

ABN AMRO Bank N.V.

Application of the Dutch Banking Code in 2021



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1. Introduction

In 2009, the Advisory Committee on the Future of Banks made recommendations for improving the performance of the Dutch banking sector to help restore trust in banks. Consequently, the Dutch Banking Code was introduced in 2010 to ensure that banks commit to and account for treating their customers with care while balancing the interest of various stakeholders. This Code sets out principles that banks should observe in terms of corporate governance, risk management, audit and remuneration. An updated Dutch Banking Code came into effect on 1 January 2015, along with the Social Charter (*Maatschappelijk Statuut*) which is complementary to the Code. The updated Dutch Banking Code takes into account the recommendations of the Banking Code Monitoring Commission, the report of the Committee on the Structure of Banks, the government's view on the Dutch banking industry and the vision of the Dutch Banking Association (of which ABN AMRO is a member). The new Dutch Banking Code, along with the introduction of the Social Charter and the implementation of the Bankers' Oath (together with the associated rules of conduct and disciplinary rules) is applicable to all employees of financial institutions in the Netherlands and emphasise the social role of banks and their commitment to meeting the expectations

of society at large.

As one of the banks involved in drawing up the Dutch Banking Code, we at ABN AMRO are committed to promoting compliance with the principles that it embodies, as they play an important part in restoring trust in the banking industry. As such, we are dedicated to translating the principles of the Dutch Banking Code into policies, and then to putting these policies into practice. These policies are applied in full to all relevant entities within ABN AMRO, including all subsidiaries with a banking licence granted by DNB (or, as of 4 November 2014, by the ECB), aiming to ensure that the intentions behind the Dutch Banking Code are properly reflected and adhered to in all parts of the organisation.

In view of the varying business activities, organisation and risk frameworks of the ABN AMRO subsidiaries with their own banking licences, implementation of group-wide policies and standards may differ between subsidiaries. This is explained in more detail for 2021 in the report Application Dutch Banking Code by ABN AMRO subsidiaries for 2021. Compliance with the Banking Code is actively monitored by Corporate Office, reported on in ABN AMRO's Integrated Annual Report, and subject to audits by the internal Audit department.

2. Sound and ethical operational management

Principle Banking Code

To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. This focus on the long term is expressed in part in the bank's risk policy and the policy for sustainability and corporate social responsibility.

A bank chooses its positioning in such a way that its commercial interests and social role are extensions of each other. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.

Application by ABN AMRO

ABN AMRO applies this principle.

The bank attaches great importance to long-term value creation. Having good relations with all its stakeholders is essential for this

purpose. ABN AMRO is therefore engaged in various initiatives to maintain a dialogue with them, placing particular emphasis on its social role. The Executive Board has adopted a purpose, strategy and core values. ABN AMRO announced and elaborated on its reviewed strategy internally and externally in the fourth quarter of 2020. To ensure proper execution, the purpose, strategy and core values have been and will be regularly discussed by the members of the Executive Board (both individually and collectively) and also during various sessions with employees. ABN AMRO sets itself the objective of creating sustainable value for all its stakeholders, namely its clients, employees, investors and society at large. The value creation and its impact on the various stakeholders is discussed in the Value Creating Topics Report and the Impact Report.

ABN AMRO's strategy stresses the importance of sustainability. Issues on which great emphasis is placed include climate change, the circular economy, social impact, client experience and the creation of a culture of innovation and collaboration. The strategy is intended to implement the bank's stated purpose: 'Banking for better, for generations to come.' As such it is based on three strategic pillars: (i) Reinventing the customer experience: ABN AMRO is a personal bank in the digital age, engraining the customer experience. The bank's trusted relationships with clients together with its capabilities across all client segments, enables

ABN AMRO to support clients at all important financial steps in their lives. ABN AMRO offers both convenience and expertise and delivers a convenient daily banking experience increasingly digitally. At moments that matter, ABN AMRO supports its clients with sector and sustainability expertise. (ii) Supporting our clients' t sustainability shift: ABN AMRO wishes to be its clients first choice partner in climate change, the circular economy and social impact. In this way it aims to achieve a positive impact by doing what it is good at: banking. ABN AMRO aims to increase the volume of sustainable client loans and investments from around one-fifth to one-third in 2024. The bank will make its office buildings more energy efficient and will redevelop one of its locations in Amsterdam into a Paris-proof workplace designed to facilitate the trend of remote working. (iii) Build a future-proof bank: ABN AMRO's culture and licence to operate are clear priorities. The bank places great value on fostering a culture within the bank in which everyone feels respected and valued. Taking ownership, clear targets and accountability are key to execution and the licence to operate. ABN AMRO announced in the reviewed strategy in the fourth quarter of 2020 that the bank will rigorously simplify and centralize its operating model, enabling the bank to focus on clients and work more efficiently. As clients make the shift to digital, the bank will continue to reduce the number of branches. ABN AMRO's financial coaches will continue to be available to clients who need support to ensure clients maintain

access to banking services.

