This report presents an overview of the Group’s corporate governance framework, including the Supervisory Board report and the Remuneration report.

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This section provides an overview of corporate governance at ABN AMRO, including the composition of the Managing Board and the Supervisory Board.

Overview
Good corporate governance is critical for us to realise our strategic ambition of being a trusted and professional partner for all our stakeholders, including clients, our shareholder, investors, employees and society at large. Corporate governance gives meaning to who we are, what we stand for, what we aim for, how we make and implement decisions and how we connect with each other and the world around us. The Managing Board and Supervisory Board underpin the importance of good corporate governance and exert all efforts to be a frontrunner in corporate governance.

In 2014, we launched a number of initiatives to further strengthen our corporate governance. Among other things, the Managing Board decided to install the Regulatory Committee to oversee the bank’s adoption of regulatory changes. In addition, monitoring of implementation of the corporate strategy has been strengthened and is discussed frequently in the Managing Board and Supervisory Board meetings.

Corporate Structure
ABN AMRO Group is a public company with limited liability incorporated on 18 December 2009 under Dutch law. The company has a two-tier board consisting of a Managing Board and a Supervisory Board. The composition of the Supervisory Boards of ABN AMRO Group and ABN AMRO Bank are the same, as are the composition of the Managing Boards of ABN AMRO Group and ABN AMRO Bank and the committees of these boards.

Pursuant to article 2:154 of the Dutch Civil Code, the full structure regime (volledig structuurregime) applies to ABN AMRO Group. As set out in its Articles of Association, ABN AMRO Group voluntarily applies the mitigated structure regime (gemiteerd structuurregime).
Managing Board

Composition
The Supervisory Board determines the number of members of the Managing Board, the minimum being two people.

With the exception of Mr Van Dijkhuizen, who was appointed in 2013 for a period of four years, all members of the Managing Board were reappointed at the General Meeting of Shareholders, held on 10 April 2014, for a period of four years, which is the maximum period for appointments and reappointments according to the best practice provision II.1.1 of the Dutch Corporate Governance Code. The Managing Board members were reappointed, taking into due consideration their performance during the previous four-year term and the strategic goals of ABN AMRO in the upcoming years.

An overview of the current composition of the Managing Board, including key information on the backgrounds and terms of office of each Board member, is provided in the Composition of the Managing Board chapter of this report and on abnamro.com.

The composition of the Managing Board matches the Managing Board profile in terms of combined experience and expertise, and mixture of age and gender. The members of the Managing Board have thorough knowledge of the financial sector in general and the banking sector in particular, and they collectively have broad experience in the fields of governance, organisation and communication, products, services and markets within ABN AMRO's scope of activities. They also have profound knowledge of sound and controlled operational policies and processes, enabling them to make balanced and consistent decisions. ABN AMRO will continue to strive to meet the gender target set by Dutch law for future appointments and reappointments to the Managing Board, in line with ABN AMRO's diversity policy, while safeguarding the required continuity in the discharge of the Managing Board’s collective tasks and responsibilities.
Responsibilities
The members of the Managing Board collectively manage ABN AMRO and are responsible for its strategy, structure and performance. In carrying out their duties, the members of the Managing Board are guided by the interests and continuity of ABN AMRO and its businesses, taking into due consideration the interests of all of ABN AMRO's stakeholders, such as its clients, employees, its shareholder, investors and society at large. To support the enactment of these responsibilities the Managing Board has weekly Board meetings. The Managing Board is accountable for the performance of its duties to the Supervisory Board and to the General Meeting of Shareholders.

Appointment, suspension and dismissal
Managing Board members are appointed by the General Meeting of Shareholders from candidates nominated by the Supervisory Board. If the candidate nominated by the Supervisory Board is not appointed, the Supervisory Board is asked to nominate a new candidate. The General Meeting of Shareholders can only reject a nomination if there are serious reasons relating to the person of the proposed Managing Board member which are not related to the commercial policy of ABN AMRO. The Chairman of the Managing Board is appointed by the Supervisory Board from among the members of the Managing Board.

Only candidates who pass the fit and proper test of De Nederlandsche Bank under the Dutch Financial Supervision Act (Wet op het financieel toezicht) are eligible for appointment.

The Supervisory Board and the General Meeting of Shareholders have the authority to suspend members of the Managing Board. Members of the Managing Board can only be dismissed by the General Meeting of Shareholders.

