members. The COO will head the central management of operations, including the Detecting Financial Crime unit. In addition, the CHRO will no longer sit on the Executive Board and will report directly to the CEO.

## Negotiations on Collective Labour Agreement ('CLA')

Our Collective Labour Agreements (comprising of the Employment Conditions CLA and the Social Plan) are applicable to the vast majority of the bank's employees in the Netherlands.

In the meetings held between June and October 2022, the Remuneration Committee closely followed and discussed the negotiations with the trade unions on the Employment Conditions CLA that reached the end of its term on 1 July 2022. The tension between offering appropriate remuneration and rewarding staff in times of high inflation versus the cost targets of the bank was a dilemma duly considered by the Remuneration Committee.

CLAs were also agreed in France, Germany and Belgium in 2022, as further described in detail in this report.

## 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 2022, we received the first ever IT Vitae Diamond Award for employers who have successful and sustainable policies for recruitment, communication and guidance of highly gifted employees and employees with autism.

Equal pay for equal work and work of equal value is an important principle at ABN AMRO and our progress in this area is continuously monitored. The results and our progress on this topic were published on 11 November 2022. In the past few years, ABN AMRO has achieved good results on equal pay for the CLA population in the Netherlands. With effect from 1 January 2022, a new remuneration methodology was introduced for Dutch CLA+ employees (i.e. employees in jobs above the CLA job levels)

to improve our efforts to ensure equal pay for equal work or work of equal value. The gender pay gap and equal pay developments in offices abroad are also annually monitored.

Diversity percentages are continually monitored. The gender diversity of the Extended Leadership Team decreased from 47% female employees on 1 January 2022 to 44% female employees on 31 December 2022.

In 2022, 3 of the 8 board positions (per year end) of the Executive Board and 4 of the 7 board positions of the Supervisory Board were female. 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 entered into force on 1 January 2022.

## Employee Engagement

An annual Employee Engagement Survey is performed throughout the bank. The Supervisory Board considers employee engagement and employee satisfaction key topics and monitors the results of the periodic engagement.

In 2023, one of the key focus areas of the Remuneration Committee will be the update of the Executive Board Remuneration Policy and the Supervisory Board Remuneration Policy, on which we will report in the 2024 annual report.

On behalf of the Remuneration Committee of the Supervisory Board,

## Arjen Dorland

Chair of the Remuneration Committee

## Remuneration principles and policies

### General

Our purpose – Banking for better, for generations to come – guides us through change, is the basis for how we shape and deliver on our strategy, and encourages high performance and engagement from our employees. Our strategy has three strategic pillars: customer experience,


sustainability and future-proof bank. These are our guiding principles in acting on our purpose.

We want to create value for society, not only as a provider of financial services to our clients, but also as an employer. We refer to the Strategy, value creation & performance chapter of the Integrated Annual Report for further context.


## Remuneration principles

### Purpose & Strategy


## Banking for better, for generations to come




### Our strategic pillars



**Customer experience**




**Sustainability**



**Future-proof bank**

### Reward philosophy



Our reward framework enables ABN AMRO to attract, motivate, develop and retain the right talent in a sustainable manner to realise our business strategy

**Compliant & Responsible**

- ▶ Compliant with the boundaries of all applicable remuneration legislation and guidelines
- ▶ Respectful of our societal role and impact, our client's interests and other stakeholders

### Reward philosophy

**Fair & Transparent**

- ▶ Clear remuneration policies and processes
- ▶ Principle of equal pay for equal work or work of equal value
- ▶ Balanced total remuneration package in line with the relevant market

**Align Employee with ABN AMRO interests**

- ▶ Clarity in how (individual) performance and remuneration are connected
- ▶ Balanced risk taking in line with our moderate risk appetite
- ▶ Encourages personal development and values-led behaviour as integral part of performance

To successfully execute our strategy we aim 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 inspiring leadership, alongside efficient organisational structures, processes and IT systems that help our employees work more effectively.

Key in achieving a future-proof workforce is a remuneration framework that enables ABN AMRO to attract, motivate, develop and retain the right talent to realise our strategy. Our remuneration policy and principles are set out in the Global Reward Policy, providing a framework for effectively managing reward and performance to support the strategy (including the risk strategy), KPIs, values and long-term interests of the bank. The Global Reward Policy applies to all employees within ABN AMRO and at all group companies, subsidiaries, branches, representative offices and legal entities under its control.

The Executive Board and Supervisory Board approve the Global Reward Policy and are responsible for its maintenance and implementation. The policy is reviewed regularly, taking into consideration the company's strategy and desired culture, 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 in principle we position our remuneration levels around the median of the relevant labour market, based on benchmarking, while keeping labour costs under control.

ABN AMRO's Employment Conditions CLA governs the remuneration packages for CLA employees based in the Netherlands (including Identified Staff).

### Employment conditions supporting environmental and social awareness

Sustainability is an important aspect of our strategy and purpose. Therefore, our employment conditions and practices aim to promote environmental and social awareness.