ABN AMRO contributes to help achieve the Sustainable Development Goals (SDG) set by the United Nations. ABN AMRO has chosen to put the focus on SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), SDG 12 (Ensure sustainable consumption and production patterns) and SDG 13 (Take urgent action to combat climate change and its impacts) because these SDGs have a large interface with the activities of ABN AMRO.

The bank is organised in such a way that good management and effective supervision are guaranteed by its Executive Board and Supervisory Board respectively. Integrity, engagement, transparency and accountability are the key elements of ABN AMRO's corporate governance and business activities.

[Principle Banking Code](#)

The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for setting up a sound governance structure and compliance with the governance principles.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Good corporate governance is crucial to the attainment of ABN AMRO's strategic goals. Part of this involves establishing a sound governance structure. The bank has a two-tier board structure consisting of the Executive Board and the Supervisory Board. The Executive Board is the statutory managing body under the articles of association and as such has final responsibility for the day-to-day operations and reports to the Supervisory Board and the General Meeting of Shareholders. The Executive Board has eight members, namely the CEO, the CFO, the CRO, the CI&TO, the CHRO and three Business CCO's (Personal & Business Banking (to be appointed as of 1 March 2022), Wealth Management and Corporate Banking).

The Executive Board initiates and the Supervisory Board monitors compliance with the governance principles set out in the Dutch Banking Code and the Dutch Corporate Governance Code. Various committees have been formed within the Executive Board and the Supervisory Board to facilitate this. Examples at Executive Board level are the Group Risk Committee and the Group Central Credit Committee. Examples within the Supervisory Board are the Risk & Capital Committee and the

Audit Committee.

[Principle Banking Code](#)

The members of these boards will set an example to all of the bank's employees and exhibit this in their day-to-day activities. The supervisory board will evaluate the way the members of the executive board are setting an example each year.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

All employees are jointly responsible for, among other things, the bank's standards and values and their observance. The members of both the Executive Board and the Supervisory Board set a good example by engaging in dialogue with clients and society at large. In these dialogues, ABN AMRO clearly indicates that client centricity is regarded as one of the most important topics it addresses and that it sees no distinction between the interests of the client and the interests of the bank. Examples of how the bank engages in dialogue with stakeholders are arranging to be represented in the media by the top of the organisation and organising 'learning labs' for internal and external stakeholders to validate the bank's purpose.

In addition, ABN AMRO carries out an annual employee engagement survey in which employees are asked various questions, for example about the extent to which senior managers practise what they preach ('walk the talk'). The survey findings are discussed annually in the Executive Board and the Supervisory Board and remedial action is taken if needed. And lastly, the members of the Executive Board and the Supervisory Board have taken the banker's oath. By doing so, they become personally responsible for compliance with the Code of Conduct and can be held accountable for non-compliance. This subject is covered by disciplinary law. The purpose of the oath is to ensure that the members perform their work ethically and with due care.

How the role of setting an example has been fulfilled is also a matter discussed during the annual evaluation of the members of the Executive Board by the members of the Supervisory Board.

Principle Banking Code

The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for developing, communicating and enforcing standards on integrity, morals and leadership in the bank.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board has adopted core values that provide general criteria to guide the actions of the bank's employees and also contain standards for integrity, morals and leadership. The core values apply to all employees of the bank both in the Netherlands and abroad. In addition, the Executive Board is responsible for ensuring that all employees of ABN AMRO who are required to take the banker's oath or make the banker's affirmation actually do so. 97.6% of all ABN AMRO employees in the Netherlands had sworn by the end of 2021. By taking the banker's oath, the employees concerned become personally responsible for complying with the rules of conduct and can be held accountable for non-compliance. The Supervisory Board monitors the implementation of this policy by the Executive Board.

Principle Banking Code

In addition, they ensure there are proper checks and balances and safeguard a solid IT infrastructure that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.

Application by ABN AMRO

ABN AMRO applies this principle.

