

LETTER TO THE STAKEHOLDERS OF ABN AMRO BANK N.V.

Relating to the proposed Executive Board remuneration policy and Supervisory Board remuneration policy ABN AMRO Bank N.V.

Date 13 March 2024

LETTER TO STAKEHOLDERS ABN AMRO BANK N.V.

Dear stakeholders,

The Annual General Meeting (**AGM**) of ABN AMRO Bank N.V. (**ABN AMRO Bank**) will be held on 24 April 2024.

At our AGM, one of the topics on our agenda will be the proposal of the Supervisory Board, upon recommendation by the Remuneration Committee, to adopt our updated remuneration policies for the Executive Board and Supervisory Board. If adopted by the AGM, our new remuneration policies for the Executive Board and Supervisory Board will apply as of 1 January 2024 and will replace the existing remuneration policies that were last amended on 21 April 2020.

This letter is part of the remuneration policies and in particular explains the main changes proposed, how the expectations of stakeholders and public support have been taken into account and with which reference group we have compared. We have involved the Executive Board's member's views of his/her own remuneration when formulating remuneration proposals for the Executive Board member. Internal pay ratios are published in our annual report.

Our current remuneration policies

Our remuneration policy for the Executive Board was first adopted on 7 January 2010 by the general meeting (by our sole shareholder at the time, the Dutch State). Since 2010, several changes in financial supervision laws and regulations have caused ABN AMRO Bank to adjust the remuneration policy for the Executive Board. In view of these changes, the remuneration policy has been further aligned with changes in the applicable legislation and was amended in 2015 and 2020. The remuneration policy for the Supervisory Board was last amended in 2020 as well.

Stakeholder engagements

We invited stakeholders to consultation meetings to enable the chair of our Remuneration Committee to hear feedback and explore ways of implementing amendments to our remuneration policies and to address areas of concern. This is in line with our continued commitment to good governance.

Valuable views of internal and external stakeholders were received during constructive engagements held with, amongst others, our Employees Council, a representative number of clients, a representative number of shareholders (including the NLF1) and depositary receipt holders, Eumedion, VEB, proxy advisor Glass Lewis, ISS and VBDO. Our re-assessment of the remuneration policies is with due observance of those valuable views received, mindful of (amongst more) the highly regulatory environment within which ABN AMRO Bank operates. Balancing the views and interests of the various stakeholder groups, public support, and the Supervisory Board's responsibility with regard to this topic, is of great importance for us.

Starting points for the new remuneration policies

Aimed at the long term and in line with the bank's risk policy

The remuneration policies are primarily aimed at the long term and in line with the bank's risk policy. It is characterized by balanced relationships, both internally and externally, taking into account the expectations of the various stakeholders and public support. It also takes into account the relevant international context.

Benchmark

To assess our remuneration levels against market practice, we compare our remuneration to that of other, similar companies, every 4 years through benchmarking. We have selected a group of companies as our 'peer group'. This peer group consists of financial companies both in the Netherlands and Europe, which are comparable in market, size or profile. In addition, remuneration is benchmarked against a cross-industry list composed of companies listed on the Dutch AEX companies, and Western European financial services, comparable either in market, size or profile. The companies in our peer group were:

AEX two tiered	Western European Financial Services
Adyen	Achmea
Aegon	Aegon
Akzo Nobel	Ageas
ASM International	ASR Nederland
AMSL Holding	Baloise Holding
ASR Nederland	Banco Bilbao Vizcaya Argentaria
BE Semiconductor Industries	Banco de Sabadell
Heineken	Caixabank
IMCD	Commerzbank
ING Group	Danske Bank
Koninklijke Ahold Delhaize	ING Group
Koninklijke DSM	KBC Group
Koninklijke KPN	Leaseplan Corporation
Koninklijke Philips	Legal & General Group
NN Group	Nordea Bank
Randstad	NN Group
Wolters Kluwer	Cooperatieve Rabobank
	Royal Bank of Schotland
	Standard Chartered
	Swedbank
	Van Lanschot Kempen

The benchmark shows that the fixed remuneration of the CEO is below the median of the relevant peer group. This difference is further below the median of the relevant peer group when the total remuneration is taken into account (i.e. when the total remuneration including variable remuneration is being compared). The benchmark furthermore confirms that, for the members of the Executive Board, the base salary is in line with the median of the relevant peer group, whereas the total remuneration of the members of the Executive Board is below the median of the relevant peer group.

The results of the benchmark for the Supervisory Board remuneration indicate that the annual fee remains to be below or around the 25th percentile. The current benchmarking of ABN AMRO in comparison to the chosen peer groups would justify positioning of the fees closer to the median of the Dutch AEX peer groups and around or above the 25th percentile of the Western European Financial Services peer group. However, after due consideration of input from stakeholders, the fixed fee (with increases on the basis of the CAO Banken) is maintained.

When determining the pay of the Executive Board, the Remuneration Committee considers the pay arrangements for other employees within ABN AMRO Bank, to ensure that remuneration arrangements for Executive Board members remain reasonable. ABN AMRO Bank takes the views of its employees seriously and on an ongoing basis, we conduct surveys to gauge the views of employees on the different parts of their reward package. Although at the moment of submitting this policy to the General Meeting, our pay ratio is one of the lowest pay ratios in the AEX, it is noted that ABN AMRO Bank is restricted in applying individual salary increases to the remuneration of the Executive Board due to the bonus prohibition.