### 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 job level (whereby each job level is linked to a salary scale), for its employees in the Netherlands. For ABN AMRO employees working in the Netherlands, the gender pay gap corrected per job level amounts to 0.65% in favour of men (compared to 0.27% in 2021). The overall gender pay gap (i.e. uncorrected per salary scale) in 2022 amounted to 15% in favour of men (compared to 14.7% in 2021). The overall gender pay gap is mainly caused by more men than women holding positions at higher job levels. We will continue to focus on increasing gender diversity in higher job levels to reduce the overall gender pay gap. Our ambition is illustrated by the D&I targets which are set to this extent.

### Equal pay

We are committed to the principle of equal pay for equal work or work of equal value. The New Job Model (NJM) is our generic job profile methodology, in which all Dutch CLA jobs are plotted and which is also implemented in other countries where ABN AMRO is operating. Each NJM job profile has a job grade that is determined in line with the Hay methodology, which is recognised as a gender-neutral, objective and verifiable job-grading methodology. In the Netherlands, each Hay level at CLA and CLA+ level has its own salary scale. Our remuneration policy contains guidelines for various moments of remuneration, i.e. salary setting for new hires, annual salary increases, incidental salary increases, promotion and variable remuneration.

Periodic research is conducted on the development of equal pay in our remuneration policies and practices, whereby salaries of men and women are compared (at CLA and CLA+ level), as well as salaries of western and non-western employees. Our research shows a consistent practice of equal pay. Where the research reveals differences in salaries, further research is conducted. Our research results in the Netherlands for 2022 were published on the ABN AMRO website on 11 November 2022 (Equal Pay Day).

### Employment conditions

The CLA contains the following employment conditions aiming to promote environmental and social awareness:

- ▶ hybrid working is an explicit employment condition
- ▶ the transportation budget (which could be used for lease cars) will be phased out, partly because hybrid working significantly reduces home-to-work travel compared with the pre-Covid-19 situation
- ▶ allowances for working from home (reimbursement for home office equipment, a monetary allowance for working from home and an internet allowance)
- ▶ reskilling (e.g. through the 'Bank in the classroom' programme that facilitates moves from jobs at the bank to jobs in teaching)
- ▶ ABN AMRO assigns 0.25% of its total salary expenses to improving the position of minority groups
- ▶ our Reboot programme, which sets targets for hiring refugees and employees with a disability

The Diversity & Inclusion section of this Integrated Annual Report describes our various other initiatives relating to sustainable employment conditions.

### Sustainable KPI-setting

Variable remuneration is awarded based on pre-defined KPIs. For our Identified Staff, sustainability is included in the KPIs for sustainability assets and gender diversity in the sub-top, while for the Executive Board it is included in the KPIs for sustainability (Dow Jones Sustainability Index, or DJSI) and diversity. Sustainability is part of the strategy. Non-Identified Staff are requested to set objectives in line with the strategy.

The applicable sustainability KPIs are included when calculating the pool for variable remuneration.

### Bonus prohibition

As long as the Dutch State holds an interest in ABN AMRO, the bonus prohibition is applicable to a specific group of senior staff, as defined in the Wbfo legislation; in other words, the Executive Board (also of subsidiaries in our group with a Dutch banking licence) and a specific group of senior staff. Due to the bonus prohibition, the Executive Board and a specific group of senior staff are also not entitled to variable remuneration or individual salary increases. The salary increases applying to this group are those provided for in the CLA for the banking sector.

## Performance management and KPI-setting

### General

Performance management is a crucial process in pursuing ABN AMRO's purpose and strategy. Our performance management process gives guidance on objectives in line with the bank's strategy, purpose and values. It strengthens our culture by stimulating accountability, development and collaboration, and it is the basis for remuneration (where applicable). ABN AMRO's performance management process is called Together & Better and it applies to all employees globally, with an adjusted version for Identified Staff. Besides being a tool for steering performance, Together & Better focuses on motivating, developing and showing appreciation to employees in order to create a working environment where employees can make a difference. Employees are encouraged to take control of their performance, development and careers in a mature employment relationship. As part of Together & Better, employees take the initiative to set objectives. It is the joint responsibility of the manager and the employee to agree on the applicable objectives.

Within Together & Better, objectives are set around the themes of Results ('What are the results of your work?'), Behaviour ('How do you perform your work?') and Development ('What talents do you want to develop?'). Employees are requested to align at least one objective with ABN AMRO's strategic pillars and to align objectives with our core values (care, courage and collaboration).

Our performance management aims to create a clear link between performance (realistic, sustainable results) and reward in a way that ensures that any award of fixed and variable remuneration is aligned with both the employee's and the bank's performance. The KPIs used are financial and non-financial, as well as qualitative and quantitative.

### Identified Staff

The Together & Better process is slightly adjusted for Identified Staff (at CLA and CLA+ level) to meet specific legal requirements for this group. A specific KPI framework

applies to Identified Staff (CLA and CLA+); this is linked to ABN AMRO's bank-wide strategic KPIs and is approved by the Executive Board and Supervisory Board. For 2022, the group non-financial KPIs consisted of sustainability assets and the group financial KPI was the C/I ratio. The non-financial KPIs for the client units and functions were gender diversity in the sub-top and NPS, and the financial KPIs were cost level, net growth in strategic segments and Segment ROE. At the individual level, objectives were set for results, behaviour and development. Identified Staff members receive a final performance score after each performance year, conveying the desired compliance and risk culture, which is taken into account at client unit/function and individual level.