Managing Board committees
The Managing Board has established a number of committees that are responsible for decision-making on certain subjects and for advising the Managing Board on certain matters. These committees include three risk-related committees: the Group Risk Committee, the Asset & Liability Committee and the Central Credit Committee. More information on the delegated authority of these risk-related committees is provided in the Risk & Capital report. In addition, the Managing Board has installed a Group Disclosure Committee, responsible for advising on financial disclosures of the bank, the Transition Management Committee, which is responsible for coordinating a number of bank-wide projects, and the Regulatory Committee, which is responsible for maintaining oversight on the changing regulatory landscape and how ABN AMRO is adapting to it, taking care of and reporting on regulatory changes and the preparation of decision-making related to such regulatory changes. With regard to the IPO the Managing Board has installed the IPO Steering Committee, which is mandated to monitor, assess and manage the progress, overall planning and timelines for the preparation and execution of the IPO.
Composition of the Managing Board

Gerrit Zalm   Chairman
Johan van Hall   Chief Operating Officer/Vice-Chairman
Kees van Dijkhuizen   Chief Financial Officer
Caroline Princen   People, Regulations & Identity
Wietze Reehoorn   Chief Risk Officer and Strategy
Chris Vogelzang   Retail Banking and Private Banking
Joop Wijn   Corporate Banking
Gerrit Zalm (Dutch, 1952)
Chairman
First appointed on 23 December 2008 (former ABN AMRO Bank).
Appointed on 1 April 2010 (ABN AMRO Group).
Present term expires in 2018.
Supervisory positions: Non-executive Director, Royal Dutch Shell.
Other positions: Chairman Advisory Council, ‘Wigo-4it’, a cooperative effort of the social assistance organisations of the four largest cities in the Netherlands. Member of Board, Dutch Banking Association. Chairman, Board of Governors National Academy for Finance and Economics.

Kees van Dijkhuizen (Dutch, 1955)
Chief Financial Officer
Appointed on 1 May 2013 (ABN AMRO Group).
Present term expires in 2017.
Supervisory positions: Member of Board of Trustees, Museum Meermanno.
Other positions: Member of Board, Duisenberg School of Finance. Member, AFM Capital Market Commission. Chairman of Committee on Supervision of Dutch Banking Association. Chairman of Government Committee on Export, Import and Investment guarantees.

Wietze Reehoorn (Dutch, 1962)
Chief Risk Officer and Strategy
Appointed on 1 April 2010 (ABN AMRO Group).
Present term expires in 2018.
Supervisory positions: Member of Supervisory Board, Rijksuniversiteit Groningen. Member of Supervisory Board, Foundation Amsterdam Institute of Finance. Member of Supervisory Board, Foundation Topspor Community.
Other positions: Member of Board, Abe Bonnema Foundation.

Joop Wijn (Dutch, 1969)
Corporate Banking
Appointed on 1 April 2010 (ABN AMRO Group).
Present term expires in 2018.
Supervisory positions: Member of Supervisory Board, Schiphol Group. Member of Supervisory Board, Royal Jaarbeurs Utrecht. Member of Supervisory Board, Stadtshorst Amsterdam N.V.
Other positions: Chairman of Board, Oranje Fonds. Member of Board, VNO-NCW. Chairman, Foundation Kunst & Historisch Bezit ABN AMRO.

Johan van Hall (Dutch, 1960)
Chief Operating Officer / Vice-Chairman
First appointed on 28 February 2009 (former ABN AMRO Bank).
Appointed on 18 December 2009 (ABN AMRO Group).
Present term expires in 2018.
Supervisory positions: Member of Supervisory Board, Equens SE (pan-European processor of payments and cards).
Other positions: Member, Central Commission for Statistics (CCS). Member of Board, Nyenrode Europe India Institute. Chairman, Foundation ABN AMRO Support for SUPPORT.

Caroline Princen (Dutch, 1966)
People Regulations & Identity
Appointed on 1 April 2010 (ABN AMRO Group).
Present term expires in 2018.
Supervisory positions: Member of Supervisory Board, Filminstitute EYE. Member of Supervisory Board, UMC.
Other positions: Member of Board, Foundation VUmc Alzheimercentrum. Chairperson, ABN AMRO Foundation.

Chris Vogelzang (Dutch, 1962)
Retail Banking and Private Banking
First appointed on 28 February 2009 (former ABN AMRO Bank).
Appointed on 1 April 2010 (ABN AMRO Group).
Present terms expires in 2018.
Supervisory positions: Member of Supervisory Board, Hespri Holding B.V. Member of Supervisory Board, Foundation Prins Bernhard Cultuurfonds.
Other positions: Member of Board, Dutch Banking Association. Treasurer, Stichting Fotografiemuseum Amsterdam (FOAM).
Supervisory Board

Composition

The General Meeting of Shareholders determines the minimum number of members of the Supervisory Board, which must in any case be at least three people. The Supervisory Board has drawn up a profile for its size and composition and taking into account the nature of its business, its activities and the desired expertise and background of its members. This profile was discussed in the General Meeting of Shareholders and with the Employee Council. The full profile of the Supervisory Board is available on abnamro.com, as an annex to the Rules of Procedure of the Supervisory Board.

