Minutes

General Meeting

ABN AMRO Group N.V.

24 April 2019

Minutes of the Annual General Meeting ABN AMRO Group N.V.

ABN AMRO Head Office, Gustav Mahlerlaan 10, Amsterdam

(These minutes are a concise record of the proceedings at the meeting.)

Wednesday 24 April 2019, 14.00-17.00 hrs

Agenda

1. **Opening remarks and announcements.**

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

   (a) Report of the Executive Board in respect of 2018 **(discussion item);**

   (b) Report of the Supervisory Board in respect of 2018 **(discussion item);**

   (c) Presentation by the Employee Council **(discussion item);**

   (d) Corporate Governance **(discussion item);**

   (e) Implementation of the remuneration policy **(discussion item);**

   (f) Presentation and Q&A external auditor **(discussion item),** and

   (g) Adoption of the audited Annual Financial Statements 2018 **(voting item).**

3. **Dividend**

   (a) Explanation dividend policy **(discussion item)**; and

   (b) Proposal for dividend 2018 **(voting item).**

4. **Discharge from liability**

   (a) Discharge of each member of the Executive Board in office during the financial year 2018 for the performance of his or her duties during 2018 **(voting item);** and

   (b) (b) Discharge of each member of the Supervisory Board in office during the financial year 2018 for the performance of his or her duties during 2018 **(voting item).**

5. **Report on the evaluation of the external auditor (discussion item)**

   a) Report on the functioning of the external auditor **(discussion item);** and

   b) Reappointment of Ernst & Young Accountants LLP as external auditors for the financial years 2019, 2020 and 2021 **(voting item).**

6. **Amendment to the articles of association (voting item).**

7. **Composition of the Supervisory Board.**

   (a) Notification of Supervisory Board vacancies **(discussion item);**

   (b) Opportunity to make recommendations by the General Meeting, with due regard of the profiles **(discussion item);**

   (c) Appointment of new members of the Supervisory Board:

   i. Verbal introduction and motivation by Anna Storåkers **(discussion item);**

   ii. Verbal introduction and motivation by Michiel Lap **(discussion item);**

   iii. Appointment of Anna Storåkers as member of the Supervisory Board **(voting item); and**

   iv. Appointment of Michiel Lap as member of the Supervisory Board **(voting item).**

8. **Merger between ABN AMRO GROUP N.V. and ABN AMRO BANK N.V. (voting item).**

9. **Issuance of shares by ABN AMRO Group N.N. and ABN AMRO Bank N.V. and acquisition of shares or depositary receipts by ABN AMRO Group N.V.**

   (a) Authorisation to issue shares and/or grant rights to subscribe for shares **(voting item);**

   (b) Authorisation to limit or exclude pre-emptive rights **(voting item)**; and

   (c) Authorisation to acquire shares or depositary receipts for shares in ABN AMRO Group N.V.'s own capital **(voting item).**

10. Cancellation of shares or depositary receipts for shares in the issued capital of ABN AMRO Group N.V. **(voting item).**

11. Any other business and close of meeting.

Those present:

The full Supervisory Board:
Mr De Swaan (Chair of the Supervisory Board), Mr Dorland (Chair of the Remuneration, Selection and Appointments Committee), Mr Tiemstra (Chair of the Audit Committee), Mr Stegmann (Chair of the Risk & Capital Committee), Ms Leeflang, Ms Roobeek and Mr Ten Have.

The full Executive Board:
Mr Van Dijkhuizen (CEO), Mr Abrahams (Vice-Chair and Chief Financial Officer), Ms Cuppen (Chief Risk Officer) and Mr Bornfeld (Chief Information & Technology Officer).

The meeting secretary:
Ms Dorsman.

For EY, the external auditor:
Mr Boogaart and Mr Smit.

For the Employee Council:
Ms Bosman (Interim Chair).

The civil-law notary responsible for overseeing the voting:
Mr Clumpkens of Zuidbroek Notarissen .

STAK AAG:
Mr Van Gelder and Ms Brakman.

The shareholders and depositary receipt holders:
1,195 shareholders and depositary receipt holders, jointly representing 86.66% of the issued share capital and the same number of voting rights.

1. Opening and announcements

The **Chair** opened the meeting at 14.00 hrs and welcomed all those present. The Chair noted that the full Supervisory Board and the full Executive Board were present.

After introducing the persons attending the meeting on behalf of ABN AMRO and EY, the **Chair** made a number of announcements of an administrative nature. The **Chair** said that a tape recording would be made of the entire meeting to enable the minutes to be drawn up. The minutes will be adopted and signed by the Chair and the Secretary in accordance with the procedure set out in the articles of association.

The **Chair** noted that the shareholders and depositary receipt holders had been given notice of the meeting in accordance with the law and the articles of association, that the meeting could therefore pass valid resolutions, and that no resolutions had been proposed by shareholders and depositary receipt holders for consideration at this meeting.

The **Chair** stated that on the registration date the issued capital of ABN AMRO Group N.V. consisted of 940,000,001 shares.

The **Chair** informed those present that, in view of the long agenda, the separate parts of agenda item 2 would be combined and dealt with as a whole. As these parts were closely interrelated, taking this approach would also ensure that a proper, complete overview was provided. An opportunity to ask questions would be provided at the end of the presentations relating to agenda item 2.

2. Annual report, corporate governance and annual financial statements

2(a) Report of the Executive Board in respect of 2018

The **Chair** gave the floor to the CEO, Mr **Van Dijkhuizen**, for the Executive Board's report in respect of 2018.

Mr **Van Dijkhuizen** announced that 2018 had been a good year and that good progress had been made on both the financial and non-financial objectives. He said that he was proud of the new purpose and refreshed strategy announced in November 2018.

He explained that much has changed in the banking sector in the last 10 years, mentioning as examples mobile apps, webcam banking services and the competition of FinTechs. But society also has to cope with other mega trends such as climate change, the sharing economy and an ageing population. These are all sustainability-related themes. Sustainability has therefore also become an important part of the bank's new purpose 'Banking for better, for generations to come'. This purpose also serves as a compass by which employees can make the right choices and decisions in relation to clients and society.

Mr **Van Dijkhuizen** went on to say that the refreshed strategy is based on three strategic pillars. The first pillar is sustainability. This has long been an important focal point of the bank and is firmly embedded in the way the bank operates. Client financing and investment services take account of the environment, society and good governance. In addition, sustainability is a clear business model. ABN AMRO assists clients in making perhaps the most important change of the coming years: the switch to more sustainable products and business models. Sustainability also includes a focus on client centricity. For example, the bank supports older clients by providing financial coaches to assist them with digital banking. Mr **Van Dijkhuizen** said that he is proud of the fact that many retired ABN AMRO employees are actively helping to provide this service. Another example is the standard option in the mobile app, which prevents people from being overdrawn. The subject of sustainability has cross-bank support: 93% of employees clearly indicate that they want to participate in building a sustainable bank and many sustainable initiatives were devised and implemented by them.

The second pillar is re-inventing the customer experience. The bank seeks to continuously improve the experience of its clients. Clients want to be able to arrange their finances quickly and effortlessly at a moment of their own choosing. Moreover, clients have ever higher expectations of the bank and want increasingly innovative solutions. By switching more from products to customer journeys, services can be broadened, for example by identifying important moments when the bank can be of assistance, for example when a client buys a house. This service can be provided in collaboration with external partners.

As Mr Van Dijkhuizen explained, the third pillar is that of a future-proof bank whose employees worke effectively together and delivere a first-rate performance. Employees receive career-long support to get the most out of themselves and thus make a successful contribution to the purpose and strategy of ABN AMRO, with focus, engagement and high productivity. Processes and IT infrastructure are being further improved and agile practices adopted. Future-proof also means that ABN AMRO takes its role as a gatekeeper of the financial system's integrity seriously in order to help protect society against money laundering and terrorist financing. In recent years it has built a solid foundation and also recorded for a provision of EUR 85 million in 2018 to accelerate the implementation of a number of so-called client due diligence programmes. Mr **Van Dijkhuizen** emphasised that the bank's responsibility as a gatekeeper of the system is part of its licence to operate.

He continued his report by identifying five themes on which the bank is currently focusing. The first is achieving the cost savings target for 2020 of EUR 1 billion, as announced in 2016. A saving of EUR 700 million had now been achieved. On balance, the workforce decreased by 6% last year alone. He stressed here that reorganisations were carried out as carefully as possible and were underpinned by a good redundancy plan.

These cost savings were necessary for various reasons, for example in order to be able to invest in digitalisation, innovation and growth. The bank is working hard on IT transformation and further digitalisation in the fields of mobile banking, the banking app and online mortgage adjustment. He noted that over 70% of all retail products and services are now distributed through digital channels. Mr **Van Dijkhuizen** said he was proud of the Tikkie payment app. With over 5,000,000 users and more than 200,000 payments a day, 'doing a Tikkie' had become a household expression in the Netherlands.

Moreover, the focus of the Private Bank had shifted in recent years to north-west Europe. The operations of Société Général in Belgium have been purchased, and activities in Asia and Luxembourg have been sold.

Within Corporate and Institutional Banking, the focus was on improving returns by reducing capital in certain activities and sectors.

Once again, Mr **Van Dijkhuizen** stressed that sustainability is an important priority for the bank. He explained this by reference to examples: in 2017, ABN AMRO launched its 2030 mission to ensure that all residential and office properties financed or owned by it have an 'A' energy rating by 2030 (residential mortgages alone were worth around EUR 150 billion). The average rating at present is still a 'D'. Furthermore, the aim has been announced of doubling the number of sustainable invested assets within Private Banking from EUR 8 billion in 2017 to EUR 16 billion in 2020.

The Dutch economy performed well in recent years. Although confidence indicators were still positive, they were less high than in previous years. Growth of 1.4% is expected in 2019. That would be a lot lower than last year's rate of 2.6%. This is partly due to the uncertainties created by the US-China trade dispute and Brexit. They seem to be undermining business confidence. The economic momentum has also continued to weaken at the start of this year.

Despite the current climate of low interest rates, the bank has managed to increase its interest income significantly in recent years through volume growth and stable margins. The margin is expected to be squeezed in the coming years as a result of challenges in the mortgage market, particularly due to stiff competition from insurers and pension funds on long-term mortgages. And there is pressure on savings margins due to the constantly low interest rates. Mr Van Dijkhuizen emphasised that this pressure on the margin means that the bank will have to continue to focus on cost efficiency.

With a capital position of 18.4% at the end of 2018, ABN AMRO is in good shape, even in the light of the new Basel IV rules that will gradually come into effect from 2022. The end date for the introduction of Basel IV is January 2027. The successful outcome of the EBA stress test confirmed the bank's strong capital position. A buffer for Basel IV will be maintained and on that basis the CET1 capital target for 2019 has been reset at 17.5% to 18.5%. The ECB is also working on harmonising internal credit models and the rate at which bad loans are written off. This is expected to impact, above all, the bank's Basel III capital position in the period ahead. The capital target will therefore be revised as soon as necessary so that it can be adjusted in the event of relevant developments.

Mr **Van Dijkhuizen** reiterated that 2018 has been a good year for the bank, with good financial figures. The underlying net profit for 2018 was EUR 2.3 billion. He explained that although the profit was lower than in 2017, the profit in 2017 has been temporarily inflated by the proceeds of the sale of the Private Bank's Asian activities and the low impairments (even with an impairment release). In the past year, the interest income has increased due to the growth of the corporate loan portfolios. This has resulted in a 2% growth of the net interest income, the bank's main source of income.

The cost-saving programmes and the start of the IT transformation has become clearly visible in the figures in 2018. Impairments were considerably higher in 2018 than in the previous year, mainly due to certain developments affecting clients in a number of specific sectors. The risk costs remained below the average costs throughout the cycle last year, as they were also expected to do in 2019.

A return on equity of 11.4% was achieved. That was in the middle of ABN AMRO's target zone of 10-13%. The cost-income ratio also improved from 60.1% in 2017 to 58.8% in 2018. The target is 56% to 58% in 2019. 2018 was the first year that the bank's cost-income ratio was under 60%.