### Executive Board

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

In consultation with all relevant departments at ABN AMRO, the Supervisory Board continually monitors and assesses the Executive Board members' performance on these KPIs and the targets set.

## Developments and business events in 2022

### Collective Labour Agreements

In the Netherlands, ABN AMRO has two CLAs: the Employment Conditions CLA and the Social Plan. In 2022, an Employment Conditions CLA applied from 1 January 2022 until 1 July 2022. Following a series of negotiations, agreement was reached in 21 October 2022 on the Employment Conditions CLA applying from 1 July 2022 to 1 July 2024. The main elements of this are a salary increase of 4% from 1 October 2022, a salary increase of 2.5% from 1 July 2023 and a one-time gross payment of EUR 2,000 for each CLA employee (pro rated for parttime employees). In 2021, the Social Plan was extended from 1 January 2022 to 1 January 2025.

CLAs were also agreed in France, Germany and Belgium in 2022. In France, CLA salary increases of 3% - 5% were negotiated for annual base salaries up to EUR 100,000 (i.e. 5% for annual base salaries below EUR 40,000, 4% for annual base salaries of EUR 40,000 - EUR 85,000 and 3% for annual base salaries of EUR 85,000 - EUR 100,000), in addition to a temporary increase in healthcare arrangements. In Germany, the CLA for the banking industry provides for a 3% salary increase from August 2022 and 2%

from August 2023 (not applicable to Corporate Banking and Clearing, who have discretionary salary increase arrangements). In Belgium, base salaries were automatically increased in 2022 by 10.15%. The average increase in the health price index, which is used for indexation of wages, is expected to be 5.2% in 2023 and 3.2% in 2024 (forecasts: Belgian Federal Planning Bureau).

### Relevant regulatory developments

The rules applying to remuneration in the Dutch financial sector are the European rules that apply in all EU Member States. The Netherlands has opted for a wider scope of the remuneration rules and a variable remuneration cap of 20% (instead of the European cap of 100%). The Dutch Financial Supervision Act (Wet financieel toezicht or 'Wft') sets additional requirements for variable remuneration, including the cap on variable remuneration, rules relating to retention payments, welcome and severance packages and publication obligations.

In addition, with effect from 1 January 2022, the revised EBA Guidelines on Sound Remuneration Policies, which had been published on 2 July 2021, came into force. 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 January 2022, the EBA launched two consultations for updating its Guidelines on the remuneration benchmarking exercise and its Guidelines for collecting data on high earners. On 30 June 2022, the final versions of these guidelines have been published.

Where necessary, ABN AMRO adjusts its remuneration policies to ensure compliance with applicable legislation and regulations, and requests shareholders' approval where required.

### Forecast for 2023

#### Legislation expected in 2023

Environmental, social and governance (ESG) issues are highly important for credit institutions. ESG-related regulations, guidelines and other publications (such as the Taxonomy Regulation, SFDR, NFRD, CSRD, 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, among other things, to remuneration policies. Some of those requirements entered into force in 2020 and 2021, while others apply from 2022 or a later date.

The Dutch act on further remuneration measures for financial undertakings (Wet nadere beloningsmaatregelen financiële ondernemingen) entered into force on 1 January 2023. This introduced the following changes: (1) a five-year

statutory retention period for fixed remuneration in shares or instruments; (2) the obligation for financial undertakings to explain in their remuneration policy how they take into account the pay ratio between the remuneration of their managing directors, supervisory directors and employees and their function in society, and the way in which such ratio has been established; and (3) a limitation of the possibility to derogate from the cap on variable remuneration for non-CLA staff. The new legislation includes a transitional regime.

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 2022. If necessary, ABN AMRO will adjust its remuneration policies to ensure compliance with applicable legislation and regulations. When required, shareholders' approval will be requested.

### Executive Board Remuneration Policy

In 2023, we will initiate internal and external stakeholder engagements on updating our Executive Board Remuneration Policy, more specifically the performance KPIs for Executive Board members, in order to align these more closely with our strategy, also taking into account expected sustainability legislation. The updated Executive Board Remuneration Policy will be submitted to the Annual General Meeting in 2024, in line with the regular timelines for approval of the Executive Board Remuneration Policy.

### Remuneration for all staff and Identified Staff

#### Remuneration for all staff

In general, the remuneration packages for all staff are structured in accordance with the applicable remuneration 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 remuneration;
- ▶ Variable remuneration;
- ▶ Pension contribution;
- ▶ Benefits and other entitlements.

ABN AMRO takes into account relevant business dynamics (e.g. market conditions, local labour legislation and tax legislation) when deciding on the composition of remuneration packages. Globally, any and all variable remuneration is capped at 100% of the fixed remuneration. In the Netherlands, only a small group of employees receive variable remuneration, which is capped at 20% of the fixed remuneration, unless the average 20% exception is applicable.