In accordance with the best practice provisions of the Dutch Corporate Governance Code, Supervisory Board members at ABN AMRO are appointed for a maximum of three 4-year terms. The terms of most Supervisory Board members expired at the General Meeting of Shareholders of 2014. To allow for more diversity in the expiry dates of the appointments, several resolutions on the reappointment of the Supervisory Board members were taken.

Consequently, Mr De Haan was reappointed until the General Meeting of 2015, Ms Roobeek and Mr Wakkie until the General Meeting of 2017 and Mr Ten Have, Mr Meerstadt and Ms Oudeman until the General Meeting of 2018 respectively. Mr Van Slingelandt was reappointed as a member of the Supervisory Board until the General Meeting of 2016 and was appointed as Chairman of the Supervisory Board for the same period, since Mr Lindenbergh decided not to apply for reappointment. For the same reason, Ms Zoutendijk was appointed as a member of the Supervisory Board, effective as from 1 July 2014.

The Supervisory Board evaluates on an annual basis its own functioning and is of the opinion that its current composition matches the Supervisory Board profile in terms of combined experience and expertise, independence and variety of ages and genders. The Supervisory Board carried out a review of its own performance over full-year 2014 that was completed in the first quarter of 2015. The self-assessments include an evaluation of the effectiveness of the introductory and lifelong learning programmes.
Important topics covered in the evaluation are the Supervisory Board’s role with respect to strategy, risk management and internal control, culture and behaviour within the organisation, the dynamics between the Supervisory Board members, the composition and expertise of the Supervisory Board, and the functioning of the Committees of the Supervisory Board. The effectiveness of the procedures for the meetings of the Supervisory Board are also part of the evaluation. The self-assessments are supported by an independent corporate advisory firm.

The Supervisory Board has at its disposal expertise relating to management and organisation, cost management, accountancy and business economics, the Dutch and international banking sectors, risk management, remuneration and human resources, sustainability and corporate social responsibility, international issues, legal matters, the development of products and services, and the markets in which the bank is active. The Supervisory Board has at least three financial experts. An overview of the current composition of the Supervisory Board, including key information on the backgrounds and terms of office of each Board member, is provided in the Composition of the Supervisory Board section of this chapter and on abnamro.com.

All members of the Supervisory Board passed the fit and proper test of DNB under the Dutch Financial Supervision Act (Wet op het financieel toezicht). The Supervisory Board confirms that all members of the Supervisory Board are independent within the meaning of provision III.2.2 of the Dutch Corporate Governance Code.

The procedure with respect to the reappointment of the Supervisory Board members is described below under ‘Appointment, suspension and dismissal’. The procedure takes into account the diversity target mentioned in the Dutch One-Tier Board Act. More information on the reappointment process of members of the Supervisory Board is provided in the Supervisory Board report of this Annual Report. The Supervisory Board has adopted a retirement and reappointment schedule, reflecting the abovementioned appointments and reappointments, which is available in the Supervisory Board’s Rules of Procedure published on abnamro.com.
Composition of the Supervisory Board

Rik van Slingelandt   Chairman
Peter Wakkie   Vice-Chairman
Hans de Haan
Steven ten Have
Bert Meerstadt
Marjan Oudeman
Annemieke Roobeek
Olga Zoutendijk
Rik van Slingelandt (Dutch, 1946)
Chairman
First appointed on 27 October 2010.
Present term expires in 2016.
Last position held: Member of Managing Board of Rabobank.
Supervisory positions: Supervisory Director, Kahn Holding B.V.
Other positions: Member of Board, Stichting Neyenburgh.

Hans de Haan (Dutch, 1944)
Member
First appointed on 18 December 2009.
Present term expires in 2015.
Last position held: Chartered accountant and partner with Ernst & Young Accountants.
Other positions: Chairman of Board Stichting Lehman Brothers Treasury Co. Member of Board, Stichting Trustee Achmea Hypotheekbank.

Bert Meerstadt (Dutch, 1961)
Member
First appointed on 30 March 2010.
Present term expires in 2018.
Current position: CEO of Baarsma Wine Group Holding.
Supervisory positions: Member of Supervisory Board, Lucas Bols Holding N.V. Non-executive director, Talgo.
Other positions: Chairman of Board, Friends of Concertgebouw and Royal Concertgebouw Orchestra. Member of Board Society for Prevention and Saving of Drowning Victims. Chairman of Board, Stichting Blinden-Penning (Foundation for the Blind and Visually Impaired).