Mr **Van Dijkhuizen** stated that the reported earnings per share were EUR 2.35. It is proposed that 62% of this amount, i.e. EUR 1.45, be distributed as a dividend for the 2018 financial year. This would be in keeping with the dividend policy of distributing 50% of the sustainable profit and making additional dividend payments if and when the capital position allows this. The dividend yield for 2018 would therefore be around 7%, which the bank thinks is a good figure.

Real progress has also been made in relation to the non-financial targets. The efforts made to improve sustainability have again been rewarded with a good score by the Dow Jones Sustainability Index this year. Mr **Van Dijkhuizen** stressed that he regards diversity as another important issue. The number of women in senior management positions has risen from 25% to 28%. Employee satisfaction has increased from 79% in 2017 to 80% in 2018. Customer satisfaction has risen in most banking segments and the bank aims to increase that still further in the coming years.

Mr **Van Dijkhuizen** went on to note that the ABN AMRO share has performed well since the IPO in 2015. 2018 was a difficult year for stock markets with many uncertainties. ABN AMRO's share price also suffered from this. The closing price of EUR 21.70 on 23 April 2019, the day before the AGM, was almost four euros higher than the introductory price of EUR 17.75 in the IPO. This has created the exceptional situation that the bank is worth more on the stock exchange than its book value on the balance sheet. Since the IPO, the stock has also easily outperformed the Euro Stoxx Banks Index.

In conclusion, Mr **Van Dijkhuizen** summed up the position as follows. ABN AMRO has achieved a good financial result in 2018 and has also made steady progress towards achieving its non-financial targets. He is proud of the banks newly stated purpose 'Banking for better, for generations to come' and the refreshed strategy, based on the pillars of sustainability, customer experience and future-proof bank. In the years ahead, the bank will continue to focus on delivering cost savings and an attractive return. And it will seek to capitalise on profitable growth opportunities whenever they arise. Finally, he expressed his thanks to the staff for providing the best possible service day in and day out to the bank's clients.

The **Chair** thanked Mr **Van Dijkhuizen** for his contribution and moved to the next agenda item.

2 (b) Report of the Supervisory Board in respect of 2018

The **Chair** noted that the 2018 Annual Report contained a detailed report by the Supervisory Board and said that he would merely comment on this briefly at this meeting.

He said that its composition had been an important issue for the Supervisory Board in 2018. He explained that after Ms Zoutendijk stepped down as chair and member of the Supervisory Board in 2018. She was succeeded by Mr Ten Have as acting Chair. He (Mr De Swaan) has been appointed as her permanent successor from 12 July 2018. He also confirmed that Ms Roobeek will resign as member of the Supervisory Board once a successor has been found for her. This process is now under way and the shareholders will be kept informed, as appropriate. Finally, he referred to the changes to the Supervisory Board that have been announced, as addressed in agenda item 7.

The **Chair** went on to mention various items that were high on the agenda of the Supervisory Board in 2018 when exercising its supervisory duties, for example developments in the cost-income ratio, the implementation of Basel IV and the capital plan, simplification of administrative processes, further improvement of data quality and innovation. The Supervisory Board has also been involved in the adoption of the refreshed strategy and the bank’s new purpose 'Banking for better, for generations to come', and has engaged in a dialogue with the Executive Board and the Executive Committee on this subject.

The three committees of the Supervisory Board, namely the Audit Committee, the Risk & Capital Committee, and the Remuneration, Selection and Appointments Committee, discussed various matters in preparation for the decisions to be taken at the meetings of the Supervisory Board. For example, the Audit Committee considered the financial results and the implementation of the technical accounting changes, including IFRS 9. Bank-wide risk reports and the funding and capital plans were important topics for the Risk & Capital Committee, as was the introduction of compliance-related subjects. The topics dealt with by the Remuneration, Selection and Appointment Committee were a reassessment of the KPI framework, pay and remuneration, succession processes, and talent and leadership development.

The **Chair** then concluded the consideration of this agenda item and moved on to the next item, namely the presentation by the Employee Council. He introduced Ms Bosman, who reported in her capacity of Interim Chair of the Employee Council.

2 (c) Presentation by the Employee Council

Ms **Bosman** introduced herself and briefly explained that she was deputising for Mrs Kamphuis, the chair of the Employee Council, who was on maternity leave at the time of the AGM.

She first mentioned the departure of Ms Leeflang and Mr Ten Have. She thanked them both for the contribution they had made to the bank and for their fruitful cooperation with the employees' representatives. Their connection with the Employee Council went back a long way. This was particularly true in the case of Mr Ten Have. He was the first member of the Supervisory Board to be nominated by the Employee Council and, as such, has performed his duties with great dedication since 2010.

Ms **Bosman** went on to note that 2018 has been an important year for the Employee Council. A big wish has been fulfilled by the Executive Board's decision to significantly speed up the transition towards being a more sustainable bank. The serious problems in society such as climate change, increasing resource scarcity and social inequality are also topics that engage the employees. They desire to be part of an organisation that makes an effective contribution to solving these problems. This was very apparent from the latest employee engagement survey, in which 93% of staff indicated that they wish to help build a sustainable bank. As a financial institution, ABN AMRO is ideally placed to actively support its clients in pursuing a sustainable policy through investments and credit allocation.

She emphasised that the concept of 'growth' will have to be redefined. Growth can no longer mean simply an ever higher net profit or higher dividend percentage each year. More profit has become especially important because it enables the bank to have a greater impact on its clients, who are, after all, the reason ABN AMRO exists at all. Other important items are a greater impact on society by making a positive contribution to issues such as the energy transition, combating illegal deforestation, combating human trafficking, lack of access to the financial system in parts of the world and ensuring a safe and reliable financial sector. For a sustainable bank, having a greater impact will become the new meaning of growth. Clearly, such growth will be possible only if the bank also generates good financial results.

In recent years the Employee Council has come out strongly in favour of a greater focus on sustainability. The staff wholeheartedly support the path that has been taken since it meets the growing need for meaningful work both in society generally and among employees as well.

Ms **Bosman** stated that employees in the financial services industry have been confronted with the consequences of digitalisation for a number of years. The industry has been shrinking in terms of number of jobs. As hundreds of jobs are disappearing every year owing to the continual process of automation, she noted that the idea of lifelong employment with a single employer is becoming increasingly unrealistic. She went on to say that the constant reorganisations mean that employees have a permanent sense of insecurity, which in turn means that they cannot properly focus on customer service and innovation. While the bank, like all other banks, will have to demonstrate that it is future-proof in the coming years, it faces the dilemma that although reorganisations are necessary in order to be efficient, they also impair its functioning. For some time, the Employee Council has engaged in constructive consultation with the Executive Board on alternatives to reorganisation. Terms such as organic change and encouraging lasting employability are no longer new. However, exchanging short-term measures for a long-term approach remains fraught with difficulty. Ms **Bosman** indicated that such a transition obviously also needs time to gain acceptance. Nevertheless, the employees, and hence the organisation as a whole as well as the clients, stand to benefit from organisational peace and quiet. In the opinion of the Employee Council, a period of a few years in which the staff can work without distraction to create that future-proof bank will make the bank stronger in the long term. Such a rest period will make it more feasible in the long term for the bank to pursue its aim of contributing to a better world and thereby actually fulfilling its purpose of 'Banking for better, for generations to come'. Finally, Ms **Bosman** thanked all those present for their attention.

The **Chair** thanked Ms Bosman for the presentation and moved to on agenda item 2 (d).

2 (d) Corporate Governance

The **Chair** referred to the Leadership and Governance chapter in the Annual Report, which contains a detailed explanation of the corporate governance structure of ABN AMRO. He explained the operation of the two-tier board, consisting of an Executive Board and a Supervisory Board. There is also an Executive Committee, which assists the Executive Board in implementing the bank-wide vision, strategy and risk appetite. The Executive Board acts as the management of the company under the articles of association. Christian Bornfeld was appointed Chief Innovation and Technology Officer in March 2018 for a three-year term on the Executive Board of ABN AMRO Group N.V. and ABN AMRO Bank N.V.

The **Chair** explained that the Supervisory Board is responsible for supervising, advising and supporting the Executive Board and the Executive Committee in the performance of their duties. The Executive Committee is responsible for managing the business activities of ABN AMRO bank and its subsidiaries. The Executive Board involves the full Executive Committee in determining the vision, strategy and risk appetite of the bank as a whole, so that the members of the Executive Committee can together make a major contribution to the strategic direction of ABN AMRO, with the emphasis on long-term value creation and client centricity.

The **Chair** went on to say that it has been announced on 3 April 2019 that Mr Meppelink will step down as a member of the Executive Committee on 1 August 2019. The reason he gave was the intended decision to review the HR Transformation and Communication portfolio in the light of ABN AMRO's strategy. Building a future-proof bank is one of the pillars of the strategy. Employees are crucial in this regard and the portfolio's focus will therefore be more on HR, which will also remain a position on the Executive Committee. By extension, the intention is to place the Brand, Marketing and Communications Department under the direct responsibility of the CEO. The **Chair,** speaking also on behalf of the other members of the

Supervisory Board, expressed his gratitude to Mr Meppelink for all his efforts and for the major contribution he has made to the implementation of the bank's new purpose and strategy.

When the Executive Committee was introduced in 2017, it was decided to evaluate the new management structure after one year. The **Chair** informed the general meeting that, at the end of January 2018, the Supervisory Board and the Executive Board have together commissioned two external experts to carry out this evaluation. The ECB, together with DNB, have also considered the same subject during a routine on-site inspection of internal governance and risk management. Points for attention that emerged from both evaluations were the boardroom dynamics and some formal aspects that had a bearing on the clarity of the division of tasks and responsibilities. These points have been discussed in detail and have been or are being addressed.

In addition, ABN AMRO amended the rules of procedure of the Executive Board and the Supervisory Board in June 2018. Moreover, the articles of association of ABN AMRO Group N.V. were amended in May 2018. The rules of procedure and articles of association have been posted on the website.

49.9% of the shares in ABN AMRO Group N.V. are now held by NLFI and the remaining 50.1% by STAK AAG. In addition, the NLFI holds an additional 6.4% in depositary receipts for shares. This brings its total interest in ABN AMRO Group N.V. to 56.3%.

Finally, the **Chair** informed the meeting that ABN AMRO has included in its 2018 Annual Report an account of how it has complied with the new Corporate Governance Code in 2018. ABN AMRO has complied with all the provisions of the Code, with the exception of the provisions described in the 'Corporate Governance Codes and Regulations' chapter of the 2018 Annual Report. After noting that a detailed overview of how the bank has applied the Corporate Governance Code has been posted on its website, he closed consideration of this item.

2 (e) Implementation of the remuneration policy

The **Chair** referred to the Remuneration chapter contained in the annual report and gave the floor to Mr **Dorland**, Chair of the Remuneration, Selection and Appointments Committee, for a brief explanation of this item.

Mr **Dorland** noted that ABN AMRO pursues a moderate remuneration policy, which is fully compliant with the all the regulations for financial institutions. These include limitations on variable remuneration and a bonus prohibition for certain employees holding a management position. In formulating its remuneration policy, ABN AMRO takes into account the interests of all its stakeholders. The remuneration rules have been laid down in the ABN AMRO

Global Reward Policy. The Supervisory Board has approved the general remuneration principles recorded in the Global Reward Policy.

A new collective labour agreement has taken effect on 1 January 2018 and will remain in force until 1 January 2020. The new agreement includes changes designed to maintain the organisation's efficiency and agility. Its aim is also to safeguard the autonomy of the employees and the teams. Other factors of major importance in the agreement are lasting employability and the development and well-being of the employees. An important element of the new collective labour agreement is the abolition of performance-related pay. As compensation, there has been a once-only rise in the fixed salary of the employees concerned.