The award of performance-related variable remuneration is linked to the performance of the bank and the underlying client units and functions. As ABN AMRO's financial results in 2022 improved in comparison to 2021, the performance



related variable remuneration – including Identified Staff – amounted to EUR 53 million in 2022 (in comparison to EUR 45 million in 2021). The total retention payments, mainly in relation to the wind-down of certain non-European CIB activities, amounted to EUR 27 million in 2022. In addition, sign-on payments in 2022 amounted to EUR 1 million. As described above, the total variable remuneration awarded to all staff globally (consisting of various types of variable remuneration) amounted to EUR 81 million in 2022.

### Remuneration details of Identified Staff

Variable remuneration is awarded to Identified Staff in line with the terms and conditions of ABN AMRO's Variable Compensation Plan, which implements the applicable remuneration 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 Compensation Plan

(current version applicable since 29 December 2020) vests in equal instalments in the four years after the first payment. Both the upfront award and the deferred award consist of a 50% cash award and a 50% non-cash award. 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.

The remuneration details of Identified Staff are specified in the various tables below.

### Tables - 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 client unit/function.

	2022		2021	
	Number of FTEs (Identified Staff) <sup>2</sup>	Aggregated remuneration (in thousands)	Number of FTEs (Identified Staff) <sup>2</sup>	Aggregated remuneration (in thousands)
Personal & business banking	56	11,593	44	10,714
Wealth management	32	10,442	31	9,874
Corporate banking	108	38,154	104	39,743
Group Functions <sup>1</sup>	158	44,741	171	45,156
<b>Total</b>	<b>354</b>	<b>104,930</b>	<b>350</b>	<b>105,487</b>

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

<sup>2</sup> 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 where total annual remuneration attributed to the financial year (including, for example, severance payments) exceeds EUR 1 million. The first table

specifies the number of employees per client unit/function. The second table specifies the number of employees per organizational level.

(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
Personal & business banking								
Wealth management								
Corporate banking	1	2						
Group Functions <sup>1</sup>	2							

<sup>1</sup> Executive and Supervisory Board members are included under Group Functions. In 2022, the remuneration of the Executive and Supervisory Board members did not exceed EUR 1 million.

<sup>2</sup> Remuneration reflects the amounts attributed to 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) <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								
CLA+	2	1						
Other Identified Staff	1	1						

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

<sup>2</sup> Remuneration reflects the amounts attributed to 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. Therefore, Executive Board member G.R. Penning is not included, as the amounts paid out to him in 2022 did not exceed EUR 1 million.



The table below provides an overview of the total remuneration, specified per type of remuneration (i.e. fixed or variable). For the variable remuneration,

the amounts are further specified in the relevant cash and non-cash components in line with the Variable Compensation Plan.

	Number of FTEs (identified staff)		Aggregated remuneration (in thousands)
	SB, ExBo and CLA+	Other identified staff	
Fixed remuneration over 2022	139	215	95,319
Variable remuneration over 2022 <sup>1,2</sup>	86	67	9,611
- of which in cash			4,806
- of which in non-cash instruments			4,805
- of which unconditional (up-front payment)			5,766
- of which conditional (deferred payment)			3,844
Retention payments over 2022	2	9	3,054
Sign-on payments over 2022	1	1	60
Severance payments over 2022 <sup>3</sup>	15	12	6,326

<sup>1</sup> Retention payments and sign-on payments are also included in the total variable remuneration over 2022.

<sup>2</sup> Due to their specific nature, certain variable compensation elements are paid out in cash and are not or only partially subject to deferral.

<sup>3</sup> The highest severance pay amounted to EUR 918 thousand.

For Identified Staff, 50% of the variable remuneration is awarded in the form of a non-cash instrument. From performance year 2020, the non-cash instrument has changed from depositary receipts to performance certificates. The table below reflects the number of all

non-cash awards that were in place on 31 December 2022 for performance years 2016 to 2021 (inclusive). According to the Variable Compensation Plan, the value of a non-cash award equals the value of one share of ABN AMRO.

(In thousands of DRs)	2022	2021
<b>Outstanding at 1 January</b>	<b>854</b>	<b>859</b>
Granted during the year	385	313
Forfeited during the year	11	12
Paid out during the year cash	444	279
Paid out during the year DRs	38	27
Less: total paid out/forfeited	-493	-318
<b>Outstanding at 31 December</b>	<b>746</b>	<b>854</b>

### Malus assessment in 2022

ABN AMRO has several risk-mitigating measures in place that apply to variable remuneration. As part of our end-of-year process, an ex-ante and ex-post risk assessment are conducted. A malus (downward adjustment of variable remuneration that has not yet been paid out) and/or clawback (clawing back variable remuneration that has already been paid out) may be applied. To this extent, the following criteria are used:

- ▶ 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.

The Executive Board and Supervisory Board decide on the application of a malus based on the advice of Risk, Compliance and Audit, with input from other ABN AMRO departments (e.g. HR and Finance).

The malus assessment 2022 relates to the vesting of:

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

The Supervisory Board concluded, after an assessment against the malus criteria as stipulated above, that no malus is applied for performance year 2022.

### 2022 performance indicators for Identified Staff

KPIs are applicable to all Identified Staff. From a job level perspective, there are three different groups of Identified Staff. Each group has its own weighting of different KPIs and allocation between financial and non-financial KPIs.