Annemiek Roobeek (Dutch, 1958)
Member
First appointed on 30 March 2010.
Present term expires in 2017.
Current position: Professor of Strategy and Transformation Management (Nyenrode Business Universiteit) and director and co-owner of MeetingMoreMinds B.V., Open Dialogue B.V. and co-owner XL Labs B.V.
Supervisory positions: Member of Supervisory Board, Abbott Healthcare Products B.V. Member of Supervisory Board, KLM N.V.
Other positions: Member Advisory Board, Koninklijke Horeca Nederland. Member, PGGM Advisory Board for Responsible Investment. Chairperson, Vereniging REFILL. Chairperson of Stichting INSID, Foundation for sustainability and innovation realisation directed by His Royal Highness Prince Carlos de Bourbon Parma. Member of Board, Foundation of the Medical Centre of Vrije Universiteit Amsterdam. Member, Raad van Eigen Wiijzen CPI Governance. Member, Sirius Leading Expert for Excellence in Higher Education.

Peter Wakkie (Dutch, 1948)
Vice Chairman
First appointed on 18 December 2009.
Present term expires in 2017.
Current position: Lawyer at law firm Spinath & Wakkie B.V.
Supervisory positions: Chairman of Supervisory Board, Wolters Kluwer N.V. Chairman of Supervisory Board, TomTom N.V. Member of Supervisory Board, BCD Holdings N.V.
Other positions: Member of Board, VEUO.

Steven ten Have (Dutch, 1967)
Member
First appointed on 30 March 2010.
Present term expires in 2018.
Supervisory positions: Chairman, Software Improvement Group (SIG).
Other positions: Chairman, Postgraduate study Change Management, Vrije Universiteit, Amsterdam. Member, Onderwijsraad. Member of Board, Stichting INK (Instituut Nederlandse Kwaliteit (Institute for Netherlands Quality). Chairman, Foundation Center for Evidence Based Management.

Marjan Oudeman (Dutch, 1958)
Member
First appointed on 1 April 2010.
Present term expires in 2018.
Current Position: President of Executive Board of Utrecht University.
Supervisory positions: Member of Supervisory Board, Statoil ASA. Member of the Board, SHV Holdings N.V. Member of the Board, Koninklijke Ten Cate N.V. Member of Board of Directors, Concertgebouw N.V. Member of Supervisory Board, Rijksmuseum.
Other positions: Governor of Nationaal Comité 4 en 5 mei (the National Committee 4 and 5 May).

Olga Zoutendijk (Dutch, 1961)
Member
Appointed on 1 July 2014.
Present term expires in 2018.
Last position held: Group Head Wholesale Banking Standard Chartered Bank.
Responsibilities
The Supervisory Board supervises the Managing Board as well as ABN AMRO’s general course of affairs and its business. In addition, it is charged with assisting and advising management. In performing their duties, the members of the Supervisory Board are guided by the interests and continuity of ABN AMRO and its enterprise and take into account the relevant interests of ABN AMRO’s stakeholders. Specific powers are vested in the Supervisory Board, including the approval of certain decisions taken by the Managing Board.

More information on the activities of the Supervisory Board in 2014 is provided in the the Supervisory Board Report in this Annual Report.

The Rules of Procedure of the Supervisory Board are available on abnamro.com.

Appointment, suspension and dismissal
Members of the Supervisory Board are appointed by the General Meeting of Shareholders following nomination by the Supervisory Board. A nomination may be rejected by the General Meeting of Shareholders by a special majority.

The General Meeting of Shareholders and the Employee Council have the right to recommend candidates for nomination. With respect to one-third of the members of the Supervisory Board, the Supervisory Board puts forward a candidate for nomination recommended by the Employee Council, unless it objects to the recommendation. If the Supervisory Board’s objection to the recommendation is well founded, the Employee Council will recommend a new candidate. Only candidates who have passed the fit and proper test of DNB under the Dutch Financial Supervision Act (Wet op het financieel toezicht) are eligible for appointment.

The Supervisory Board has the authority to suspend its members at all times. The entire Supervisory Board can only be dismissed by the General Meeting of Shareholders. In accordance with Dutch law, individual members of the Supervisory Board can only be dismissed by court order following a suspension by the Supervisory Board.

Supervisory Board committees

Composition
The Supervisory Board has established three committees to prepare its decision-making and to advise the Supervisory Board on certain matters: the Audit Committee, the Remuneration, Selection & Nomination Committee and the Risk & Capital Committee. The Rules of Procedure of the Supervisory Board include the terms of reference of the committees of the Supervisory Board and are available on abnamro.com. Furthermore, the Supervisory Board has installed a special committee relating to the preparations for the possible IPO.