A separate remuneration policy applies to the members of the Executive Board. This is still based on the policy that was adopted for the then Managing Board in 2010. Various adjustments have subsequently been made to comply with the stricter legislation now in force, for example the Bonus Prohibition Act which has been introduced in 2011. The Supervisory Board is responsible for awarding remuneration to the members of the Executive Board within the limits of the remuneration policy adopted by the General Meeting. The salary of the CEO and the other members of the Executive Board has been fixed at a slightly lower level than that of its former CEO and members. In awarding remuneration, the Supervisory Board has based its decisions, both generally and in relation to the former Managing Board, on a total remuneration package slightly below the median figure. The annual basic salary of the members of the Executive Board can be adjusted only on the basis of the collective labour agreement for the banking sector. From 1 January 2018, the salaries of all members of the Executive Board have increased by 1.5% in accordance with the salary increase in the collective labour agreement for the banking sector for 2017 to 2019. As long as the Dutch State is a shareholder of ABN AMRO, the members of the Executive Board will not receive variable remuneration.

The ratio of the average annual employee remuneration to the full annual remuneration of the CEO was 9.6 in 2018. This is calculated by dividing the CEO's remuneration by the average employee remuneration. The costs of pensions are taken into account. As far as employees are concerned, the calculation is based on the average number in 2018. The ratio stood at 11.4 in 2016 and was 10.0 in 2017. This relatively low ratio is in keeping with the moderate remuneration policy applicable within ABN AMRO. For more information about remuneration for the members of the Executive Board, Mr Dorland referred to the 2018 annual report (note 35 in the 2018 Annual Financial Statements).

The fixed salary of the five members of the Executive Committee who are not on the Executive Board is based on the salary of the Executive Board members. This takes account of the differing responsibilities of these members. These salaries took effect on the day on which the members of the Executive Committee started performing their new duties, namely

1 March 2017. The salaries have been raised by 2% from 1 January 2018, in keeping with the ABN AMRO collective labour agreement. For more information about the total salary of the Executive Committee, Mr **Dorland** referred to note 36 in the 2018 Annual Financial Statements.

Finally, Mr **Dorland** noted that the remuneration for members of the Supervisory Board is set by the General Meeting. ABN AMRO does not award variable pay or shares or options to Supervisory Board members. The remuneration for membership of the Supervisory Board and the various committees has remained the same since 2010 and is set out in the remuneration report. The remuneration for membership of subcommittees of the Supervisory Board is limited to two committees. For more information about the remuneration of the Supervisory Board members, Mr **Dorland** referred to note 35 in the 2018 Annual Financial Statements.

The **Chair** thanked Mr Dorland for his explanation and proposed that the meeting proceed to agenda item 2 (f).

2 (f) Presentation and Q&A external auditor

The **Chair** gave the floor to Mr Smit so that he could explain on behalf of EY, the external auditor, what audit procedures EY performed in respect of the annual financial statements for 2018.

Mr **Smit** introduced himself and said that he has been ABN AMRO’s external auditor since 2016. He informed the meeting that he would explain the scope of the audit, the approach adopted to it, the main risk areas that had been identified, the materiality threshold applied in carrying out the work, communication with the bank and, finally, the results of the audit.

Mr **Smit** explained that the audit scope was the Annual Financial Statements (the consolidated financial statements) and the Annual Report (the Executive Board Report). EY also audited a half-year review, which resulted in an external review opinion and a quarterly review for the ECB. The ECB received an assessment report for the first and third quarters of 2018. EY also examined the bank’s CSR report and issued a reasonable assurance report in respect of it. Finally, ABN AMRO's COREP/FINREP reports were audited.

As regards the timing of the work, Mr Smit said that the audit planning and the first quarter audit started in April/May. The interim work took place from June to August and also from September to November. The second and third quarters were also checked and the bank's Annual Financial Statements were audited in the period from December to late February or early March. Mr Smit explained that the COREP/FINREP reports too will be examined in April/May of next year. This is why EY is currently examining the COREP/FINREP reports for 2018 and the first quarter of 2019.

As regards the audit approach, Mr Smit said that it has not really changed since 2016 as the bank has not changed much either. He explained that the collected input was used to arrive at a top-down, risk-based analysis. He went on to say that EY examined the bank's balance sheet and P&L to determine what balance sheet items were the largest and where, in EY's view, there was the greatest risk of an error. This resulted in an audit plan, which was presented first to the Executive Board and then to the Supervisory Board

That plan also contained the items and processes for which EY wished to rely on the bank's internal control framework if it was sufficiently well organised and documented, but also, for example, the items in respect of which EY wanted to carry out fully substantive total control itself. The plan also specified the scope and depth of the work. He explained how EY checked the bank's foreign operations and what role the foreign EY teams played in this.

For the purposes of the audit, EY assembled a team with knowledge of the sector. This means knowledge of the bank. The team consisted of a mix of recently qualified auditors and auditors with over 20 years' experience. The team was completely independent, in accordance with all Dutch laws and regulations on the independence of auditors and met all educational requirements. It therefore had the correct expertise, both generally and in the field of financial derivatives and their valuation, including IT experts, hedge accounting specialists and forensic accountants for the detection of fraud and corruption risks.

Mr Smit indicated that the introduction of IFRS 9 has brought about a change in comparison with previous years. That means more subjectivity, more models and a different use of specialists. It also means more disclosures because the disclosure requirements under IFRS 9 are much more extensive than in the past under IAS 39. EY was less focused on suspense accounts than the year before.

Mr **Smit** then informed the General Meeting about the main points for attention in the 2018 audit. The first was the application of IFRS 9. Throughout the implementation process, EY, as external auditor, has closely scrutinised all the assumptions underlying the calculations and the proper documentation that was essential. Many banking model specialists have been called up and the disclosures in the financial statements have been closely checked.

This means that the new auditing standard ASA 540 was also incorporated into the 2018 audit approach. **Mr Smit** explained that this is a new standard that will be introduced in 2019 for audits relating to accounting estimates.

The second point for attention was the 'Other provisions'. As the financial statements showed, the bank has created various provisions for Know Your Client, AML, SME derivatives, restructuring and various legal claims. That adds up to a significant amount and has been monitored by a key audit item throughout the year. The key issues were whether the provision was complete and whether it was correct and had been properly explained and calculated. EY has consulted external lawyers for confirmations as regards the legal claims. As these had all been received, EY is in possession of external advice from specialists about the amount of the provision.

Mr Smit explained standards 250 and 240 in some detail since they have attracted publicity. The auditing rules require that all laws and regulations having a direct impact on the financial statements (such as tax legislation, IFRS, and Basel rules) shall be fully incorporated into the audit, and that is what has happened. Banks are also subject to many rules that do not have a direct effect on the financial statements (e.g. MiFID, AML and PSD2). In such cases, auditors have to determine whether there has been non-compliance and, if so, whether this can materially affect the financial statements.

Mr **Smit** explained how that was done. EY first studied the systematic integrity risk analysis (SIRA), which every bank is required by law to prepare. Subsequently, it examined whether procedures are in place and also estimated whether there is a risk of material errors in the financial statements, as well as the risk of external fraud. Forensic auditors are used for this purpose. EY also read all the correspondence with the supervisor in order to determine whether the supervisor believed that there were omissions in the processes that could lead to a material error in the financial statements. Finally, the audit covered the reliability and continuity of the IT systems. Mr **Smit** emphasised that cyber risk was a very important item, as was the issue of access to the systems and whether adequate provision had been made for systems change. He indicated that a summary of this could be found in the statement contained in the financial statements, including the key observations on each item.

Mr **Smit** went on to say that the materiality threshold applied in this connection has been calculated in the same way as in the previous year, namely 5% of the operating profit before taxation. That was approximately EUR 150 million. The materiality threshold is the amount by which, in the event of errors in the financial statements, an investor or analyst can come to a different decision. This threshold is not in fact applied universally. For example, it is not applied to directors' pay.

The reporting threshold was the list of audit differences. Any error of EUR 7.5 million or more that was not corrected was listed and reported to the Executive Board. If the Executive Board does not act to correct the error, EY reports this to the Supervisory Board.

In addition, EY's independence is discussed and confirmed every quarter with the Supervisory Board. EY has also discussed the audit plan with the Supervisory Board. In a very detailed management letter, it sets out its observations and recommendations regarding the bank's internal audit environment for both the Executive Board and the Supervisory Board every year. Points for attention can vary from year to year. This year they included

IFRS 9, the financial statement closing process and the risk control framework within the bank.

Mr **Smit** mentioned that the bank has made progress on the points that were noted last year. EY has informed the Supervisory Board what important estimates and assumptions have been made for the purposes of the IFRS and the financial statements and the findings about formal aspects in the audit and about the continuity of the IT systems.

The meeting with the Supervisory Board is also the occasion when any significant difficulties in conducting the audit can be reported, but Mr **Smit** said that in recent years this has not been necessary.

In accordance with the governance rules, there was also regular one-on-one consultation with both the Supervisory Board and the Audit Committee as well as with the chairs of the Supervisory Board, the Risk & Capital Committee and the Audit Committee.

Finally, EY reported its findings quarterly to the Supervisory Board, not only about formal aspects of the audit but also, for example, about the continuity of the IT, specific audit findings and the list of audit differences. The meeting with the Supervisory Board is also the occasion when EY can report any significant difficulties in conducting the audit, but, as Mr **Smit** informed the General Meeting, this has not been necessary.

Mr **Smit** went on to say that EY has issued an unqualified opinion for 2018. This included the materiality threshold used, the key audit matters and the conclusion on the three key audit matters. In addition, it gave its opinion on the Executive Board Report, on the non-financial information in the financial statements and on the going concern aspect. A quarterly review report was also presented and a statement issued about the integrated report.

The prudential reporting for 2018 will follow, but that of 2017 has in any event been completed with an unqualified opinion.

In conclusion, Mr **Smit** said that EY has assessed the bank’s attitude as positive and that the bank took EY’s comments seriously. He expressed the hope that this will remain so.

The **Chair** thanked Mr Smit for his excellent and detailed presentation.

The **Chair** then gave the General Meeting an opportunity to put questions about the presentations that had been given on the previous items.

The **Chair** then gave the floor to Ms Van Heck.

Ms **Van Heck** introduced herself and said that she represented the Association of Investors for Sustainable Development (VBDO). Her first question related to the Paris Agreement and was when concrete targets can be expected to be set for the financing portfolio in respect of Scopes 1, 2 and 3, in order to stay below two degrees of warming.

Her second question was what further steps will be taken to meet the recommendations of the Task Force on Climate-Related Financials Disclosures (TCFD). She said that she was very happy with the first steps ABN AMRO has taken to report the Scope 1 and 2 CO2 emissions in accordance with the recommendations. A follow-up question was how the bank would analyse risks and take measures in relation to the portfolio, for example the property portfolio, to mitigate the effects of climate change.

She began her last question by complimenting the bank on its impact report, which measured the positive and negative impact of the bank on the sustainable development goals (SDGs). She asked what the next steps will be, what measures are being taken and what targets will be set to really improve the impact in line with the SDGs.

Mr **Van Dijkhuizen** started by answering the points about the Paris Agreement.
He said that no specific date has yet been set on which the concrete targets can be expected, but defining these targets is very high on the agenda. ABN AMRO has initially launched a platform to monitor Carbon Accounting Financials. Mr **Van Dijkhuizen** explained that the initiative is in its infancy and that the bank is giving it serious follow-up.

In answer to the question about the Task Force on Climate-Related Financial Disclosures (TCFD), Mr **Van Dijkhuizen** stressed that the task force is a serious body and is studying various aspects, including CO2 emissions. He indicated that the bank is also working on this and that the next step will be to begin scenario analyses. Like property, fossil fuel is a portfolio where climate impact assessments are made. This will be tackled with the help of scenario analyses and whatever measures are necessary will be taken.

Before Mr **Van Dijkhuizen** answered the third question, Ms Van Heck asked a brief supplementary question in response to the answer to the second question. This was also about climate change adaptation, in other words the physical consequences of climate change and how that is taken into account, other than by mitigating CO2 emissions. Her question was whether the bank is already considering this. Mr **Van Dijkhuizen** replied that this too is under consideration, but that nothing concrete can yet be said about this. Referring to the third question, he stated that the impact report is also a good example of something in which ABN AMRO is a pioneer and that the report is therefore not yet fully evolved. Every year another step will be taken, because the importance of such reports is clear. As an example of the issue’s complexity, he stated that climate cannot be weighed against child labour in pluses and minuses.