	Weighting Executive Board <sup>5</sup>	Weighting CLA+ identified staff	Weighting CLA identified staff
Organisation level KPIs	40-65%	10-20%	10-15%
Businessline level KPIs	0-25%	35-50%	25-30%
Individual KPI <sup>1</sup>	35%	40-45%	60%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
- of which financial <sup>2,4</sup>	20-30%	30%	18-23%
- of which non-financial <sup>3,4</sup>	70-80%	70%	77-82%

<sup>1</sup> Individual KPI: For CLA+ employees, the individual KPI refers to the score on individually determined KPIs.

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

<sup>3</sup> 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.

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

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

## Executive Board

### Executive Board Remuneration Policy

The Executive Board Remuneration Policy was adopted by the Annual General Meeting on 22 April 2020 and took effect on 1 January 2020. The policy provides for a collective indexation of salaries for the Executive Board members in line with the CLA for the banking sector. In 2022, the members of the Executive Board all decided to waive their right to the salary increase of 2.5% per 1 March 2022 of the CLA Banken.

### 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 the previous remuneration policy with only some refinements to safeguard alignment with the new Shareholders Rights Directive. Considering that no variable remuneration is awarded and the remuneration restrictions that apply to ABN AMRO, the Supervisory Board was of the opinion that scenario analyses had resulted in the appropriate levels of remuneration and that further scenario analyses were less relevant at the time.

However, in light of the ongoing applicability of the salary freeze due to the bonus prohibition, it's sometimes difficult to retain expert leaders (as well as other senior staff and other highly qualified employees). During the last period, there seems to be an increasing discrepancy between the current remuneration levels of the Executive Board in comparison to the relevant benchmarking populations, which has the attention of the Supervisory Board.

### 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

As the Executive Board members all waived their right to the salary increase provided for in the CLA for the banking sector in 2022, there was no income adjustment to Executive Board salaries in 2022.

From 1 January 2022 to 31 December 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 due to the applicable bonus prohibition, as described above. As the bonus prohibition continued to apply in the 2022 performance year, the Executive Board

did not receive any variable remuneration. The Executive Board members therefore only received fixed remuneration.

### Benefits

The Executive Board participates in ABN AMRO's pension schemes applicable to all employees in the Netherlands. For pensionable salary up to the applicable threshold, which for 2022 amounted to EUR 114,866, a collective defined contribution (CDC) pension scheme applies. The total pension contribution is 37%, of which 5.5% is an employee contribution. In the event of death or when the Executive Board member reaches the state pension age (AOW), the services agreement automatically ends by operation of law. The intended pension accrual is 1.875%, based on a pension age of 68. In 2022, the pension accrual was 1.875%. For pensionable salary in excess of EUR 114,866, Executive Board members (just like employees of ABN AMRO) 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 2022. 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 2022. As they resigned, Christian Bornfeld and Lars Kramer are not entitled to a severance payment. In good mutual understanding, ABN AMRO and Gerard Penning agreed on the termination of his services agreement. Gerard Penning is therefore entitled to a severance payment of three months' gross fixed salary, which will be paid out in 2023.

## 2022 Remuneration for the individual Executive Board members

	2022							
	Base salary	Variable remuneration <sup>4</sup>	Other short-term benefits <sup>5</sup>	Total short-term benefits	Severance payments	Total pension-related contributions <sup>6</sup>		Total
						Post-employment pension (a) <sup>6</sup>	Short-term allowances (b) <sup>6</sup>	
(In thousands)								
<b>R.A.J. Swaak</b>	771			771		32	197	999
<b>C.M. Bornfeld<sup>1</sup></b>	218		45	263		11	54	327
<b>T.J.A.M. Cuppen</b>	654		34	688		32	162	881
<b>D. Dorner<sup>2</sup></b>	654		32	686		32	162	879
<b>C. van der Hooft - Cheong<sup>2</sup></b>	654		27	682		32	162	875
<b>L. Kramer<sup>2</sup></b>	654		133	787		32	162	981
<b>G.R. Penning<sup>1,2</sup></b>	927			927	164	46	227	1,364
<b>A.M. Vreugdenhil<sup>2</sup></b>	545		18	563		26	135	724
<b>Total</b>	<b>5,077</b>		<b>289</b>	<b>5,366</b>	<b>164</b>	<b>241</b>	<b>1,260</b>	<b>7,031</b>
								<b>2021</b>
<b>R.A.J. Swaak</b>	765			765		31	196	992
<b>C.M. Bornfeld<sup>1</sup></b>	650		162	812		31	161	1,004
<b>C.J. Abrahams<sup>1</sup></b>	108		20	128		5	27	159
<b>T.J.A.M. Cuppen</b>	650		34	684		31	161	876
<b>D. Dorner<sup>2</sup></b>	67		4	70		3	17	90
<b>C. van der Hooft - Cheong<sup>2</sup></b>	67		3	69		3	17	89
<b>L. Kramer<sup>2</sup></b>	381		65	446		18	95	558
<b>G.R. Penning<sup>1,2</sup></b>	67			67		3	17	87
<b>A. Roest<sup>3</sup></b>	161		11	172		8	40	220
<b>Total</b>	<b>2,915</b>		<b>298</b>	<b>3,213</b>		<b>133</b>	<b>730</b>	<b>4,075</b>

<sup>1</sup> The following members left ABN AMRO: C.J. Abrahams (1 March 2021) and C.M. Bornfeld (1 May 2022). G.R. Penning stepped down as Executive Board member on 1 December 2022 and will leave ABN AMRO as per 1 June 2023. For G.R. Penning, all remuneration components (including severance, which is awarded in 2022 and paid in 2023) for the period until the end of his employment contract on 1 June 2023 are included above.