Audit Committee
The Audit Committee is tasked, among other things, with the direct supervision of all matters relating to financial strategy and performance, including the selection of and relationship with the external auditor, the effectiveness of the accounting systems, financial disclosures and related aspects of internal risk management and internal control.

Remuneration, Selection & Nomination Committee
The responsibilities of the Remuneration, Selection & Nomination Committee include preparation of the selection, nomination and re-nomination of the members of the Supervisory and Managing Boards. To this end, the committee is involved in drafting selection criteria and appointment procedures, and in preparing and periodically reviewing succession plans for these boards.

The committee periodically assesses the performance of the members of both boards. Its remuneration-related tasks include advising the Supervisory Board on remuneration for both members of the Managing Board and selected members of senior management responsible for the control functions and reward policies for other Identified Staff.
**Risk & Capital Committee**

The Risk & Capital Committee advises the Supervisory Board on subjects relating to risk management and risk control and prepares the Supervisory Board's decision-making in these areas. The committee is in charge of the annual approval of the bank’s risk appetite, periodic assessment of the bank’s strategy, regular review of the risk profile, assessment of the risk management functions and testing of the bank’s risk framework. The committee is also tasked with supervising the bank’s capital and liquidity position and its funding. The committee also periodically discusses legal and compliance-related matters.

**IPO Special Committee**

In order to obtain advise on recurring topics regarding the possible IPO and to prepare related decision-making, the Supervisory Board appointed an additional committee from amongst its members, consisting of four members: Rik van Slingelandt, Peter Wakkie, Hans de Haan and Steven ten Have.

**Introduction programme and lifelong learning programme**

**Introduction programme**

Upon their appointment, all members of the Supervisory Board follow an introductory programme designed to ensure that they have the relevant knowledge to fulfil their duties, including thorough knowledge of ABN AMRO. The programme provides the information needed for participation in the lifelong learning programme. As the knowledge, background and experience of newly appointed members of the Supervisory Board differ, the curriculum of the introductory programme is tailor-made.

**Lifelong learning programme**

A lifelong learning programme for the Supervisory Board and the Managing Board has been put in place at ABN AMRO and is designed to keep the members’ expertise up to date and to broaden and deepen their knowledge where necessary. In most cases, members of the Supervisory Board and Managing Board participate in the same courses to foster knowledge-sharing between the Boards.

The curriculum is continuously being developed to ensure a balanced programme which covers all relevant aspects of the bank’s performance and takes into account current developments in the financial industry.

Topics covered in 2014 include social, political and economic developments in Brazil, standardised lending and the application of related risk management principles, sustainability, developments in the regulatory field and financial derivatives. Other workshops focused on operational risk management and trends in leadership, talent management and other HR issues. The Supervisory and Managing Boards visited the Technology, Operations & Property Services (TOPS) department. They were shown the approach to innovation and the local branch in The Hague, where they were informed of the different business lines present in the region. In addition to the workshops and company visits in the lifelong learning programme, the members of the Supervisory and Managing Boards participated in deep dive sessions on different topics during scheduled meetings. These sessions also serve an informative and educational purpose. For example, one of the topics covered was regulatory reporting.
Corporate Governance Codes and Regulations

Dutch Corporate Governance Code
We believe that corporate governance that meets high international standards significantly boosts confidence in companies. As such, compliance with the applicable corporate governance codes by financial institutions contributes significantly to restoring trust in the financial sector as a whole. Although ABN AMRO – as a non-listed company – is not required to adhere to the Dutch Corporate Governance Code, we continue to attach importance to a transparent governance structure and therefore aim to comply with the Dutch Corporate Governance Code.

We believe that, given ABN AMRO Group’s specific corporate structure and the fact that it is not listed, several parts of the Dutch Corporate Governance Code either do not apply or need to be adapted to fit ABN AMRO’s structure. This is explained on abnamro.com. Accordingly, we are pleased to confirm that throughout 2014, ABN AMRO complied with the applicable principles and best practice provisions of the Dutch Corporate Governance Code.

Dutch Banking Code
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 interests of various stakeholders. This Code sets out principles that banks with a banking licence issued by DNB should observe in terms of corporate governance, risk management, audit and remuneration. Although ABN AMRO Group does not have a banking licence itself, the Dutch Banking Code does apply to ABN AMRO Bank as the main entity within the Group that holds a banking licence.