Ms **Van Heck** believed that these are good steps and an example for the sector as a whole. Finally, she asked what concrete steps have been taken with regard to certain defined goals.

Mr **Van Dijkhuizen** said that work is still in progress.

The **Chair** then gave the floor to Mr Monkau of Haarlem.

Mr **Monkau** stated that he had a few questions for the auditor and for the CEO. He had discovered that the subject of corporate governance was missing from the management letter. This is an important point and needs to be constantly monitored across the board, especially in the context of money laundering. He also noted that many staff are leaving ABN AMRO. He mentioned the figure of 6%. His question was whether retraining is taking place. His third question was about growth opportunities. He wished to know whether ABN AMRO is engaged in takeovers and, if so, how large the war chest is.

The **Chair** said that he would answer the first and third questions and that Mr Van Dijkhuizen would deal with the second point. The **Chair** emphasised that corporate governance is always very high on the agenda, both of the Executive Board and of the Supervisory Board. He also referred to what he had said about corporate governance earlier in the General Meeting. He assured the meeting that the external auditor too pays attention to this.

In reply to Mr Monkau's observation that the point was not mentioned in the management letter as a priority, the **Chair** noted that the management letter is not published anyway, but that corporate governance does receive high priority. As regards growth opportunities, the **Chair** said that no public statements have been made about non-organic growth. He explained that that would be unwise, since it would severely limit the negotiating position.

In response to Mr Monkau's comment about reports in the media, the **Chair** put things in perspective by noting that many things are reported in the media, but he stressed that both the Executive Board and the Supervisory Board regularly look for opportunities for non-organic growth for the bank.

Mr **Van Dijkhuizen** took the floor to answer the second question about the 6% staff reduction in 2018. He noted that this concerns the third pillar of the strategy, which is about staff. Since fewer and fewer people work for the same employer for forty years or more, the bank invests heavily in people to ensure that when there is no longer a position for them at the bank, they are still employable. When people are to be made redundant in a reorganisation, however, the bank first examines whether there is any other possibility. He noted that ABN AMRO staff are very much in demand at other organisations. And where this is not the case, the employee receives an additional allowance to cover matters such as further training. The bank keeps a close eye on this, and that will not change. People who leave the bank should remain ambassadors for it and perhaps return to the bank at some point.

The **Chair** gave the floor to Mr **Paul**.

Mr Paul had a question relating to the bank's ambitions at the time of the IPO. He quoted a report in which it says up to and including 2017 that there was a clear focus on selective markets and on achieving around 20- 25% of the operating profit outside the Netherlands. According to Mr **Paul**, that sentence has completely disappeared. That prompted him to ask how the Chair views the state of the banking sector in Europa. What does it mean that so many mergers are taking place, even in the areas where ABN AMRO is active? He referred here to USB and Deutsche Bank.

Another question concerned the announcement that an additional EUR 85 million has been set aside as a provision for 'existing shortcomings' relating to client due diligence. That is at odds with the message conveyed during the Investors Day in November 2018 when ABN AMRO said that it was sufficiently comfortable with the situation and that additional measures would not be necessary. At the presentation of the annual figures, Mr Van Dijkhuizen announced that the two client due diligence programmes would nevertheless be accelerated. Mr **Paul** asked what the background was and whether the Audit Committee was involved in this as well.

Mr **Van Dijkhuizen** thanked Mr Paul for his questions and explained that the operational income from outside the Netherlands is not as definite a target as the return on equity (RoE), capital or the cost-income ratio. At the same time, he admitted that in the long run the intention is to generate 20- 25% of the income (not the profit) abroad. Although this rate of growth is considered feasible, in any event abroad, the idea has been abandoned when the strategy was last revised, because it can also become a kind of driver and is more a means than an end in itself. As regards the mergers, Mr **Van Dijkhuizen** said that in addition to selling off parts of its business in 2018, ABN AMRO has acquired EUR 6 billion of assets under management from Société Générale in Belgium. And as regards the Private Bank, non-organic growth opportunities are being explored in countries such as France and Belgium as well as Germany where this has also previously been the case.

Mr **Van Dijkhuizen** then went on to answer the second question. He said that it was indeed thought on Investors Day that EUR 100 million and 1,000 staff were the maximum necessary. But developments at other banks in late 2018 have led to calls on all sides, both inside and outside the bank, for ABN AMRO to accelerate the process. He confirmed that this has been discussed with the Audit Committee. In the end, the bank has decided to accelerate the process and set aside an additional EUR 85 million and assign an extra 400 staff, in addition to the existing 1,000 employees (or 5% of the workforce), to deal with this topic. That is more than was thought necessary on Investors Day. He emphasised that this is crucial, since the bank has to fulfil its role as a gatekeeper of the financial system's integrity and this concerns its licence to operate. Mr **Van Dijkhuizen** mentioned that the bank has started early. Following the Panama Papers disclosures, 85,000 clients of Private Banking have been screened. The high-risk Retail clients have also been checked. The bank has also extended the process to Commercial Banking and the Credit Card Company.

The **Chair** added that the Supervisory Board regards the subject of compliance as very important. At the suggestion of the Chair of the Risk & Capital Committee, this is now a specific topic at every meeting of this committee. He agreed with what Mr Van Dijkhuizen said about the bank's role as gatekeeper of the financial system's integrity and about compliance being its licence to operate. He concluded by saying that tackling the issue properly is regarded by the bank as being of the utmost importance.

He then gave the floor to Mr **Vreeken** of We Connect You, Public Affairs & Investor Relations. He started by saying that 2018 was a nice, calm year and has produced a good result. He thought it is splendid that ABN AMRO intends to work so hard to achieve sustainability. Mr **Vreeken** did note, however, that the atmosphere in the Netherlands is currently being ruined as all the expensive plans for climate action are bound to fail. He explained this by noting that China churns out more pollution in a week than the Netherlands in a whole year. He argued that it is important for all of ABN AMRO's sustainability plans to generate money for the Dutch population and boost purchasing power. This is possible with solar panels with a payback period of ten years. But a much better way is to install shower heat exchangers that save 80% on water and gas and cut CO2 emissions by 80%. Their payback period is two to five years. Seat heating has an efficiency rate of 95% in offices and houses. That has a payback period of six months to a year. What is important for ABN AMRO and for Dutch people generally is that all plans should state what the measures will deliver and how quickly people will earn their money back. He cited the case of heat pumps, which he believed are expensive and noisy. He explained that there is talk of refurbishment plans costing from EUR 30,000 to EUR 100,000, but he felt that it can be done more cheaply. He finished by asking how ABN AMRO proposes to help with these plans and how it can provide transparency about the payback times of plans to make the Netherlands sustainable cheaply and efficiently.

Mr **Van Dijkhuizen** replied that the climate debate in the Netherlands about sustainability and about what it costs and what it yields is very relevant. He said that the results must therefore be made clearly visible. That is why the bank has announced about two years ago that it wants to change the energy label requirements for a mortgage from D to A. As a concrete example, he mentioned an online tool that is available and on which everyone, including people who do not have a mortgage with ABN AMRO, can see the costs of making a house more sustainable and what the payback time will be. Seat heating has not yet been thought about yet, but electric driving has. For example, Mr **Van Dijkhuizen** mentioned that ABN AMRO had today (24 April 2019) announced that from the summer of 2019 its entire vehicle fleet will go electric. So that too is real progress. Great things are happening in the world, both in China and elsewhere. The bank accepts that it has a responsibility in this regard.

Mr **Vreeken** was delighted that the bank is going to use Teslas. However, he pointed out that a Tesla contains a 600-kilo battery, whereas a 'Witkar' (an environmentally acceptable vehicle used in a car-sharing scheme) has a 30-kilo battery, and an electric bicycle or speed bike has a 5-kilo battery. He concluded by saying that as this would be better for the staff, he strongly recommended that this be the focus of the bank's efforts. The **Chair** confirmed that this is happening and mentioned as an example that he himself cycles to the office every day.

Mr **Van den Bos** was given the floor and began by requesting that agenda item 2 be divided into two or three separate parts so that shareholders and holders of depositary receipts for shares could respond specifically to them. This was because responding was difficult for the older people present when so many points are dealt with in succession.

Mr **Van den Bos** went on to say that he did not believe Mr Van Dijkhuizen's story about customer centricity. He thought it was just empty words and he would like Mr Van Dijkhuizen to explain this at greater length. Mr **Van den Bos** next wanted to know how many people have been lured away from the Financial Services Complaints Tribunal (KiFID) to support the Complaints Management Department and whether this is only for the SME files that have not been dealt with yet.

Mr **Van den Bos** then asked EY the following question. He noted that the external auditor had said that his colleagues underwent training, but he wondered whether that is not simply in order to get the permanent education credits necessary to remain a qualified registered accountant (RA). He also asked the auditor to use less jargon and fewer English expressions in the notes. His next question was whether the management letter contained more or fewer items.

Mr **Van den Bos** asked what the bank does with employees who do not comply with rules that are also applicable to clients or who misrepresent or twist the facts.

His final point concerned the provision of EUR 85 million. He wondered whether the costs were accurate to the nearest decimal place since a provision for costs can only be made if that is the case. He explained that he had heard that the day before at ING's AGM in the context of the EUR 775 million fine imposed on ING and mentioned that Mr **Koster** would also know this as he is a registered accountant.

The **Chair** thanked Mr Van den Bos for his questions and gave the floor to the auditor Mr **Smit**.

Mr **Smit** said that he had already prepared for a question from Mr Van den Bos and had written down three points: whether EY employees receive sufficient training, the need for less professional jargon and whether the management letter contained more or fewer points than last year. He added that he expected management to provide an answer to the question about the calculation of the EUR 85 million provision.

Mr **Smit** explained that every registered accountant already receives a lot of training. After qualifying they are obliged to achieve a minimum of 40 continuing education credits annually. These general courses followed by all EY professionals in the Netherlands are a minimum. The requirements are larger for specific sectors such as banking, as EY auditors receive more training in the area of IFRS 9 and require bank-specific knowledge. So these professionals easily achieve 40 credits a year, and more likely 60, 70, or 80.

As regards the professional jargon, Mr **Smit** agreed with Mr Van den Bos, but explained that he sometimes lacks a good Dutch translation of English terms. However, he did take the point. Mr **Van den Bos** suggested that in such cases he should use a description. Mr **Smit** explained that the correspondence with the Supervisory Board has to be in English because the ECB has to be able to read it as well and the meetings with the Supervisory Board and the Executive Board are in English. However, he understands perfectly well that the terms should actually be in Dutch.

As regards the management letter, the number of points was no more or less than the year before. He explained that although the individual subjects did change, the main themes were constant and were also the themes which EY emphasised to the bank. Mr **Van den Bos** said that he assumed money laundering topped the list, and Mr **Smit** replied that this was certainly a topic.

The **Chair** gave the floor to Mr Van Dijkhuizen to answer the questions about whether or not KiFID employees are enticed away, how staff who ignored the rules are dealt with and the accuracy of the figure of EUR 85 million.

Mr **Van Dijkhuizen** agreed with Mr Van den Bos about the requisite accuracy of the EUR 85 million. It has to be correct and that has to be verified by the auditors. Mr **Van den Bos** added that EY was very precise about this.

Mr **Van Dijkhuizen** went on to say that the bank does not entice people away from KiFID, but that they are always welcome to apply and tend to be well qualified for the job. In reply to the comment by Mr Van den Bos that he knows that people have been enticed away from KIFID, Mr **Van Dijkhuizen** replied that former KiFID employees may well have come to work for the bank, but that they have certainly not been enticed away. He also confirmed that the bank has been working on the derivatives file for a long time. It is a large and complex dossier and all but a few of the 7,000 cases have been settled. He went on to say that EUR 550 million has been paid out and that the project has cost EUR 250 million. He added that in retrospect it might perhaps have been done faster and more cheaply. The organisation should learn from that.

Mr **Van Dijkhuizen** confirmed that employees who have acted incorrectly face sanctions. Where a complaint is lodged about an employee, an investigation is first conducted and can lead to sanctions.