Societal support

The Supervisory Board endeavours to balance the needs of our internal and external stakeholders. In general, we have observed that stakeholders understand the highly regulated framework ABN AMRO Bank operates in and the limited room to manoeuvre due to the remuneration restrictions. The implementation of ABN AMRO Bank's remuneration policy fundamentally differs from the implementation by other listed companies due to the highly regulated environment.

The most frequently asked questions relate to the balance of the financial and non-financial KPI's. In addition, questions were raised on our ability to maintain our talent, and whether we are able to attract and motivate the best people and how we manage performance in view of ABN AMRO Bank's inability to pay variable remuneration due to the bonus prohibition. In addition, emphasis has been placed on the alignment of performance criteria with the longer term, acquisition of depository receipts for shares by board members and the maintenance of a certain ratio between fixed and variable remuneration. Also, our ability to deviate from the remuneration policy was addressed.

The Remuneration Committee carefully discussed feedback received. The Remuneration Committee observed that the interests and views of our stakeholders is not always uniform. In those cases where the Supervisory Board perceives regulatory restrictions, prudent choices have been made in our remuneration policy. Based on the received feedback from various stakeholders to our draft proposals for the remuneration policies, changes have made to in particular the balance of financial and non-financial KPIs: we increased the percentage of financial KPIs following feedback received. The Remuneration Committee further considered the holding of depository receipts of shares in ABN AMRO Bank by Executive Board members, often referred to as 'skin in the game'. Due to the bonus prohibition, there cannot be any pay out of variable remuneration at all, which includes a pay out in shares. In addition, the fixed salaries are frozen and can therefore also not be converted into fixed remuneration in the form of shares. Nevertheless, the Remuneration Committee endorses the encouragement of board members to voluntarily invest.

Any deviation of the remuneration policy is only possible if necessary to serve the long-term interest and the sustainability of ABN AMRO Bank as a whole or to assure its viability. Any and all deviations will be carefully considered, in alignment with the objectives and key remuneration principles set out in the remuneration policy. Regulatory restrictions as applicable to financial institutions limit the scope for deviation as well.

Key changes to the Executive Board remuneration policy

With respect to the Executive Board, the proposal is to continue our remuneration policy that was last amended in 2020. The key changes proposed to the Executive Board remuneration policy are:

- The remuneration KPI framework has been updated to facilitate ABN AMRO's Executive Board composition and to further enhance the link with the current strategy and sustainability objectives.

- The KPI framework takes into account the new composition of the Executive Board since 24 November 2021. The Executive Board Remuneration Policy 2020 did not include KPIs for the Executive Board positions that head the client units.
- Weight bandwidths in the KPI framework have been amended, e.g. to allow for a higher weight placed on sustainability related KPI's. Unlike financial KPIs, the focus areas for non-financial KPIs leave room for the Supervisory Board to set more specific performance measures within the focus areas.
- Compared to the Remuneration Policy 2020, more concise wording is used to describe ABN AMRO's reward philosophy. Except for an enhanced focus on the principle of equal pay for equal work or work of equal value, the more concise wording does not imply any material changes to ABN AMRO's philosophy.
- The policy further contains a general update with regard to requirements related to the link between remuneration and sustainability, strategy and disclosures.

The annual KPI and remuneration framework is discussed with the Executive Board and determined by the Supervisory Board. The performance of the Executive Board members against the KPIs is regularly monitored by the Supervisory Board. At the conclusion of the relevant performance year, the performance on quantitative performance measures is determined by the Supervisory Board against the defined KPIs and targets, using input from the bank's objective, transparent and auditable reporting outcomes.

Remuneration for the Executive Board is structured with variable short- and long-term components connected to the realisation of financial and non-financial performance criteria. However, as long as ABN AMRO Bank receives state support, ABN AMRO Bank is prohibited from awarding any form of variable remuneration. These performance criteria contribute to the strategy for ABN AMRO Bank and sustainable long-term value creation.

Key changes to the Supervisory Board remuneration policy

With respect to the Supervisory Board, the proposal is to continue our remuneration policy that was lastly amended in 2020. The key change to the Supervisory Board remuneration policy as proposed is the reimbursement for a maximum of three committee memberships. The capped membership reimbursement is currently limited to two committees. The self-imposed limitation on the reimbursement of two committee memberships was no longer considered to be market-practice. In addition, the Supervisory Board established a separate committee focussing on sustainability. The establishment of the additional Supervisory Board committee means an increase of the time spent for participation in the committees for each member.

Indexation adjustments according to the CAO Banken remains the same and applies in the same manner as it applies to the Executive Board.

AGM

The AGM is an important opportunity for all share- and depositary holders to express their views by asking questions. If you like to be assured of the fullest possible response to a question asked in the AGM, it would be helpful if you can give us prior notice of your question by e-mail to investorrelations@nl.abnamro.com. Of course, you are also invited to write to us at any time should you wish.

Yours sincerely,

Arjen Dorland
Chairman of the Remuneration Committee of the Supervisory Board