In ABN AMRO's management structure, the members of the Executive Board jointly ensure that proper checks and balances are in place. All risks within the bank are managed in accordance with the three lines of defence principle, in which all levels of the organisation are given roles involving ownership, control and supervision. This principle is based on the premise that the business, as the first line, is responsible for its own processes. Risk Management forms the second line and supports, advises, challenges and monitors whether the first line actually discharges its responsibilities. Group Audit is responsible, as the third line, for giving an independent opinion on the degree to which the internal control framework performs its role of helping to achieve ABN AMRO's objectives. The responsibility for compliance is assigned to the Chief Compliance Officer, independently of the business lines. The Chief Compliance Officer reports directly to the Chief Risk Officer, who also has no commercial responsibilities, and reports his or her findings directly to the Executive Board and to the members of the Supervisory Board through the Risk & Capital Committee. The existence and independence of the compliance function is safeguarded in the Compliance Charter. The approval of the Supervisory Board is required for the appointment and

dismissal of the Chief Compliance Officer.

In recognition of the fact that the existence of a sound IT infrastructure is essential to the functioning of the group, the Executive Board has assigned responsibility for this at its level to the Chief Innovation & Technology Officer. ABN AMRO is working continuously to improve and upgrade its IT infrastructure and thus ensure that it is robust. In this context, the Corporate Information Security Office plays an important role in safeguarding information security, preventing fraud and providing protection against cybercrime.

Principle Banking Code

The executive board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board promotes responsible behaviour and a

healthy culture throughout the organisation. In performing its tasks, the Executive Board makes a balanced assessment of the relevant interests of ABN AMRO's stakeholders, including clients, savers and depositors, shareholders and holders of depositary receipts for shares issued with the cooperation of the company, employees and the society in which ABN AMRO functions. In formulating strategy, the Executive Board has defined the basic principles, particularly client centricity.

The client centricity topic forms an important part of the strategy of ABN AMRO and for that reason 'reinventing the customer experience' is one of the three strategic pillars of ABN AMRO's strategy. From the bank's point of view, client centricity means acting in the client's best interests. The client's best interests take precedence in everything we do. We enter into a dialogue with our clients to gauge their needs, and we aim to build lasting client relationships. We provide high quality advice and employ technology to optimise the service to our clients. Acting in the client's best interests is not the same as client satisfaction. After all, satisfying the client (giving clients what they want) is not necessarily in the client's best interests. Client centricity and sustainable duty of care are applicable to all the bank's clients, including corporate clients. Finally, there are also induction programmes for new employees, which take a detailed look at the bank's culture and core values, with particular emphasis on the

provision of a high-quality and careful service.

ABN AMRO recognises that client centricity requires constant attention and therefore makes continuous efforts to further improve its client-related processes and service. In order to remain a relevant player in the financial services sector, ABN AMRO also uses agile working practices. In this way, it is able to respond more quickly, effectively and efficiently to changing client needs in order to create added value.

[Principle Banking Code](#)

A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Charter.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Reliability, service orientation and transparency are crucial if ABN AMRO is to attain its strategic goals and form an important basis

of the reviewed strategy announced in the fourth quarter of 2020. 'Support our clients' sustainability shift' remains an important element of the strategy. Our aim is to help clients in their transition to sustainable products and business models. And, by using our data, knowledge and expertise, to ensure that this is also profitable for them. We seek to make a positive impact by doing what we are good at: banking. More about our strategy with respect to sustainability can be found on the strategy section of our website and in our Integrated Annual Report.

Building further on the full engagement with stakeholders in 2020, ABN AMRO did a pulse check to ensure the validity of the 2020 outcome also for the year 2021. These strategic differentiators, as they are known, (for example: Responsible investment and financing, Diversity & equal opportunity and Customer experience) are also reflected in our 2021 Integrated Annual Report. In this way we are helping, directly or indirectly, to achieve the goals of the Social Charter of the Dutch Banking Code. In our 2021 Impact Report we also show what impact ABN AMRO has on each of our four stakeholder groups: clients, employees, investors and society at large. In this way we present how we continue to listen to our stakeholders and how we want to continue to create value for them in the long term.

As early as 2017, ABN AMRO had formulated and started to work

towards various long-term goals, for example with regard to the CO2 emissions of a major part of our portfolio (mission 2030, in which financed property has an 'A' energy rating on average) and further increase of our sustainability (acceleration) asset volume percentage. ..During 2021, we were increasingly well-placed to provide suitable financial products to these long term goals. ABN AMRO also reports on the good progress made on these and other subjects in its Integrated Annual Report. More information about the progress made by the bank on sustainability issues can be found in the sustainability section at www.abnamro.com.