<sup>2</sup> The following members were appointed as an Executive Board member: L. Kramer (1 June 2021), D. Dorner (24 November 2021), C. van der Hooft - Cheong (24 November 2021), G.R. Penning (24 November 2021) and A.M. Vreugdenhil (1 March 2022).

<sup>3</sup> The remuneration components for A. Roest relate to her interim Executive Board appointment from 1 March 2021 until 1 June 2021.

<sup>4</sup> 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.

<sup>5</sup> Other short-term benefits consists of flight tickets, a housing allowance, compensation for lease car expenses, mortgage interest rate benefit and international schooling costs for Executive Board members' children when applicable.

<sup>6</sup> 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 114,866 (2021: EUR 112,189) and (b) the arrangement in accordance with the ABN AMRO Collective Labour Agreement ('ABN AMRO CAO').

## 2022 Loans from ABN AMRO to Executive Board members

(In thousands)	2022			2021		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
D. Dorner <sup>1</sup>	463	21	2.2%	484		1.4%
C. van der Hooft - Cheong <sup>1</sup>	1,559	32	1.5%	1,591		1.5%
G.R. Penning <sup>1,2</sup>	225	40	2.9%	265		0.7%
A. Roest <sup>3</sup>				3,158		1.8%

<sup>1</sup> The following members were appointed: D. Dorner (24 November 2021), C. van der Hooft-Cheong (24 November 2021) and G.R. Penning (24 November 2021).

<sup>2</sup> G.R. Penning stepped down as Executive Board member on 1 December 2022 and will leave ABN AMRO as per 1 June 2023.

<sup>3</sup> 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 ABN AMRO's performance and to developments in the average employee remuneration. For a like-for-like comparison, the average employee

remuneration is shown 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.

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

(in thousands)	Function	2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		Reporting year
		Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	2022
<b>ExBo</b>												
R.A.J. Swaak <sup>1</sup>	CEO					701	n/a	291	n/a	7	1%	999
C.M. Bornfeld <sup>2</sup>	CI&TO	825	n/a	218	n/a	-30	-3%	-9	-1%	-676	n.a.	327
T.J.A.M. Cuppen <sup>3</sup>	CRO	643	n/a	26	3%	7	1%	-15	-2%	5	1%	881
D. Dorner <sup>4</sup>	CCO							90	n/a	789	n.a.	879
C. van der Hooft - Cheong <sup>5</sup>	CCO							89	n/a	786	n.a.	875
L. Kramer <sup>6</sup>	CFO							558	n/a	422	n.a.	981
G.R. Penning <sup>7</sup>	CHRO							87	n/a	1,277	n.a.	1,364
A.M. Vreugdenhil <sup>8</sup>	CCO									724	n.a.	724
<b>Company performance</b>												
Profit		-441	-16%	-304	-13%	-2,091	-102%	1,279	n/a	634	51%	1,867
Cost/Income ratio		-1.3%	-2%	2.4%	4%	5.2%	8%	10.0%	15%	-7.2%	-9%	69.2%
Return on Equity		-3.1%	-21%	-1.4%	-12%	-108.0%	-108%	6.7%	n/a	2.8%	48%	8.7%
<b>Average employee remuneration</b>												
		3	3%	3	3%	-5	-5%	4	4%	4	4%	107

<sup>1</sup> R.A.J. Swaak joined the Executive Board on 22 April 2020.

<sup>2</sup> C.M. Bornfeld joined the Executive Board on 1 March 2018 and stepped down on 1 May 2022.

<sup>3</sup> T.J.A.M. Cuppen joined the Executive Board on 1 October 2017.

<sup>4</sup> D. Dorner joined the Executive Board on 24 November 2021.

<sup>5</sup> C. van der Hooft-Cheong joined the Executive Board on 24 November 2021.

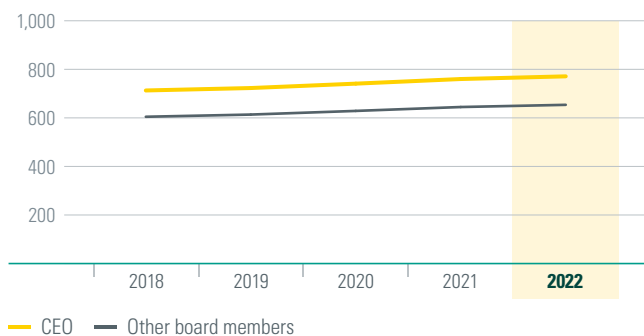
<sup>6</sup> L. Kramer joined the Executive Board on 1 June 2021.

<sup>7</sup> G.R. Penning joined the Executive Board on 24 November 2021 and stepped down on 1 December 2022.