We are committed to complying with the Dutch Banking Code and devote a great deal of effort to ensure that the spirit of the code is reflected in the behaviour of employees and in the culture of the bank. As such, we are pleased to confirm that ABN AMRO Group complies with the principles of the Dutch Banking Code 2010.

A principle-by-principle overview of the manner in which ABN AMRO Bank complies with the Dutch Banking Code 2010 is published on abnamro.com. Throughout 2014 we continued to improve the manner in which we apply the principles of the Dutch Banking Code across the entire group, taking into account the focus areas indicated by the Dutch Banking Code Monitoring Committee in advance of the renewal of the Dutch Banking Code and Social Charter.

The updated Dutch Banking Code came into effect on 1 January 2015, along with the Social Charter (Maatschappelijk Statuut) which is complementary to the Dutch Banking 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 Group is a member). The new Dutch Banking Code, along with the introduction of the Social Charter and implementation of the Banker’s Oath (together with the associated rules of conduct and disciplinary rules) applicable to all employees of financial institutions in the Netherlands, emphasise the social role of banks and their commitment to meeting the expectations of society at large.

All members of the Supervisory Board and Managing Board of ABN AMRO Group took the Banker’s Oath on 4 July 2013. Taking the oath has been required by law since 1 January 2013. The oath is a confirmation of ABN AMRO’s existing policy, which is fully in line with the bank’s business principles and core values. Along with the introduction of a Social Charter and the update of the Dutch Banking Code, the Dutch banking industry has taken the initiative to have all employees take the Banker’s Oath. ABN AMRO is implementing this in the first quarter of 2015. Employees will take the oath so that they will be personally responsible for complying with these rules of conduct and may be held accountable for non-compliance in the near future.
Subsidiaries of ABN AMRO Bank and the Dutch Banking Code

On 31 December 2014, ABN AMRO Bank had four Dutch subsidiaries with a banking licence: ABN AMRO Clearing Bank N.V., ABN AMRO Groenbank B.V., ABN AMRO Hypotheken Groep B.V. and International Card Services B.V. ABN AMRO applies the principles of the Dutch Banking Code to all of these Dutch bank subsidiaries on a consolidated basis. An explanation of the manner in which the Dutch bank subsidiaries comply with the Dutch Banking Code is published on abnamro.com.

Subsidiaries and international governance

ABN AMRO has designed group-wide policies and standards to ensure that all relevant parts of the organisation adhere to governance principles and requirements. Considering the varying business activities, local regulatory requirements, organisations and risk frameworks of subsidiaries and branches, actual implementation of the group-wide policies and standards may differ between the subsidiaries and branches. All entities in the international network adhere to ABN AMRO’s principles of risk governance and moderate risk profile.

International governance is in place to meet the requirements of our international organisation and both the home and host regulators. An annual review is performed to ensure alignment with the international growth plans and changes in the regulatory environment.

An overview of ABN AMRO’s main subsidiaries and a description of their activities is provided in the Legal structure paragraph of this section.

General Meeting of Shareholders

At least one General Meeting of Shareholders is normally held each year within six months of the close of the financial year. The agenda for the annual General Meeting of Shareholders must contain certain matters as specified in ABN AMRO’s Articles of Association and under Dutch law, including, among other things, the adoption of the Annual Financial Statements. The General Meeting of Shareholders is also entitled to approve important decisions regarding the identity or the character of ABN AMRO, including major acquisitions and divestments. The Supervisory Board, the Managing Board or shareholders representing at least 10% of the issued share capital may convene additional extraordinary General Meetings of Shareholders at any time.

The annual General Meeting of Shareholders of ABN AMRO Group was held on 10 April 2014. Agenda items included adoption of the 2013 Annual Financial Statements, the dividend for the year 2013 and the reappointment of Managing Board and Supervisory Board members, as well as the appointment of Mr Van Slingelandt as Chairman of the Supervisory Board. In addition, the shareholder was informed of the actions the bank has taken with respect to the ABN AMRO Business Plan 2014-2017 regarding preparations for the possible IPO. Furthermore, an update was given on the Asset Quality Review (more details on the AQR are provided in the Business Report and Risk & Capital Report of this report), the bank’s remuneration policy, the role of the Employee Council and the Sustainability Report 2014. In 2014, the General Meeting of Shareholders passed three resolutions outside a meeting, among other things for the appointment of Ms Zoutendijk as a new member of the Supervisory Board.
Legal structure

Global structure of ABN AMRO Group N.V.
The full list of subsidiaries and participating interests as referred to in Article 414, Book 2 of the Dutch Civil Code has been filed with the Trade Register.