Mr **Van den Bos** then asked whether ABN AMRO has information about prospective clients, since they might already have had an account at ING or Rabobank that has been terminated for money laundering. He added that he was asking this because he saw no evidence of a centralised approach by banks in the Netherlands and Europe.

The **Chair** replied that clients regularly come and go. He emphasised that the onboarding process involves a very careful assessment of clients. This includes information about where the prospective client has previously banked. However, it is impossible to know whether such people have previously had their accounts closed by another bank.

Mr **Meijer** of Rosmalen was then given the floor. He said that during the meeting he had heard a lot about customer experience, social relevance and sustainability. He also referred to the limited salary increases being discussed and to the 2.2% increase at the ABN AMRO Pension Fund, of which he was a member. He asked to what extent the bank places restrictions on the price rises of its retail banking products, since he had found that some products were facing extreme cost hikes.

The **Chair** said that he had no knowledge of extreme price rises and gave the floor to Mr Van Dijkhuizen. Mr **Van Dijkhuizen** explained that the various products are regularly reviewed and that this occasionally leads to price rises. This is also necessary for the investment in digitalisation. He did note, however, that Dutch clients generally pay very little for banking products compared with their counterparts elsewhere in Europe and in America. The **Chair** added that the banking sector in the Netherlands is highly competitive. The bank therefore has to strike a good balance and constantly look at how competing products are priced.

Mr **Koster** was given the floor by the Chair for his second round of questions. His first question was whether the rumours were correct that ABN AMRO had applied for a banking licence in the United States, even though this was not mentioned in the annual report and did not tally with the focus previously described by Mr Van Dijkhuizen. His second question concerned the cost-income ratio based on fully-loaded equity under Basel III and Basel IV.

He would like to know what the management team thought about achieving the targets of 17.5-18.5% set under Basel III, given that the capital ratio under Basel IV was around 13.5%. He asked what compensatory measures ABN AMRO can take to increase the ratio. Finally, he asked whether expected losses and not just incurred losses should be reported under IFRS 9. In this context, he quoted Mr Abrahams's words, namely that 'sentiment remains positive', and wondered whether a shift is nonetheless taking place. Finally, he wished to know whether it has become much more difficult under IFRS 9 to assess the entire loan portfolio.

The **Chair** put the first question to Mr **Van Dijkhuizen**, who said that he would not comment on the question of the banking licence in the United States. He did mention, however, that the bank's operations in America are very large, particularly in Chicago (clearing services), New York and Dallas (energy). He concluded that this is not at odds with the strategy.

Mr **Koster**'s second question was answered by Mr **Abrahams**. He confirmed that under Basel III the bank has a sound capital structure of around 18% and that this is in keeping with the target of between 17.5% and 18.5%. This target has been formulated under the current Basel III rules. Under Basel IV the bank will have to be very well capitalised and reach 12%. ABN AMRO is preparing to be above 13.5% under Basel IV by 2022. This is the percentage that is already being achieved (2019). Although Basel IV introduces stricter rules, this gives confidence that the bank is already well capitalised under the new rules and will meet the higher requirements under Basel IV in 2022.

Ms **Cuppen** was asked to answer the question about the level of provisions under IFRS 9. She said that under IFRS 9 credit risks that deteriorate go from Stage 1 to Stage 2 and later to Stage 3. When loans enter Stage 2, lifetime expected losses are assumed. That involves estimating the expected losses over the entire term of the loan in worse economic scenarios. In consequence, impairments have to be recorded sooner than under the old accounting methods. This is reflected in the stress tests carried out internally. However, this is not yet reflected in the figures. She expected that this will require an actual downturn.

Mr **Koster** asked whether the higher impairments could impact the equity ratio to which Mr Abrahams had just referred.

Ms **Cuppen** explained that the bank's internal analyses include various scenarios, including adverse scenarios. Considerations of that kind are also included in the policy when setting targets.

Mr **Van den Bos** was given the floor for the second round of questions. He thanked Mr Van Dijkhuizen for having been so open about the SME dossier, but wondered whether the costs of EUR 250 million incurred on the payments of EUR 550 million could not have been lower. He also asked whether it was true that when the SME claims were submitted the amount was originally EUR 600 million.

His second question concerned a mortgage case about which he had emailed the bank. He said that an apology, openness and a bunch of flowers could have saved ABN AMRO around EUR 7,000 in costs. In his view, the manner in which the Complaints Management Department operated merely served to increase costs very substantially. In the context of client centricity, Mr **Van den Bos** inquired whether the bank has stopped selling the legal expenses insurance policies of ARAG. As a shareholder, he wants the bank to stop actively selling these insurance policies as he thinks it is a bad thing that these matters can not be handled independently by the bank or by KiFID.

The **Chair** proposed that the question about the mortgage be discussed after the meeting since it concerned an individual case. He pointed out the people present from Complaints Management and to whom Mr Van den Bos could address his question. However, this meeting is not the right forum for such a discussion.

Mr **Van Dijkhuizen** said that in his view it is not correct that the submitted claims totalled EUR 600 million. He explained that clients had no way of knowing the exact amount of a claim because the calculations are very complex. The bank has taken almost two and a half years to do this. He acknowledged that he had heard mention of those amounts, but said they have not been submitted as claims.

Mr **Van den Bos** explained that it was more generally about the costs that had been incurred. If the bank tried to be more open and apologetic sooner, it could avoid incurring unnecessary costs. After all, costs detract from profitability. He pointed out that someone from Complaints Management could do little about that.

The **Chair** then reiterated that individual cases should not be considered during the meeting. Mr **Van Dijkhuizen** said that ABN AMRO itself did not sell insurances, but has a joint venture with Nationale Nederlanden.

Mr **Van den Bos** said that this is about legal expenses insurances. He felt it is unwise to sell insurances such as ARAG legal expenses policies directly through bank branches or sales units because the parties can not themselves be represented before KiFID (sic). The **Chair** replied that policies are sold by the bank only in the context of the joint venture and that the risks are run not by ABN AMRO but by Nationale Nederlanden, the joint venture partner. Mr **Van den Bos** replied that ARAG is not Nationale Nederlanden, neither are its policies sold by Nationale Nederlanden. Mr **Van Dijkhuizen** replied that ARAG policies are readily available from Nationale Nederlanden and that ABN AMRO sells them through the joint venture.

The **Chair** thanked those who had asked questions and then moved on to the next agenda item, namely agenda item 2 (g), the adoption of the Audited Financial Statements for 2018. He referred to the Annual Financial Statements as included in the 2018 Annual Report of ABN AMRO Group N.V.

2 (g) Adoption of the audited Annual Financial Statements 2018

The Chair referred to the Annual Financial Statements as included in the 2018 Annual Report. These financial statements were drawn up by the Executive Board on 12 March 2019 and have been available on ABN AMRO's website since 13 March 2019. The Annual Report, including the Annual Financial Statements, have been deposited for inspection at the head office of ABN AMRO and can be obtained there by the shareholders and depositary receipt holders. A signed copy is available for inspection at the information desk. The annual financial statements for 2018 have been examined by the external auditor EY. It has issued an unqualified audit opinion on them. The **Chair** then gave those present the opportunity to ask questions. As there were no questions, the **Chair** proposed moving on to the first voting item, namely the 2018 Financial Statements.

Before proceeding to the vote, the **Chair** first explained a few things about the capital represented at the meeting and the voting instructions. The **Chair** noted that 1,195 shareholders and holders of depositary receipts were either present or represented at the meeting. Measured on the statutory registration date, they represented 786,374,548 votes, which is equivalent to 83.66% of the total number of votes. The **Chair** explained that the voting would take place electronically and that prior to the meeting the shareholders and holders of depositary receipts had had the opportunity to exercise their voting rights by means of e-voting. Votes cast in this way would be added to the electronic votes cast during the meeting and would be displayed on the big screen when the result of the voting was announced.

He then gave the floor to the secretary to the meeting, Ms Dorsman, to explain the voting system. After explaining and checking whether all those present with voting rights could see the initial screen of the voting app on their device, the Chair proceeded to the vote on item 2 (g) of the agenda, the 2018 financial statements.

After the close of voting, the **Chair** noted that the resolution had been passed and that the 2018 annual financial statements has thus been adopted. He then moved to agenda item 3 (a), the explanation of the dividend policy by Mr Van Dijkhuizen.

3. DIVIDEND

3 (a) Explanation dividend policy

Mr **Van Dijkhuizen** explained that ABN AMRO's dividend policy takes account of the current and expected capital requirements as well as the risk profile, growth rate and market factors. A moderate risk profile of ABN AMRO and regulatory levies are used as a basis when determining the payout ratio, with a view to enabling dividend distributions to be maintained in the future too. From 2018 onwards, the payout ratio has been set at 50% of the 'sustainable profit' available for distribution to shareholders. Sustainable profit is defined as profit exclusive of one-off items, which significantly distort profitability. Extra payouts in the form of either dividend or buyback of own shares will be considered, subject to approval by the regulator, if the Basel III Core Tier 1 capital ratio is in or above the targeted bandwidth of 17.5% to 18.5%, subject to the influence of other relevant factors (including regulatory and commercial considerations). The combined payout ratio will then be at least 50% of the sustainable profit.

The **Chair** thanked Mr Van Dijkhuizen for his explanation and asked whether there were any questions about this agenda item.

Mr **Van den Bos** asked when shareholders will be given the choice between a cash dividend and a scrip dividend, because as matters stood he felt he was sponsoring the State of the Netherlands to the tune of 15%, whereas he would rather sponsor charities.

Mr **Abrahams** replied that it is possible to reinvest the dividend directly in shares, but this involves a fee. Research has been done into alternatives, but there appears to be little interest in a scrip dividend. ABN AMRO therefore believes that its current policy is the best.

In response to the remark by Mr Van den Bos that tax has to be paid to the State above the threshold of EUR 2,000 dividend tax, the **Chair** responded that a private investor can reclaim this tax. Mr Van den Bos was advised to contact a tax consultant or seek advice from other people present in the room.

The **Chair** noted that there were no more questions about the dividend policy and moved on to item 3 (b), the resolution to approve the 2018 dividend.

3 (b) Proposal for dividend 2018

Mr **Van Dijkhuizen** referred to the resolution, with explanatory notes, which had been included in the notice calling the General Meeting. ABN AMRO Group N.V. proposes a final dividend of EUR 752 million or 80 euro cents (EUR 0.80) per share in cash. Together with the interim dividend of EUR 611 million in cash, this brings the total dividend for 2018 to EUR 1,363 million or EUR 1.45 per share. This is equal to a payout ratio of 62% of the reported profit, after deduction of the coupon payment on the AT1 instruments and minority interests for third parties. This represents an additional payout ratio of 12%, which is in keeping with the dividend policy.

The **Chair** thanked Mr Van Dijkhuizen for his explanation and noted that there were no questions about this agenda item. The meeting then proceeded to vote on the 2018 dividend policy. He noted that the resolution to approve the dividend had been passed, and moved on to agenda item 4.

4 Discharge

4 (a) Discharge of each member of the Executive Board in office during the financial year 2018 for the performance of his or her duties during 2018

The **Chair** explained that this resolution also concerns the members of the Executive Board who had now left ABN AMRO, but had been in office in 2018 or part of it.

Mr **Monkau** observed that he hoped that a discharge would be granted here, unlike what had happened at ING. He added that he thought that a discharge would not be refused.

The **Chair** replied that he could hardly comment on this observation and decided to proceed to the vote. He opened and subsequently closed the voting.

The **Chair** noted that the discharge had been granted by the General Meeting and moved on to agenda item 4 (b), the granting of a discharge to the individual members of the Supervisory Board in office during the 2018 financial year for the performance of their duties in 2018.

4 (b) Discharge of each member of the Supervisory Board in office during the financial year 2018 for the performance of his or her duties during 2018

The **Chair** explained that this was the same resolution as dealt with in agenda item 4 (a), but applied to each member of the Supervisory Board in office in the 2018 financial year. He noted that the same applied to the members of the Supervisory Board who had already left ABN AMRO, but had been in office for part of the 2018 financial year. After noting that there were no further questions, he opened and subsequently closed the voting.