<sup>8</sup> A.M. Vreugdenhil joined the Executive Board on 1 March 2022.

The 5-year development of the annualised base salary of the CEO and other Executive Board positions is shown below. The collective salary increase in the CLA for the banking sector has not been applied to the fixed remuneration in 2022, resulting in an almost straight line from 2021 to 2022, as depicted below.

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



### Pay ratio

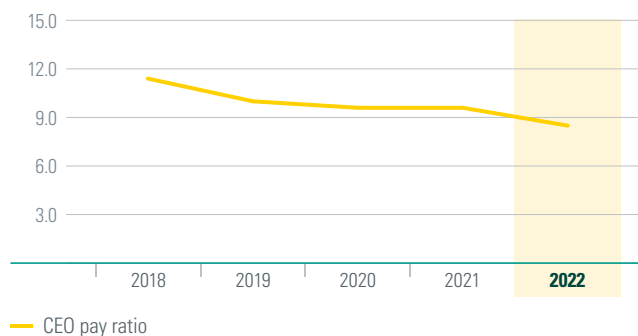
The pay ratio is the comparison between the total annual remuneration of the CEO and the average salary of all ABN AMRO employees. In line with our overall remuneration philosophy, we strive for a moderate pay ratio. The salary of our CEO does not fluctuate as it has been set in line with the Executive 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 8.5 in 2022. 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 2022. This ratio is considered to be a fair reflection of ABN AMRO's current position. The ratio decreased in light of the fact that employees' salaries increased based on the Employment Conditions CLA, but the CEO salary was not increased as the Executive Board waived the salary increase of the CAO Banken.

Since 2021, in line with the Guidance from the Corporate Governance Code Monitoring Committee, the social security charges have been taken into consideration, whereas these charges were not taken into consideration in previous years. The pay ratio at ABN AMRO is substantially lower than in other AEX and AMX companies.

The ratios published in 2016, 2017, 2018, 2019, 2020 and 2021 were 11.4, 10, 9.6, 9.6, 10.2 and 8.78 respectively.

### CEO pay ratio (in thousands)



### 2022 Performance of the Executive Board

The 2022 performance targets for Executive Board members were set in line with the Executive Board Remuneration Policy, which was adopted by the Annual General Meeting in 2020. 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 scores are given within a 1-5 bandwidth, with a score of 1 is the lowest score, a score of 3 is defined as 'meets requirements' and an almost score of 5 is the highest score.

At an organisational level, the targets for the financial KPIs (ROE and Cost/Income ratio) were exceeded, mainly due to a further increase in income in 2022. The non-financial KPIs Sustainability and House in Order focus specifically on ABN AMRO's long-term strategy. The KPI Sustainability and its targets and measures are linked to the Dow Jones Sustainability Index (DJSI). Our top-10 position in the DJSI results in a score of 2. The KPI Employee Engagement, and its targets and measures are linked to the results obtained in the relevant annual employee engagement survey and focused on both short- and long-term achievements. The bank-wide Employee Engagement score of 78% resulted in a score of 1, compared with a score of 3 in 2021 (82% score). The KPI House in Order means actively conveying the desired compliance and risk culture, effective risk management and solution management.

At a client unit/function level, strict targets have been set to reduce costs. Exceeding the target cost ceiling by more than 1% led to a score of 1. On average, targets were met with regard to the net growth in strategic segments. Employee Engagement is also measured at a function level, resulting in an average score of 2 (based on a score of 79-80%). With respect to the NPS score, customers are starting to appreciate the digital experience we offer, but do not yet see us as a personal bank. At an individual level, KPIs are set with regard to House in Order, Permanent Education, Diversity and Behaviour. All Executive Board members met or exceeded their targets in this respect, leading to an average score of 4.

The overall assessment of the Supervisory Board is that, on average, all members of the Executive Board had good overall performance ratings in 2022.

Score 1-5	Type	KPI	Score 2022 <sup>2</sup>
<b>Organisation</b>			
	Financial	ROE	5
		Cost/income ratio	5
	Non-financial	Sustainability	2
		Employee engagement	1
		House in order	3
<b>Business line</b>			
	Financial	Cost level	1
		Net Growth Strategic Segments	3
	Non-financial	Employee engagement	2
		NPS	2
<b>Individual</b>			
	Financial	n/a	
	Non-financial <sup>1</sup>		4

<sup>1</sup> The score is the average of the absolute individual of all Executive Board members.

<sup>2</sup> The scores are the over-all scores per KPI, where the weight/applicability of each KPI differs per Executive Board member.

## Supervisory Board

### Supervisory Board Remuneration Policy

The remuneration of the Supervisory Board is set in line with the Supervisory Board Remuneration Policy. Consequently, a 1.5% indexation of the annual fees was applied with effect from 1 January 2022, as well as an increase of 2.5% with effect from 1 March 2022, in accordance with the CLA for the banking sector.