Principle Banking Code

All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are – with due regard for each other's duties and powers – responsible for this. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board is responsible for ensuring that all employees of ABN AMRO who are required to take the banker's oath or make the affirmation actually do so. The Supervisory Board checks compliance with this requirement. This is reported in the Systemic Integrity Risk Analysis and the Compliance Quarterly Report of ABN AMRO. 97.6% of all ABN AMRO employees in the Netherlands had sworn the banker's oath by the end of 2021. By taking the oath or making the affirmation, the employees concerned become personally responsible for complying with the rules of conduct and can be held liable for non-compliance. In addition, the individual employment contracts and terms and conditions of employment of all bank staff employed in the Netherlands refer to the content of the core values formulated in part on the basis of existing regulation and self-regulation, and updates are provided via the intranet and via (mandatory) training courses.

3. Supervisory Board

Principle Banking Code

The supervisory board will be composed in such a way that it is able to perform its tasks properly.

Application by ABN AMRO

ABN AMRO applies this principle.

The composition of ABN AMRO's Supervisory Board is determined in accordance with the profile contained in the Rules of Procedure of the Supervisory Board, which can be found at www.abnamro.com. The varied composition of the Supervisory Board is such that it is able to perform its tasks properly, taking account of the efforts to achieve complementarity and collegiate decision-making and ensure that its members have an optimal combination of expertise, background, competencies and independence. On 15 November 2021 Jurgen Stegmann resigned as Supervisory Board member due to personal reasons. The Supervisory Board thus consists of seven members drawn from various business sectors and having various kinds of knowledge and experience. The resumes of all individual

members of the Supervisory Board can be found at www.abnamro.com.

Principle Banking Code

It will form a risk committee and an audit committee.

Application by ABN AMRO

ABN AMRO applies this principle.

Both committees have been formed by the Supervisory Board. The Risk & Capital Committee is responsible for supervision of (and advising the full Supervisory Board on) various matters, including (i) risk management and risk control (including pricing policies), (ii) compliance, (iii) the allocation of capital and liquidity, (iv) the bank's risk appetite, (v) compliance with applicable laws and regulations (including codes of conduct and internal procedures), (vi) risk awareness within the bank, (vii) sound remuneration policies and practices in light of risk, capital, liquidity and expected earnings, (viii) proposing corrective and/or disciplinary measures against members of the Executive Board in the event of breach of applicable laws and regulations, and (ix) periodic review of the Group's actual risk profile.

The tasks of the Audit Committee include direct supervision of all matters relating to financial reporting and controlling. In this context, the Audit Committee is responsible for supervision of (and advising the full Supervisory Board on) various matters, including (i) the assessment of the principles of valuation and determination of results for the financial statements, (ii) internal control and the financial reporting functions, (iii) internal and external audit, (iv) risk assessment of issues that could impact the financial reporting, (v) regulatory compliance, (vi) acting as an intermediary between management and the internal or external auditors in the event of differences of opinion, and (vii) reporting to the Supervisory Board on related issues.

Principle Banking Code

The members of the supervisory board will be prepared and able to make sufficient time available for their duties and exhibit effort and commitment. They will at the same time be critical and independent.

Application by ABN AMRO

ABN AMRO applies this principle.

The Supervisory Board consists of independent members who

adopt a properly critical stance in discharging their duties. The chairman and members of the Supervisory Board have confirmed and demonstrated that they are willing and able to make sufficient time available for the proper discharge of their duties on the Supervisory Board and any of its committees of which they are members. Information about the attendance of members of the Supervisory Board at its meetings in the past year can be found in the Integrated Annual Report of ABN AMRO, which is available at www.abnamro.com.

Principle Banking Code

Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.

Application by ABN AMRO

ABN AMRO applies this principle.

The composition of the Supervisory Board is arranged in such a way that, while adhering to the collective profile, its members are experienced in a wide range of social fields and have a thorough awareness of social trends. The Supervisory Board, together with the Executive Board, is responsible for fairly balancing the interests of all stakeholders of ABN AMRO (for example clients,

shareholders, employees and society at large).