The **Chair** noted that the discharge had been granted by the General Meeting and moved on to agenda item 5.

5. External auditor

5 (a) Report on functioning of external auditor

The **Chair** gave the floor to Mr **Tiemstra**, Chair of the Audit Committee. He proceeded to explain the most important findings from the annual evaluation of the external auditor's performance.

Mr **Tiemstra** noted that this evaluation takes place each year on the basis of an internal survey conducted among some 70 ABN AMRO managers who have dealings with the external auditor (EY) in the course of their work. The survey consists of questions about independence, objectivity, professional capacities, efficiency and quality. This year the score was 3.4 on a scale of 1 to 5. This amounted to a rating of 'more than satisfactory'.

Mr **Tiemstra** explained that although all of the above points have been positively assessed, there are also various themes where improvement is possible, in particular regarding the governance of a number of subsidiaries. Local management has the impression that the audit is not always efficient due to inconsistencies in the composition of the EY team. Action has been taken by EY and Mr Tiemstra expects this to be improved next year.

The **Chair** thanked Mr Tiemstra for his explanation and moved on to agenda item 5 (b).

5 (b) Re-appointment of Ernst & Young Accountants LLP as external auditor for the financial years 2019, 2020 and 2021

The **Chair** informed the General Meeting that EY had been appointed in 2015 as the external auditor of ABN AMRO Group N.V. to audit the financial statements of ABN AMRO Group N.V. for the 2016, 2017 and 2018 financial years. He went on to say that prior to the consultation on the reappointment of EY as ABN AMRO's external auditor, the Supervisory Board sought the advice of the Executive Board and the Audit Committee. Furthermore, in accordance with the relationship agreement between the Stichting Administratiekantoor Beheer Financiële Instellingen (NLFI) and ABN AMRO Group N.V., the NLFI has been given the opportunity to advise on the proposed appointment of EY.

In accordance with ABN AMRO's internal policy and subject to the requirements set in advance by the Audit Committee, ABN AMRO's external auditor is authorised to perform audit procedures, assurance services and certain pre-agreed procedures. With a view to consistency and based on EY's experience and also positive performance assessments in 2016, 2017 and 2018, the Supervisory Board decided to nominate EY for appointment as

ABN AMRO's external auditor for an additional three-year term, i.e. for the 2019, 2020 and 2021 financial years.

The **Chair** asked the General Meeting to approve the reappointment of EY as external auditor for the auditing of the financial statements of ABN AMRO Group N.V. for the 2019, 2020 and 2021 financial years in accordance with article 293, paragraph 2, of the Dutch Civil Code. He added that if the merger proposed in agenda item 8 between ABN AMRO Group N.V. and ABN AMRO Bank N.V. takes place in the course of 2019, ABN AMRO Group N.V. will no longer prepare financial statements for 2019 and subsequent years because it will have ceased to exist by then.

After the merger, the accounts of ABN AMRO Group N.V. will be shown in the financial statements of ABN AMRO Bank N.V. as of 1 January 2019. Provided that the General Meeting approves the reappointment of EY, EY will subsequently also be appointed as the external auditor of ABN AMRO Bank N.V. for the 2019, 2020 and 2021 financial years. This appointment will then be approved by ABN AMRO Group N.V. in its capacity as sole shareholder of ABN AMRO Bank N.V. The **Chair** inquired whether there were any questions before proceeding to the vote.

Mr **Van den Bos** noted that there is an enormous staff turnover at the auditing firms. Nonetheless, he said he was satisfied in the context of item 5 (b) with the audit approach taken by EY. That is also the case, in his view, at ING.

As there were no further questions on this item, the **Chair** proceeded to the vote on the reappointment of EY as external auditor to audit the financial statements of ABN AMRO Group N.V. prepared by the Executive Board for the 2019, 2020 and 2021 financial years. The resolution was passed. The **Chair** congratulated EY and wished it every success.

He then proposed to move on to item 6 of the agenda, namely the amendment of the articles of association and the authorisation to have the deed of amendment executed before the civil law notary.

6. AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Chair explained that article 9.2.1 of the articles of association of ABN AMRO Group N.V. provides for the General Meeting to appoint an external auditor to audit the annual accounts prepared by the Executive Board for a term of three years in accordance with article 2:393, paragraph 2, of the Dutch Civil Code. He added that this had just been voted upon. According to the present wording, the term of the appointment has to be for three years. Longer or shorter periods are not permitted. To promote flexibility in the appointment of the external auditor, it is proposed to alter this provision to allow shorter terms, in any event not exceeding three years.

Article 9.2.2 of the articles of association of ABN AMRO Group N.V. provides that the Supervisory Board is authorised to appoint an external auditor if the General Meeting fails to do so. If the Supervisory Board also fails to appoint an external auditor, the Executive Board is authorised to do so. Owing to a change to article 2:393, paragraph 2, of the Dutch Civil Code, a managing board no longer has the power to appoint an external auditor if a supervisory board has been established. As ABN AMRO Group N.V. has a Supervisory Board, it is proposed to alter article 9.2.2 of its articles of association in such a way as to once again bring it into line the statutory provision.

The **Chair** went on to submit that the resolution was first to amend article 9.2.1 of the articles of association of ABN AMRO Group N.V.in such a way that the external auditor is appointed to audit the annual accounts prepared by the Executive Board for a maximum term of three years. Second, the resolution is to amend article 9.2.2 of these articles of association in such a way that the procedure for the appointment of an external auditor is consistent with article 2:393, paragraph 2, of the Dutch Civil Code. In addition, the resolution put to the General Meeting is also to authorise every notary, candidate civil-law notary and employee of De Brauw Blackstone Westbroek to have the instrument of alteration executed. The draft instrument altering the articles of association and the complete continuous text of the articles after the said alteration has been included in the meeting documents.

As there were no questions or comments about this agenda item, the **Chair** proceeded to the vote on the resolution in agenda item 6 to amend the articles of association and the resolution to authorise every notary, candidate civil-law notary and employee of De Brauw Blackstone Westbroek to have the instrument of alteration executed. After the close of voting, the **Chair** announced that the resolution had been passed.

The next agenda item was 7 (a), the notification of vacancies on the Supervisory Board.

7. Composition of the Supervisory Board

7 (a) Notification of Supervisory Board vacancies

The **Chair** said that, as stated in the notice calling the meeting, there have been two vacancies on the Supervisory Board since Steven ten Have and Frederieke Leeflang announced on 7 November 2018 that they would be stepping down as members of the Supervisory Board to allow for the appointment of two new members with broad experience in the financial sector.

At the same time, it was announced that Anna Storåkers and Michiel Lap will be nominated for appointment to the Supervisory Board for a term of four years at this General Meeting. Regulatory approval for this appointment was obtained on 20 February 2019. Pursuant to article 2:158, paragraph 4, and article 2:144a of the Dutch Civil Code, the Supervisory Board requested the Employee Council for its position on the proposed nomination of Anna Storåkers and Michiel Lap. The positive position taken by the Employee Council on these nominations has been included in the meeting documents.

The **Chair** explained that Mr Ten Have has been appointed in accordance with the enhanced right of recommendation of the Employee Council. It has been agreed with the Employee Council that this status should transfer to Mr Dorland from the moment that Mr Ten Have’s successor has been appointed.

The **Chair** proposed to move on to agenda item 7 (b).

7.(b) Opportunity for the General Meeting to make recommendations, taking into account the profiles

The **Chair** said that to date ABN AMRO had not received from its shareholders and depositary receipt holders any reasoned recommendations for the nominations in respect of the vacancies in question. He therefore assumed that the General Meeting did not wish to exercise its right of recommendation. Nonetheless, he gave the General Meeting the opportunity after all to ask questions or make comments on this agenda item.

The Chair gave the floor to Mr Koster.

Mr **Koster** said that he is first and foremost a very satisfied customer, and that it is only right to say this once in a while. He added that he is content to have a Swedish lady on the Supervisory Board and referred to the rumour that the Scandinavian Nordea Bank might well team up with ABN AMRO. He referred to a similar kind of situation previously at

Delhaize and Ahold and wondered what could happen in the future between ABN AMRO and Nordea. He noted that Nordea is a very good bank and that it has his full approval.

The **Chair** noted that there were no questions and that the General Meeting had not exercised its right of recommendation. He therefore proposed to move on to agenda item 7 (c), the appointment of new members of the Supervisory Board.

7 (c) Appointment of new members of the Supervisory Board

The **Chair** said that the Supervisory Board proposes to appoint Anna Storåkers and Michiel Lap as members of the Supervisory Board with effect from the close of this General Meeting. The appointment will take effect from the close of this meeting for a term of four years, ending at the close of the AGM in 2023.

He added that it should be noted for the record that if the appointment of Anna Storåkers and Michiel Lap are approved, they will also become members of the Supervisory Board of ABN AMRO Bank N.V. as a result of the personal union of the Supervisory Boards at the level of ABN AMRO Group N.V. and ABN AMRO Bank N.V. The appointment will start immediately after the close of the General Meeting and end at the close of the General Meeting of ABN AMRO Group N.V., or ABN AMRO Bank N.V. in 2023 if the merger mentioned in agenda item 8 takes place.

The Chair gave the floor to Ms **Storåkers** for agenda item 7 (c).(i), the verbal explanation and motivation.

7 (c).(i) Verbal introduction and motivation by Anna Storåkers

Ms **Storåkers** moved to the lectern where she started by saying that it was a great pleasure for her to be here today. She is aged 45 and married and has three children. She is a Swedish citizen and lives in Stockholm, where she has also grown up. She told the meeting that she has studied in the United States for a year and then in France for about a year. She graduated from the Stockholm School of Economics in 1999 and has a master's degree and a major in finance and international business.

After graduating, she has worked for five years at an investment bank in London, where she assisted large corporate clients with mergers and acquisitions and Corporate Finance. After those five years, she felt the need to return home and went back to Stockholm, where she worked as a consultant for five years on strategic assignments for boards of directors and management teams in northern Europe. After carrying out a number of assignments for different companies, she returned to the banking sector and started working more and more for Personal Banking and Commercial Banking. Ms Storåkers then became Head of Strategy and Corporate Development at Nordea. She has worked there for 9 years, most recently as head of Retail Banking. This concerned both private and commercial clients. She said that she had found that a very interesting period.

Ms **Storåkers** observed that the banking sector has changed greatly throughout Europe. Important themes on which she has worked included product development in the context of customer service and the transition from a branch to a digital model, as well as the introduction of new regulation. She noted that the bar for regulatory compliance is being raised all the time. In the past year she has also been responsible for developing the bank's new values. Managing the transformation project has been a very important and interesting experience for her.

Ms **Storåkers** has recently left her job to have more time and flexibility and to broaden her horizons. This supervisory role offers her this opportunity. She will bring to this job her experience as a former non-executive board member and CEO of the Nordea mortgage company and as a board member of the Nordea Finance Company. She is also on the board of directors of the Swedish-Danish Chamber of Commerce. She is currently also a supervisory director at three other companies, namely Ework Group (a listed company in Stockholm), Nordea Life Holding Company and Nordics Bank This is a small privately-owned niche bank in Scandinavia.

Her main reason for joining the Supervisory Board of ABN AMRO is that she finds it an interesting bank with an interesting history. Ms **Storåkers** indicated that she has followed ABN AMRO closely since she joined the banking sector in the late 1990s. In her view, ABN AMRO has a very strong brand name. She said that ABN AMRO is a highly professional business with many special staff. The experience she has gained in the banking sector in a different European region can now be put to use in the service of ABN AMRO. Ms **Storåkers** noted just how much had happened in the past nine or ten years: the financial crisis, the increasing competition, new market trends and also a new macroeconomic environment, all within a totally overhauled regulatory landscape. She expects these changes to continue and looks forward to being part of ABN AMRO as it journeys into the future. Finally, she thanked all those present.

The **Chair** gave the floor to Mr **Monkau**.

Mr **Monkau** asked what her connection is with the Netherlands.