Shareholder structure
All shares in the capital of ABN AMRO Group are held by NLFI, including all voting interests. NLFI has issued exchangeable depositary receipts for each share of ABN AMRO. As the sole holder of all issued exchangeable depositary receipts, the Dutch State holds an equal indirect financial interest in ABN AMRO. NLFI is responsible for managing the shares and exercising all rights associated with these shares under Dutch law, including voting rights. However, material or principal decisions require the prior approval of the Dutch Minister of Finance, who will also be able to provide binding voting instructions with respect to such decisions. NLFI’s objectives exclude disposing of or encumbering the shares, except pursuant to an authorisation from and on behalf of the Dutch Minister of Finance.
The State of the Netherlands (represented by the Ministry of Finance)

Depositary receipts of all shares ABN AMRO Group N.V.

Stichting administratiekantoor beheer financiële instellingen (NLFI)

ABN AMRO Group N.V.

ABN AMRO Bank N.V.

Retail Banking
- ABN AMRO Hypotheken Groep B.V.
- ALFAM Holding N.V.
- International Card Services B.V.
- MoneYou B.V.
- Delta Lloyd ABN AMRO Verzekeringen Holding B.V. (49%)
- APG-ABN AMRO Pensioen-instelling N.V. (70%)

Private Banking
- Banque Neuflife OBC S.A.
- Neuflife Vie S.A. (60%)
- Bethmann Bank A.G.

Corporate Banking
- ABN AMRO Commercial Finance Holding B.V.
- ABN AMRO Clearing Bank N.V.
- ABN AMRO Lease N.V.

Group Functions
- ABN AMRO Funding USA LLC
- Stater N.V.

The Netherlands
- Abroad
- Indirect subsidiary
Main subsidiaries

Other information on ABN AMRO’s main operating companies is provided below. A more comprehensive overview of ABN AMRO’s subsidiaries is provided in the Other information section to the Annual Financial Statements.

Retail Banking

The Retail Banking business of ABN AMRO is supported by the following subsidiaries (this list is not exhaustive):

- **ABN AMRO Hypotheken Groep B.V.** offers all ABN AMRO-labelled residential mortgage products, including Direktbank, Florius and MoneYou brands;
- **ALFAM Holding N.V.** provides consumer loans via intermediaries under four different labels: Alpha Credit Nederland, Credivance, Defam and GreenLoans;
- **International Card Services B.V. (ICS)** issues, promotes, manages and processes more than 25 different credit cards in partnership with companies, including credit card transactions and offers other financial services, such as revolving credit facilities;
- **MoneYou B.V.** operates as an internet bank offering savings accounts and is active in the Netherlands, Belgium, Germany and Austria;
- **Delta Lloyd ABN AMRO Verzekeringen Holding B.V. (ABN AMRO Verzekeringen)** is an associate of ABN AMRO Bank N.V (49%). Delta Lloyd N.V. holds a 51% interest. ABN AMRO Verzekeringen offers life and non-life insurance products under the ABN AMRO brand;
- **APG - ABN AMRO Pensioeninstelling N.V. (ABN AMRO Pensions)** is a joint venture of ABN AMRO (70%) with APG (30%). ABN AMRO Pensions is a Premium Pension Institution (‘PPI’) which offers pension schemes without insurance based on long life or death.

Private Banking

The Private Banking business of ABN AMRO is supported in France and Germany by the following subsidiaries (this list is not exhaustive):

- **Banque Neuflize OBC S.A.** offers a private banking model based on an integrated approach to private and commercial wealth articulated around dedicated advisory and product offers;
- **Bethmann Bank AG (Bethmann)** is a strong local heritage and brand recognition in the German market. Bethmann covers all major regions of Germany and offers all Private Banking and Private Wealth Management related services;
- **Neuflize Vie S.A.** is a joint venture of Banque Neuflize OBC (60%) and AXA (40%). Neuflize Vie is a life insurance company and was created to offer life insurance products for (ultra) high net worth individuals and has developed customised solutions with a focus on life insurance contracts.

Corporate Banking

The Corporate Banking business of ABN AMRO is supported by the following subsidiaries (this list is not exhaustive):

- **ABN AMRO Clearing Bank N.V.** is a global leader in derivatives and equity clearing and is one of the few players currently able to offer global market access and clearing services on more than 85 of the world’s leading exchanges and operates from several locations across the globe;
- **ABN AMRO Commercial Finance Holding B.V.** is active via subsidiaries in the Netherlands, France, Germany and the United Kingdom, providing working capital funding on debtors and inventory;
- **ABN AMRO Lease N.V.** delivers asset-based solutions (equipment lease and finance) and is active in the Netherlands, Belgium, Germany and the United Kingdom.