[Principle Banking Code](#)

There are specific competence and experience requirements for members of the supervisory board's risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

The specific competence and experience requirements for members of the Risk & Capital Committee and the Audit Committee have been described in the Rules of Procedure of the Supervisory Board, which are available at www.abnamro.com. The majority of the members of the Risk & Capital Committee have a thorough knowledge of the basic risks facing the bank and have the requisite experience of risk management in financial institutions. The majority also have relevant expertise in the field

of financial regulation and compliance for regulated financial institutions. The majority of the members of the Audit Committee have a thorough knowledge of internal control and audit and the experience necessary to permit thorough supervision of these subjects. They also have specific knowledge of accounting control, annual bank reporting and IT.

[Principle Banking Code](#)

The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary.

The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards clients, integrity, IT infrastructure, risk management, financial reporting and audit.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

There is a Lifelong Learning Programme in place for the members

of the Supervisory Board. The aim of the programme is to ensure that the knowledge of the members of the Supervisory Board is kept up-to-date and, where necessary, deepened and broadened. A Lifelong Learning Programme that focuses on the matters mentioned in the principle is drawn up annually on the basis of the strategic priorities and internal and external developments. Senior managers from the organisation who are responsible for the matters concerned are asked to organise an interactive training session for the members of the Supervisory Board on current developments in their business lines. The topics covered in 2021 included (i) Diversity & Inclusion: unconscious bias and your role as a leader, (ii) cybersecurity & operational resilience, (iii) the ABN AMRO Equity Story, (iv) change, opportunity or risk, (v) our core values and culture, (vi) sustainable innovation in a world in transition, (vii) economic and customer trends, (viii) customer experience in combination with customer centric proposition, (ix) good governance & prudent risk taking, (x) financial crime, (xi) Financial Accounting - Sustainable Finance, (xii) Innovation, (xiii) responsible investment & financing combined with Corporate Governance and Environmental, Social & Governance criteria, (xiv) Regulatory Compliance and current developments in Legal & Compliance, (xv) client integrity and (xvi) deep dive Policy

Outsourcing. In addition, the Supervisory Board joined the annual study trip to Frankfurt in September 2021. Two topics had a prominent place on the agenda in Frankfurt: fintechs and sustainability. The role of banks in Environmental, Social and Governance was extensively discussed, also addressing the development of uniform sustainability standards. In addition, several fintechs operating in a variety of segments, from lending to payments, gave presentations on the pace of developments and what they are working on.

In addition, there is an induction programme for new members of the Supervisory Board to ensure they (A) are well-prepared for the Fit & Proper interviews by the Competent Authority, and (B) have sufficient knowledge of the organisation to carry out their duties. As knowledge and experience differ from person to person, the induction programme is tailored to the needs of individual members of the Supervisory Board and the responsibilities that fit the prospective function.

[Principle Banking Code](#)

Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the

supervisory board.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Each member of the Supervisory Board takes part in the Lifelong Learning Programme and meets its requirements. The effectiveness of the Lifelong Learning Programme is one of the matters included in the annual evaluation of the Supervisory Board.

[Principle Banking Code](#)

In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of this evaluation.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Each year the Supervisory Board of ABN AMRO meets to evaluate its own functioning, the functioning of the committees and the individual members of the Supervisory Board in the past year. In addition to the annual self-evaluation, the functioning of the Supervisory Board is evaluated under independent supervision at least once every three years. Assistance was provided in 2019 by an external corporate governance expert. The subjects mentioned in this principle form part of the evaluation. Various joint sessions with the Executive Board were also held in 2021 to discuss the management culture and the interaction and relationship between the two bodies.

[Principle Banking Code](#)

Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank's results.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

The remuneration of the chairman and members of the

Supervisory Board is positioned below the median of the relevant market, which is considered appropriate and does justice to the demands on their time. The remuneration is not dependent on results and, since 10 April 2014, has been granted for a maximum of two committees on which a member of the Supervisory Board sits. The Integrated Annual Report of ABN AMRO, which is available at www.abnamro.com, contains a section on the remuneration received by the members of the Supervisory Board.

4. Executive Board

Principle Banking Code

The executive board will be composed in such a way that it is able to perform its tasks properly. Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board presently consists of seven members. It is intended to appoint the eighth member, being the CCO Personal and Business Banking, from 1 March 2022 for a period of four years. As the composition of the Executive Board is based on the principle of complementarity, this is a sufficient number in the opinion of both the Executive Board and the Supervisory Board to enable it to perform its tasks properly.

In addition, separate training, experience and competence requirements can be set for individual members of the Executive Board. Each member of the Executive Board should also have a

thorough knowledge of the social functions of ABN AMRO and of the interests of all stakeholders. The CVs of individual members of the Executive Board are available at www.abnamro.com.