Ms **Storåkers** replied that she has worked in Europe and regards herself as Swedish and European, but that she has no specific connection with the Netherlands. However, she is looking forward to learning much more about the Netherlands.

Mr **Monkau** inquired whether she thinks she might in future liaise between ABN AMRO and a Swedish bank.

Ms **Storåkers** replied that she is present solely as an independent member of the Supervisory Board.

Mr **Van den Bos** said he had a few more general questions about what he termed the entire ‘supervisory carousel’. The **Chair** said that he could ask them at the end of agenda item 7 and moved on to point 7 (c).(ii), the verbal explanation and motivation by Michiel Lap.

7 (c).(ii) Verbal introduction and motivation by Michiel Lap (discussion item)

Mr Lap said it was a pleasure to say a few words about himself by way of introduction. He started by explaining his personal background. He is Dutch, but has not lived here for long. His father was a Philips expat and the family followed him from place to place. By the age of eighteen Mr Lap had therefore spent only two years in the Netherlands (at Haren in Groningen) and lived the rest of the time in Africa and Singapore. After secondary school, he studied economics at Harvard University in the United States. In 1984 he began his career as a banker on Wall Street. He moved to London in 1986 and has lived there now for almost 33 years. He is married to a Dutch national and has three adult children, one of whom lives in Amsterdam and the other two in London.

As regards his professional experience, he explained that he could divide the last 35 years into three chapters: first, 27 years as a banker; second, three years as a member of the Executive Team (Executive Board) of Orange SR, at the time one of Europe’s major telecom companies and, third, the last five years as a consultant and supervisory director at various companies, including Arcadis where he was vice-chair and member of the Audit Committee.

He assumed that the shareholders would consider his experience as a banker to be most relevant and therefore proposed to say more about this. He started at GP Morgan in 1984 and was a credit analyst there for four years and eventually ‘bag carrier’ for more senior staff. He had then moved on to Morgan Stanley, where he worked as a merger and acquisition specialist for 13 years and also assisted with major capital market transactions, including IPOs. He had also held the position of Chief Operating Officer of the Investment Banking Division for one year. After a three-year interlude with Orange, which he found very fascinating, he returned to Goldman Sachs in 2004 as a banker. He remained there for a total of ten years. As such, he was in charge of the investment bank activities in northern Europe and also coordinated the other activities of Goldman Sachs in the same region. In that capacity, he managed relations with a number of large financial institutions (banks, insurers and also pension funds).

Finally, Mr Lap wanted to say something about his reasons for wishing to join ABN AMRO's Supervisory Board. He pointed out that he would naturally not have been a banker for 27 years if he does not have a great interest in both the profession and the industry. Moreover, another important reason is that he feels a connection with ABN AMRO. This is not only because he is a very satisfied customer (his family too has traditionally banked with ABN AMRO), but more because he has spent hundreds of hours in this building (in the Gustav Mahlerlaan) working with different teams from ABN AMRO on a variety of investment banking projects. He has also noticed how ABN AMRO staff adopted a professional, customer-driven and honest approach to their work. This has been apparent once again in the last few months in the run-up to the assessment that he and Ms Storåkers have undergone in early January 2019. He also referred to the conversations they have had in the past few weeks as part of their induction as Supervisory Board member at the bank. He said that the bank is in a very good financial position, but naturally faces a lot of challenges ahead. Mr Lap looks forward to making a positive contribution as a member of the Supervisory Board to the discussions on this subject and perhaps other topics as well.

The Chair gave the floor to Mr **Broenink**.

Mr **Broenink** thanked Mr Lap for his explanation. He had the feeling that Mr Lap is not returning but emigrating to the Netherlands. Mr **Broenink** explained that what he meant was that Mr Lap will be confronted with typically Dutch discussions such as how much bonus you can receive as a banker. According to Mr **Broenink**, the question was how Mr Lap thinks he will cope with that. He also said that it is a very good idea for ABN AMRO, as a semi-state-owned bank, to have someone like Mr Lap in its ranks. He would accordingly vote for the resolution.

Mr **Lap** explained that the remuneration debate in the Netherlands is not new to him since he has followed the financial services industry in the Netherlands for years. He also understands how sensitive this subject is in Dutch society and does not expect that to change any time soon. The financial services industry will gradually have to regain public trust and until this happens he does not really see remuneration as a matter for debate.

Mr **Van Riet** asked about Mr Lap's position at the time of the merger with Fortis, since the bank where he worked at that time was involved in the transaction.

Mr **Lap** said that he could not say much about that, but did state that Goldman Sachs was an adviser to ABN AMRO's Supervisory Board at the time in question.

The **Chair** gave the floor to Mr **Van Riet**, who noted that that transaction had turned out disastrously for ABN AMRO. The **Chair** pointed out that this was not the case for ABN

AMRO's shareholders. He then moved on to agenda item 7 (c).(iii), the resolution to appoint Anna Storåkers as member of the Supervisory Board.

7 (c).(iii) Appointment of Anna Storåkers as member of the Supervisory Board

The **Chair** said that the Supervisory Board nominated Anna Storåkers for appointment as a member of the Supervisory Board. He pointed out that the shareholders had been able to read her CV and also hear her explanation during this meeting. The Supervisory Board considered that Anna Storåkers has the right skill set to meet the profile requirements and that her appointment will contribute to the banking expertise of the Supervisory Board. ABN AMRO is confident that she will adopt a proactive approach to the discharge of her duties and responsibilities as a member of the Supervisory Board and will be able to take decisions in a responsible, objective and independent manner and form her own opinion.

She will receive remuneration as set at the General Meeting of 11 June 2010. For more information about the remuneration of members of the Supervisory Board, reference is made to pages 145 to 151 of the 2018 Annual Report. She complies with the statutory provisions governing the maximum number of directorships pursuant to article 91, section 3 of the Capital Requirements Directive (CRD IV). She has confirmed her independence, as required in best practice provision 2.1.8 of the Dutch Corporate Governance Code. Anna Storåkers owns no shares or depositary receipts for shares in the capital of ABN AMRO.

In view of the above, the Supervisory Board proposed to the General Meeting that she be appointed as a member of the Supervisory Board with effect from the close of the General Meeting until the moment of the Annual General Meeting of ABN AMRO Group N.V. in 2023 or the close of the Annual General Meeting of ABN AMRO Bank N.V. in 2023 in the event that the merger referred to in agenda item 8 takes place.

The **Chair** asked whether there were any further comments about the proposed appointment of Anna Storåkers. As there were no questions, he opened the voting on her appointment. After the close of voting, the Chair noted that the resolution had been passed and that Ms Storåkers had been appointed as a member of the Supervisory Board of ABN AMRO Group N.V. He heartily congratulated her.

He moved on to agenda item 7 (c).(iv)., the resolution to appoint Michiel Lap as member of the Supervisory Board of ABN AMRO Group N.V.

7 (c).(iv) Appointment of Michiel Lap as member of the Supervisory Board

The **Chair** said that the Supervisory Board nominated Michiel Lap for appointment as a member of the Supervisory Board of ABN AMRO N.V. He pointed out that the shareholders had been able to read Michiel Lap's CV and also hear his motivation during this meeting. On the basis of that information, the Supervisory Board considered that he has the right skill set to meet the profile requirements and that his appointment will contribute to the banking expertise of the Supervisory Board. ABN AMRO is confident that Michiel Lap will adopt a proactive approach to the discharge of his duties and responsibilities as a member of the Supervisory Board and will be able to take decisions in a responsible, objective and independent manner and form his own opinion.

As a member of the Supervisory Board he will receive the remuneration as set at the General Meeting of 11 June 2010. For more information about the remuneration of members of the Supervisory Board, reference is made to pages 145 to 151 of the 2018 Annual Report. He complies with the statutory provisions governing the maximum number of directorships pursuant to article 91, section 3 of the Capital Requirements Directive (CRD IV). He has confirmed his independence, as required in best practice provision 2.1.8 of the Dutch Corporate Governance Code. Michiel Lap owns no shares or depositary receipts for shares in the capital of ABN AMRO Group N.V.

In view of the above, the Supervisory Board proposed to the General Meeting that Michiel Lap be appointed as a member of the Supervisory Board with effect from the close of the General Meeting until the moment of the Annual General Meeting of ABN AMRO Group N.V. in 2023 or the close of the Annual General Meeting of ABN AMRO Bank N.V. in 2023 in the event that the merger referred to in agenda item 8 takes place.

As there were no questions, the **Chair** opened the voting on the proposed appointment. After the close of voting, he noted that the resolution had been passed and that Michiel Lap had been appointed as a member of the Supervisory Board. The **Chair** heartily congratulated him.

The **Chair** explained that these appointments coincide with the resignation of Steven Ten Have and Frederieke Leeflang as members of the Supervisory Board at the close of this meeting. The Supervisory Board is extremely grateful to both of them for having been willing to step down to enable the banking expertise in the Supervisory Board to be broadened. The **Chair** thanked them on behalf of the Supervisory Board for their important contribution in recent years.

The **Chair** said that Steven ten Have has been on ABN AMRO's Supervisory Board since 2010 and that in 2018 he has performed his role as interim chair of the Supervisory Board with distinction. He was involved in the merger between ABN AMRO and Fortis Bank

(Nederland) N.V., which led to the formation of the current ABN AMRO. This was followed by the integration of the two banks, culminating in the IPO of 2015. The **Chair** repeated that he was very grateful to him for his commitment and involvement over so many years with the bank.

The **Chair** then turned to Frederieke Leeflang and said that she has been appointed as a member of the Supervisory Board in 2016. He thanked her once again for her great commitment and expertise. He mentioned that her legal background enabled her to provide important support to the Supervisory Board.

Finally, Mr **Van den Bos** was given the floor to ask the questions he still had on this agenda item.

Mr **Van den Bos** thought that the Chair had been very complimentary about both members of the Supervisory Board. He did not understand, however, how Mr Ten Have and Ms Leeflang could have been voted in for a two-year term in 2018 and stepped down just six months later. It struck him as strange that this was happening to two Supervisory Board members at the same time and said that that was the statement he had wanted to make.

The **Chair** thanked Mr Bos for making his statement. He then moved on to the next agenda item.

8. MERGER BETWEEN ABN AMRO GROUP N.V. AND ABN AMRO BANK N.V.

The **Chair** explained that it was proposed that ABN AMRO Group N.V. merge with ABN AMRO Bank N.V. in accordance with the merger proposal published on 13 March 2019. He indicated that a further explanation of this agenda item has been included in the merger circular, which was included as a meeting document. The circular also contained the merger resolution, an explanation of the merger resolution and the appendices to those documents.

The **Chair** noted that the meeting was asked to decide on the merger, as described in the circular. From the date on which the merger is to take effect, the governance of ABN AMRO will be the same as the current governance of ABN ARMO Group N.V., subject to modifications resulting from the changed structure of the ABN AMRO group. In order to make a legally valid decision on the merger, the resolution in question must obtain a two-thirds majority of the votes representing over half of the outstanding share capital of ABN AMRO Group N.V. For completion of the merger it will also be necessary for the articles of association and trust conditions of the Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) to be amended so that they are fully consistent with the merger procedure and proposed post-merger organisational structure. STAK AAG had reported that the meeting of depositary receipt holders had approved these changes earlier that day and that they could therefore be implemented.

The **Chair** explained that the proposed legal merger is intended to improve the capital ratios, including the leverage ratio, simplify the administrative processes and reduce administrative costs. As a result of the merger, ABN AMRO Bank N.V. will acquire the entire assets and legal relationships of ABN AMRO Group N.V. by universal title and ABN AMRO Group N.V. will cease to exist. The shareholders of ABN AMRO Group N.V. will become shareholders of ABN AMRO Bank N.V. The depository receipts for shares will represent shares in ABN AMRO Bank N.V. This will not affect the listing of depositary receipts on Euronext Amsterdam. Nor will there be any change for the holders of the debt securities issued by ABN AMRO Bank N.V. Furthermore, the legal merger will have no material consequences.