### Fixed remuneration

The annual fees for 2022 were as follows:

From 1 January 2022 until 1 March 2022:

- ▶ Membership of the Supervisory Board: EUR 54,322 (EUR 70,619 for the Chair)
- ▶ Membership of a Committee: EUR 13,581 (EUR 16,297 for the Chair)

From 1 March 2022 until 31 December 2022:

- ▶ Membership of the Supervisory Board: EUR 55,680 (EUR 72,384 for the Chair)
- ▶ Membership of a Committee: EUR 13,920 (EUR 16,704 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.

### 2022 Remuneration for the individual Supervisory Board members

(In thousands)	2022 <sup>4</sup>	2021 <sup>4</sup>
T. de Swaan	103	98
A.C. Dorland	86	82
L.J. Griffith	83	80
M.P. Lap	83	80
S.A.C. Russell <sup>1</sup>	60	
A.M. Storâkers	86	80
M.L. Tannemaat	83	80
J.S.T. Tiemstra <sup>2</sup>	26	82
J.B.J. Stegmann <sup>3</sup>		72
<b>Total</b>	<b>610</b>	<b>654</b>

<sup>1</sup> S.A.C. Russell was appointed as a member of the Supervisory Board with effect from 20 april 2022.

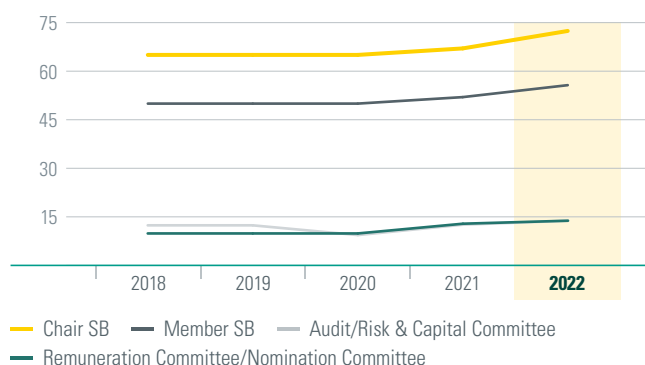
<sup>2</sup> J.S.T. Tiemstra stepped down as a member of the Supervisory Board with effect from 20 april 2022.

<sup>3</sup> J.B.J. Stegmann stepped down as a member of the Supervisory Board with effect from 14 November 2021.

<sup>4</sup> Remuneration amounts excluding VAT.

## 5-year annualised average base salary – Supervisory Board

(in thousands)



## 2022 Loans from ABN AMRO to Supervisory Board members

(In thousands)	2022			2021		
	Outstanding 31 December	Redemptions	Interest rate	Outstanding 31 December	Redemptions	Interest rate
T. de Swaan	1,586	5	1.0%	1,591	6	1.0%
L.J. Griffith		339	1.8%	339	89	1.8%
S.A.C. Russell	370		2.1%			
M.L. Tannemaat	715	57	1.7%	772		1.7%

## Stakeholder views

### Annual General Meeting 2022

During the Annual General Meeting of 20 April 2022, the 2021 remuneration report was put to an advisory vote, with 99.33% of the votes cast being in favour of a positive advice. ABN AMRO was pleased to note the positive advisory vote.

During the Annual General Meeting in 2022, shareholders raised questions about the CEO’s remuneration, how ABN AMRO benchmarks such remuneration against its peers and if ABN AMRO can include the results of the benchmark in the remuneration report. The Chair of the Remuneration Committee responded by referring to the Executive Board Remuneration Policy and the fact that such policy is also based on a benchmark. The benchmark itself, however, is not part of the remuneration report, as such information is publicly available in the remuneration reports of peers.

In general, the primary objective of ABN AMRO’s remuneration policies is to enable ABN AMRO to attract, motivate and retain qualified and expert leaders, as well as senior staff and other highly qualified employees. In the preparations for the updated version of our Executive Board Remuneration Policy in 2024, we will invite stakeholders to consultation meetings to enable the Chair of our Remuneration Committee to hear feedback and explore ways of implementing our new remuneration policies to address areas of concern. We also took note of the feedback following the 2021 remuneration report and will, of course, take such views into consideration when reviewing the policy.



### Works Council meetings in 2022

ABN AMRO has a general Employee Council (Raad van Medewerkers), the European Staff Council (at a European level) and four separate Works Councils.

In 2022, the Works Councils received a total of 65 requests for advice, 15 requests for consent and 51 information memoranda. These requests and memoranda were to a large extent related to ABN AMRO's further implementation of its strategy throughout the various layers of the organisation.

With regard to remuneration policies and practices, the relevant Works Council is updated annually on ABN AMRO's remuneration policies and practices. In the event of changes to the remuneration policies that are subject to the right of consent, the relevant Works Council is involved accordingly. In 2022, no changes were made to remuneration policies that were subject to a right of consent. Instead, the Employee Council was updated with regard to developments in remuneration practices, mainly in relation to equal pay.

Normally the Employee Council, Executive Board and the Supervisory Board meet each other three times a year. In 2022, two meetings were held: the first to discuss the climate plan and the second to discuss the gap between management and other employees and how to bridge it.

As employee participation is shaped around the organisational structure of ABN AMRO, the organisational changes also led to a reassessment of the way the various Works Councils are structured. On 9 January 2023, the Employee Council announced that, in 2023, the current four Works Councils would be reduced to two Works Councils. Elections will be held in spring 2023.