Principle Banking Code

One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank's risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board.

Application by ABN AMRO

ABN AMRO applies this principle.

One member of the Executive Board is designated as Chief Risk Officer (CRO). The CRO's main responsibilities are formulating, communicating and supervising the desired risk profile of the bank. The Group Risk Committee, which is chaired by the CRO, is authorised by the Executive Board to assess and adjust the risk profile in accordance with the risk appetite approved for ABN AMRO. The responsibilities for taking decisions on risks are

defined in a Risk Governance Charter.

To strengthen the Risk Management Framework, the CRO is also responsible for the Compliance function.

In addition, the CRO has a shared responsibility with the CFO for the bank's capital and funding position. The CRO also chairs the Central Credit Committee (CCC) and acts as a vice-chair of the Asset & Liability Committee (ALCO).

[Principle Banking Code](#)

This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Within the Executive Board, the CRO does not have any individual commercial responsibility and operates independently from commercial areas.

[Principle Banking Code](#)

Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Regular tests are performed to test on capital and business resilience of the bank. Within an internal stress testing framework systemic, idiosyncratic and regulatory risks are considered. The results of stress tests are assessed against (Strategic) Risk appetite and consequently management actions are proposed to restore business to the 'business as usual' position. Business plans and budgets are tested in various scenarios to guarantee the moderate risk profile and ensure that the bank complies with all relevant laws and regulations. This also involves determining the effects of contingencies to which the bank is exposed. Examples are macroeconomic headwinds, geopolitics, climate and environmental developments, the impact of Basel IV, cyberattacks and outcomes of legal proceedings that are detrimental to ABN AMRO. As stress testing is so important in delivering sound risk management, steps are taken to ensure that senior management, including the Executive Board, is involved in

the process and the related governance. They discuss the scenarios and the results of the tests and their implications.

The bank's continuity is safeguarded by the preparation and assessment of a Recovery Plan. This describes the measures that ABN AMRO can take in respect of capital, liquidity and funding in the event of a near-default scenario. In addition, the resolution authorities can apply measures in accordance with the Resolution Plan in case ABN AMRO is considered to be failing or likely to fail.

Principle Banking Code

The chairman of the executive board will organise a programme of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary. The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards clients, integrity, IT infrastructure, risk management, financial reporting and audit.

Application by ABN AMRO

ABN AMRO applies this principle.

There is a Lifelong Learning Programme in place for the members of the Executive Board. The aim of the programme is to ensure that the knowledge of their members is kept up-to-date and, where necessary, deepened and broadened. The programme covers all subjects and internal and external trends relevant to the bank and is drawn up annually on the basis of what is topical at the moment in question. In so far as possible, it is based on the Lifelong Learning Programme for the Supervisory Board. The topics covered in 2021 included (i) Diversity & Inclusion: unconscious bias and your role as a leader, (ii) cybersecurity & operational resilience, (iii) the ABN AMRO Equity Story, (iv) change, opportunity or risk, (v) our core values and culture, (vi) sustainable innovation in a world in transition, (vii) economic and customer trends, (viii) customer experience in combination with customer centric proposition, (ix) good governance & prudent risk taking, (x) financial crime, (xi) Financial Accounting - Sustainable Finance, (xii) Innovation, (xiii) responsible investment & financing combined with Corporate Governance and Environmental, Social & Governance criteria, (xiv) Regulatory Compliance and current developments in Legal & Compliance, (xv) client integrity and (xvi) deep dive Policy Outsourcing. In addition, the Executive Board joined the annual study trip to Frankfurt in September 2021. Two topics had a prominent place on the agenda in Frankfurt: fintechs and sustainability. The role of banks in Environmental, Social and

Governance was extensively discussed, also addressing the development of uniform sustainability standards. In addition, several fintechs operating in a variety of segments, from lending to payments, gave presentations on the pace of developments and what they are working on. To broaden and deepen, where necessary, the expertise of the individual members of the Executive Board in their specific areas of responsibility, these members may take specific individual courses (either internal or external) relevant to their specific field.

The aim of the induction programme that has been set up for new members of the Executive Board to ensure that they have sufficient knowledge of banking and of the organisation to carry out their duties properly. As knowledge and experience differ from person to person, the induction programme is tailored to the needs of individual members.

Principle Banking Code

Every member of the executive board will take part in the programme and meet the requirements for lifelong learning.

Application by ABN AMRO

ABN AMRO applies this principle.