A legal merger requires the approval of the regulators DNB and ECB. Provided that all required approvals are granted, the merger is expected to be completed in the course of 2019. One of the conditions for the merger, namely the expiry of the one-month period in which creditors could file notice of opposition, has already been met. The District Court in Amsterdam has confirmed on 16 April 2019 that no creditors had filed notice of opposition. The **Chair** again emphasised that the proposed legal merger will have considerable benefits for ABN AMRO in organisational terms, without affecting the rights of shareholders and depositary receipt holders. That is why both the Executive Board and the Supervisory Board of ABN AMRO Group N.V. and ABN AMRO Bank N.V. are unanimously in favour of the legal merger.

The **Chair** then gave those present the opportunity to ask questions. As there were no questions, the **Chair** put to the vote the resolution under agenda item 8, namely the proposal to merge ABN AMRO Group N.V. and ABN AMRO Bank N.V. The resolution was passed and the **Chair** thanked the shareholders for this.

The **Chair** moved on to agenda item 9, the issuance and buyback of shares.

9. Issuance of new shares by ABN AMRO Group N.V. and ABN AMRO Bank N.V. and acquisition of shares or depositary receipt by ABN AMRO Group

The Chair explained that under Dutch law the General Meeting may authorise the Executive Board to issue shares or grant rights to subscribe for shares, to exclude pre-emptive rights and to acquire shares or depositary receipts for shares in ABN AMRO Group N.V.'s own capital. Such authorisations are usually placed on the agenda of the AGMs of most Dutch listed companies. On 29 May 2018 the Annual General Meeting granted these authorisations to the Executive Board for a period of 18 months from 29 May 2018. The Executive Board now proposed, with the approval of the Supervisory Board, that as of today these authorisations be replaced with the new authorisations, as proposed in agenda items 9 (a), 9 (b) and 9 (c). The authorisations give ABN AMRO the flexibility to act quickly when necessary in order to issue or buy back shares or depositary receipts for shares. The agenda item therefore consists of three underlying items. The **Chair** proposed that agenda items 9 (a), 9 (b) and 9 (c) be dealt with first and that afterwards the General Meeting be given the opportunity to ask questions about agenda item 9 as a whole. The three separate agenda items would then be put to the vote one after the other.

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

The **Chair** explained that the resolution is to authorise the Executive Board to issue ordinary shares for a period of 18 months with effect from today (24 April 2019). For the record, he noted that the resolution relates exclusively to ordinary shares and to the awarding of rights to subscribe for ordinary shares, up to a maximum of 10% of the issuable share capital of ABN AMRO Group N.V. on today's date (24 April 2019). An issuance of shares and/or the granting of rights to subscribe for shares might be necessary, for example to meet the regulator's capital requirements. Under the proposed authorisation, it is possible, for example, to issue Additional Tier 1 (AT1) instruments which convert automatically into shares as soon as certain prescribed capital requirements are no longer met. In each case the Executive Board can exercise such authorisations only with the approval of the Supervisory Board. Another limitation is that these authorisations can not be used to make a dividend distribution in shares or to award performance-related pay to management or other employees.

The **Chair** noted for the record that under the Relationship Agreement the NLFI's consent is required for the exercise of the authorisation. This consent is required for as long as the NLFI holds at least 33.33% of the shares in ABN AMRO Group N.V.

If the General Meeting agrees to this agenda item, ABN AMRO Group N.V. as sole shareholder of ABN AMRO Bank N.V. will grant this issue authorisation *mutatis mutandis* to the Executive Board of ABN AMRO Bank N.V. before implementation of the merger as discussed under agenda item 8.

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

The **Chair** explained that the proposed resolution is to authorise the Executive Board to limit or exclude the pre-emptive rights of existing shareholders connected to the issuance of ordinary shares pursuant to the authorisation requested under agenda item 9 (a) (which will be put to the vote shortly) for a period of eighteen months with effect from today (24 April 2019). In each case the Executive Board can exercise such an authorisation only with the approval of the Supervisory Board. As over half of the issued capital was represented today, the General Meeting could pass the resolution by a simple majority of votes. The same applied to this agenda item as to item 9 (a). ABN AMRO Group N.V., as sole shareholder of ABN AMRO Bank N.V., will grant this issue authorisation *mutatis mutandis* to the Executive Board of ABN AMRO Bank N.V. before implementation of the merger, as discussed under agenda item 8.

9 (c) Authorization to acquire shares or depositary receipts representing shares in ABN AMRO Group's own capital

The **Chair** explained that the resolution is to authorise the Executive Board to acquire fully paid-up ordinary shares in ABN AMRO Group N.V.'s own share capital, excluding ordinary B shares or depositary receipts for shares, on the stock exchange or by other means for a period of eighteen months with effect from today (24 April 2019). In each case the Executive Board can exercise such an authorisation only with the approval of the Supervisory Board. A buyback of shares or depositary receipts for shares in ABN AMRO Group N.V.'s own share capital can take place for such purposes as a restructuring or capital reduction, for example a return of capital to shareholders and/or depositary receipt holders. The **Chair** added that this would be done only if the existing and future regulatory requirements for solvency are met and would continue to be met after the buyback. The price of each purchased depositary receipt or share in ABN AMRO Group N.V.'s own capital has to be at least equal to the nominal value of the ordinary shares and must not exceed the highest price at which the depositary receipts were traded on Euronext Amsterdam on the transaction date or on the preceding trading day. This is conditional upon the number of depositary receipts or shares held or pledged by ABN AMRO Group N.V., including its subsidiaries, being limited at all times to a maximum of 10% of the issued share capital of ABN AMRO Group N.V. This authorisation replaces the authorisation issued by the General Meeting of 29 May 2018. ABN AMRO Group N.V., as sole shareholder of ABN AMRO Bank N.V., will grant this issue authorisation *mutatis mutandis* to the Executive Board of ABN AMRO Bank N.V. before implementation of the merger as discussed under agenda item 8.

The **Chair** inquired whether there were any comments or questions about the three proposed resolutions.

Mr **Van den Bos** asked what he should understand by point 9 (a), authorisation to issue shares and/or rights to shares, namely whether they were priority shares, depositary receipts or preference shares.

The **Chair** replied that this would be looked into and that he would return to the question. After noting that there were no other questions, he proceeded to put to the vote the three resolutions under agenda item 9.

The **Chair** opened and subsequently closed the voting on agenda item 9 (a) and noted that the resolution had been passed.

The **Chair** opened and subsequently closed the voting on agenda item 9 (b) and noted that the resolution had been passed.

The **Chair** opened and subsequently closed the voting on agenda item 9 (c) and noted that the resolution had been passed.

He then proposed to move on to item 10 of the agenda, the cancellation of shares or depositary receipts for shares in the share capital of ABN AMRO Group N.V.

10. Cancellation of shares or depositary receipts for shares in the issued share capital of ABN AMRO Group N.V.

The **Chair** explained that the resolution put before the General Meeting, at the suggestion of the Executive Board and subject to approval by the Supervisory Board and the ECB and other relevant regulators, is that it may cancel the fully paid-up ordinary shares, or part thereof, in ABN AMRO Group N.V.'s own share capital, which have been obtained by ABN AMRO Group N.V. either on the stock exchange or through the purchase of its own shares or depositary receipts for shares pursuant to the authorisation granted under agenda item 9.C. The **Chair** clarified that this does not apply to ordinary B shares. He added that the cancellation by ABN AMRO Group N.V. of the shares acquired in its own capital will be limited to 10% of its total outstanding share capital on the date of this General Meeting and is permitted for a period of 18 months after the date of this General Meeting. The cancellation of part of the shares is proposed with a view to facilitating the flexible and efficient management of surplus capital, including a capital restructuring or reduction in the form of capital returned to the shareholders and or depositary receipt holders. This is conditional on ABN AMRO complying and continuing to comply with both existing and future regulatory requirements in respect of its capital. The **Chair** added that the Executive Board will also always require the approval of the Supervisory Board, the ECB and the relevant regulators. The Executive Board is not obliged to implement the cancellation of all or part of the own shares bought back in accordance with this resolution of the General Meeting. The **Chair** concluded by saying that ABN AMRO Group N.V., as sole shareholder of ABN AMRO Bank N.V., will grant this issue authorisation *mutatis mutandis* to the Executive Board of ABN AMRO Bank N.V. before implementation of the merger as discussed under agenda item 8.

The **Chair** noted that there were no questions about this agenda item and then opened the voting on agenda item 10. After noting that the resolution had been passed, the **Chair** moved on to the next agenda item.

11. Any other business and Conclusion

The **Chair** said that the last agenda item was any other business. He gave the floor to Mr Meijer from Den Bosch.

Mr **Meijer** said that he had seen a sheet showing a number of post-merger capital ratios. He thought this indicated that the capital would increase by some EUR 5 billion as a result of the merger and asked how this could be.

Mr **Abrahams** explained that there has been a regulatory change 18 months ago. That is an ECB rule providing that a number of capital instruments can no longer be included in certain capital ratios, including the leverage ratio. It is therefore a fairly technical measure that had material consequences. Mr **Abrahams** said that as a result of the merger of ABN AMRO Group N.V. and ABN AMRO Bank N.V., these instruments can also be included in the reported capital ratios and various inefficiencies eliminated. He went on to say that nothing will happen in economic terms, but that ABN AMRO can use it to remove a restriction that was created 18 months ago by these new regulations. That will enable the bank to derive full benefit from the instruments that have been issued. The most important is the leverage ratio, which will rise by 0.2% as a result. Mr **Abrahams** said it is important because the bank will be comfortably above the lower limit of 4% after this merger.

Mr **Monkau** asked what ABN AMRO is doing about its role as a gatekeeper of the financial system's integrity, in particular internally and digitally. His second question was what ABN AMRO is doing to promote the exchange of data between banks.

The Chair asked Ms **Cuppen** to answer these questions.

Ms **Cuppen** said that, as Mr Van Dijkhuizen had already explained, ABN AMRO takes its role as gatekeeper of the system's integrity extremely seriously and is investing heavily in it. She explained that this is being done in three ways. The first concerns the people who deal with this subject on a day-to-day basis. Many staff are working on this topic and the number is still increasing. An important element here is training, since it is necessary to keep abreast of this ever-changing environment. The second way concerns the systems. The bank is studying how the systems and data analyses can help it to operate more smartly and set up scenarios better as well as making the systems self-learning. This brought her to the third way, namely public-private partnerships, which is also the answer to Mr Monkau's second question. The bank is working with other parties, both public and private, to adopt a smarter solution to this problem together. A constraint is the rules governing the exchange of privacy-sensitive information, but even without that exchange the parties can learn from one another and also become smarter in identifying financial and economic crime.

Speaking in his personal capacity, Mr **Van den Bos** thanked Mr Ten Have and Ms Leeflang for the good contribution they had made.

The **Chair** said he would like to second that.

Mr **Van de Riet** asked how sympathetically ABN AMRO now views a possible merger approach from Scandinavian countries now that there is a Scandinavian on the Supervisory Board. His second question was why the bank has not renewed the US banking licence in 2017, as it may have to be applied for again. His third question was whether it is true that ABN AMRO Group N.V. owns no real estate property, since 6% transfer tax would otherwise have to be paid on the property transferred to ABN AMRO Bank N.V.

As regards the first question, the **Chair** replied that it would be unwise to speculate in public about any form of cooperation between ABN AMRO and other banks.

As regards the second question about the American banking licence, Mr **Van Dijkhuizen** said that no statements have been made about licences. If there is something to report, it will be done in due course.

As regards the third question, the **Chair** indicated that he does not believe that ABN AMRO is liable to transfer tax.

Finally, the **Chair** returned to Mr Van den Bos's question. He gave the floor to Ms **Dorsman.** She explained that it is not about the issue of depositary receipts for shares, but about shares and rights to shares, and therefore not about priority shares.

The **Chair** then noted that there were no further questions or comments. He once again stated that the close of this meeting was the moment when Anna Storåkers and Michiel Lap will join the Supervisory Board and Frederieke Leeflang and Steven ten Have will step down. He wished Anna Storåkers and Michiel Lap every success and again thanked Frederieke Leeflang and Steven ten Have for all their efforts in recent years.

The **Chair** closed the meeting at 17.00 hrs and thanked those present for their contributions to this meeting.