All members of the Executive Board participate regularly in the Lifelong Learning Programme and meet the requirements for lifelong learning.

5. Risk Policy

Principle Banking Code

A bank's risk policy is characterized by a comprehensive approach, is transparent and has both a short- and long-term focus. The risk policy also takes reputational risks and non-financial risks into account.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board is responsible for systematically checking the management of the risks associated with the business activities of ABN AMRO and helps to make a balanced assessment of both short-term and long-term interests. Other matters considered in this connection are the importance of financial stability and the impact which financial and non-financial risks may have on ABN AMRO's risk profile and reputation.

All risks to which ABN AMRO is potentially exposed and which could impact the value of the bank have been identified and classified in a risk taxonomy. ABN AMRO aims to have a

moderate risk profile. By defining limits and checkpoints for all risks identified in the taxonomy, ABN AMRO determines the playing field within which it wishes to operate. The limits and checkpoints are determined annually by the Executive Board at bank-wide level. The Supervisory Board then determines the risk appetite at strategic level. The manner in which the risks from the taxonomy are identified, analysed and monitored has been recorded in a framework of Risk Policies and Risk Governance Charters and is monitored on a monthly basis in the Enterprise Risk Management Report (ERM), which is discussed by the Executive Board regularly. Models and methods have also been developed to calculate the implications of various projects and to decide what measures are necessary to ensure that the bank remains within the risk appetite limits in a stress scenario (for example a market downturn).

Principle Banking Code

A bank's executive board will be responsible for its risk policy and ensure proper risk management.

Application by ABN AMRO

ABN AMRO applies this principle.

The Executive Board ensures that the risk appetite (risk profile) of ABN AMRO is kept under continuous review to take account of the constant changes in the markets in which the bank is active, changing views on the likelihood of risks materialising and new rules and regulations that need to be complied with. The Executive Board regularly discusses the bank's risk profile and any expected changes to it by reference to the bank-wide risk reports, which include financial and non-financial analyses. The impact of possible future events or developments on the bank's risk profile is determined by regular stress tests. This helps to identify all risks to which the bank could be exposed, taking into account the varying degrees of probability. The results of the stress tests are regularly discussed by the Executive Board in order to be able to take mitigating measures in good time.

[Principle Banking Code](#)

The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board's approval.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

Under the articles of association of ABN AMRO, the risk appetite is submitted by the Executive Board to the Supervisory Board at a strategic level for approval at least once a year. This also applies to any material changes made to the risk appetite at strategic level in the course of a year.

[Principle Banking Code](#)

The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank's risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank's risk appetite. In the performance of this supervisory role, the supervisory board will be advised by its risk committee.

[Application by ABN AMRO](#)

ABN AMRO applies this principle.

The Supervisory Board of ABN AMRO regularly discusses the bank's risk profile and any expected changes to it by reference to the bank-wide risk reports, which include financial and non-financial analyses. At least once a year the Supervisory Board

assesses at strategic level whether the capital allocation and liquidity requirements are generally in line with the approved risk appetite for ABN AMRO and whether the business activities in general are in accordance with the bank's risk appetite. In performing this supervisory role, the Supervisory Board is advised by the Risk & Capital Committee.

6. Audit

Principle Banking Code

A bank's executive board will ensure that a systematic audit is conducted of the management of the risks related to the bank's operations.

Application by ABN AMRO

ABN AMRO applies this principle.

The Audit Charter, approved by the Executive Board and Supervisory Board, governs the mandate, responsibilities, scope and deliverables, reporting lines and other organisational arrangements of Group Audit and its access to records, personnel, and physical properties of all ABN AMRO Bank N.V. (ABN AMRO) entities and outsourcing partners. In line with their oversight role, the Audit Committee of ABN AMRO monitors the correct application of this Audit Charter.

ABN AMRO's internal audit department (Group Audit) systematically enhances organisational value by providing independent, risk-based assurance, insight and added value to

support the achievement of ABN AMRO's objectives. Group Audit evaluates the design and operating effectiveness of Governance, Risk Management & Control processes, agrees with management on remediation and monitors follow-up. Group Audit's scope includes all of ABN AMRO activities and entities, including the activities of (i) branches and (consolidated) subsidiaries as well as (ii) outsourced banking activities and joint ventures. This also includes the processes relating to the monitoring and control of the bank's risk profile.

Principle Banking Code

An independently positioned internal audit function operates within the bank for this purpose. The head of the audit function reports to the chair of the Executive Board. He also has a direct reporting line to the chair of the Supervisory Board's audit committee.

Application by ABN AMRO

ABN AMRO applies this principle.

Group Audit has an independent position within ABN AMRO. The head of Group Audit reports to the CEO and has a direct reporting line to the (chairman of the) Audit Committee.

Principle Banking Code

The internal audit department, external auditor and supervisory board's audit committee will consult periodically.

Application by ABN AMRO

ABN AMRO applies this principle.

The Head of Group Audit and the external auditor are present at the quarterly meetings of the Audit Committee. In the meetings the findings of both the external auditor and Group Audit – as well as the follow-up to the agreed management actions – are being discussed.

In accordance with the Rules of Procedure of the Audit Committee, the annual plan of Group Audit relating to the scope, coverage and timing of the annual audit activities is reviewed by the Audit Committee and recommended for approval to the Supervisory Board. The Audit Committee also discusses annually the scope and cover of the activities implemented by the external auditor.

Principle Banking Code

The internal audit department will take the initiative in arranging talks with DNB (the Dutch central bank) and the external auditor at least once a year to discuss each other's risk analyses, findings and audit plans at an early stage. The bank's executive board and internal audit department will encourage these tripartite talks, aiming for a clear delineation of each other's duties and responsibilities.

Application by ABN AMRO

ABN AMRO no longer applies this principle exactly as described in the Dutch Banking Code.

This is because the Joint Supervisory Team (under the direction of the ECB) has indicated that it no longer wishes to hold consultations with Group Audit and the external auditor jointly, since it wishes to operate as consistently as possible with the practice in various other European countries, where tripartite consultations of this kind are not customary. In 2021, however, Group Audit held separate consultations with its supervisors, the external auditor and the Executive Board about risk analyses, audit findings, the audit plan and the division of responsibilities between the supervisors, the external auditor and the internal auditor.

7. Remuneration Policy

Principle Banking Code

The bank will implement a detailed, restrained and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations.

The remuneration policy will have a primarily long-term focus and be in line with the bank's risk policy. It will incorporate an internal and external balance of interests, taking into account the expectations of the various stakeholders and social acceptance. It will also take into account the relevant international context.

Application by ABN AMRO

ABN AMRO applies this principle.

The present remuneration policy is recorded in the Global Reward Policy and is applicable, in principle, to all the bank's employees worldwide. The principles of the remuneration policy for the Executive Board are based on the remuneration principles in ABN AMRO's Global Reward Policy. The Global Reward Policy is in line with national and international regulations on remuneration in

the financial services industry and with the principles of the Dutch Banking Code.

ABN AMRO's remuneration policy is evaluated annually to ensure that it remains in line with the bank's long-term interests, objectives and strategy, including the risk appetite approved by the Supervisory Board. Account is taken here of the relevant international context and public support. The Integrated Annual Report contains explanatory notes on the remuneration policy of ABN AMRO in the Netherlands. The Integrated Annual Report is available at www.abnamro.com.

Principle Banking Code

The total income of a member of a bank's executive board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context.

Application by ABN AMRO

ABN AMRO generally applies this principle.

ABN AMRO has set the remuneration package for the members of the Executive Board in such a way that it is slightly below the

median for comparable positions inside and outside the financial services industry both in the Netherlands and elsewhere in Europe. It is noted that such a benchmark is not a leading factor in the process of fixing the incoming of members of the Executive Board, since the fixed salary cannot be increased and variable remuneration cannot be awarded due to the Bonus Prohibition Act. The remuneration of the members of the Executive Board can be changed only on a collective basis in accordance with wage trends under the collective agreement for the banking sector.

Principle Banking Code

The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.

Application by ABN AMRO

ABN AMRO generally applies this principle.

ABN AMRO, as a financial institution, operates in a heavily regulated environment. And as a result, remuneration and remuneration policies of ABN AMRO are heavily regulated as well. As of 1 January 2010, the Dutch Banking Code applies to

ABN AMRO. As per 20 June 2012 the Act on Bonus Prohibition for state-supported financial enterprises entered into force (*Wet aansprakelijkheidsbeperking DNB en AFM en het bonusverbod staatsgesteunde ondernemingen*). Pursuant to the Bonus Prohibition Act, ABN AMRO may not (i) award or pay any form of variable remuneration to the members of the Executive Board and (ii) increase the fixed remuneration of the members of the Executive Board (except for increases in accordance with adjustments pursuant to collective salary adjustments) as long as shares are held in ABN AMRO within the meaning of the Bonus Prohibition Act.