Group Functions

The Group Functions business of ABN AMRO is supported by the following subsidiaries (this list is not exhaustive):

- **ABN AMRO Funding USA LLC** is active in the US market, issuing ABN AMRO’s US Dollar Commercial Paper funding for clients operating in the US and for clients with US dollar loans;
- **Stater N.V.** offers administrative services related to mortgage loans. Stater works for ABN AMRO and other parties supplying mortgage loans.
The Supervisory Board is pleased to present the Supervisory Board report for 2014. In this report, the Supervisory Board provides an overview of the focus areas and the most important activities covered in 2014, including those of its committees. A description of the duties, responsibilities and the current composition of the Supervisory Board including the procedures for appointment, suspension and dismissal is provided in the Corporate Governance section. The principal points of the bank’s remuneration policy are included in the Remuneration Report.

Overview
The Supervisory Board held five regular meetings, three executive meetings and seven additional meetings in 2014. Focus areas included an evaluation of the composition of the Supervisory Board and Managing Board in anticipation of the reappointments of both Supervisory and Managing Board members due for appointment in April 2014 and 2015, monitoring of the long-term strategy, remuneration policy issues. Preparations for the possible IPO of ABN AMRO and monitoring of the efforts aimed at further strengthening the regulatory reporting framework and data quality throughout the organisation. The committees of the Supervisory Board discussed various topics in order to prepare the decision-making process of the Supervisory Board, the main issues being the design and effectiveness of risk management and control systems, the financial reporting process, remuneration and selection, succession planning, human resources, compliance and the possible IPO.
Activities and focus areas

Supervisory Board meetings

The Supervisory Board held fifteen meetings in 2014, five of which were scheduled plenary meetings. All of these meetings were held in the presence of members of the Managing Board (depending on the agenda, either all or the relevant members) and the Company Secretary. Other members of the Management Group and the external auditor were regularly invited to present on specific topics. The Supervisory Board also held three scheduled plenary meetings with only the members of the Supervisory Board and the Company Secretary being present (‘executive meetings’). The Chairman of the Managing Board attended some parts of these meetings. These executive meetings were used to independently discuss matters relating to, among other things, the functioning of the Managing Board and its individual members and to allow for more informal discussion between the Supervisory Board members. Five resolutions of the Supervisory Board were adopted outside a meeting. Seven additional meetings were scheduled in anticipation of the possible IPO, which were attended by members of the Supervisory Board and the Managing Board, the Company Secretary and special invitees. All Supervisory Board members were present at the scheduled plenary meetings held in 2014, with the exception of one member who was unable to attend one meeting. All Supervisory Board members were present at the executive meetings held in 2014, with the exception of one member who missed two meetings and one member who missed one meeting. This attendance rate underlines the fact that the members of the Supervisory Board are actively engaged in ABN AMRO and devote ample time to the bank’s affairs. Members of the Supervisory Board and the Managing Board were also in contact on a regular basis outside of the Supervisory Board meetings. The Chairman of the Managing Board and the Chairman of the Supervisory Board met on a weekly or fortnightly basis. The Chairman of the Supervisory Board and the Company Secretary prepared the agenda for all meetings of the Supervisory Board in 2014.

Focus areas in 2014

In 2014, the Supervisory Board devoted special attention to the following topics.

Composition of the Supervisory Board

The terms of the members of the Supervisory Board expired on the occasion of the General Meeting of Shareholders on 10 April 2014, with the exception of the term of Mr Van Slingelandt, whose term was to expire in 2015.

Following the announcement of Mr Lindenbergh that he intended to retire as Chairman and member of the Supervisory Board as of the General Meeting of 10 April 2014, the Supervisory Board decided to nominate Mr Van Slingelandt as Chairman of the Supervisory Board. The Supervisory Board concluded that, with his background and his extensive experience in the financial sector, Mr Van Slingelandt would be pre-eminently able to ensure the continuity the bank needs. Following this nomination, the approval of De Nederlandsche Bank and the approval of the Dutch Minister of Finance, the General Meeting of Shareholders appointed Mr Van Slingelandt as the new Chairman of the Supervisory Board as from 10 April 2014, for a period of two years. Following the nomination by the Supervisory Board, the General Meeting also decided to immediately reappoint Mr Van Slingelandt for a term of two years as a member of the Supervisory Board.

Following a positive evaluation of its own functioning, the functioning of its individual members and its combination of experience and expertise as described in the collective profile of the Supervisory Board, the Supervisory Board decided to nominate the other members of the Supervisory Board for reappointment as well. The General Meeting of Shareholders held on 10 April 2014 subsequently reappointed those members of the Supervisory Board for a period in line with the amended reappointment schedule in order to allow for more diversity of the expiry dates of the reappointments. Mr Wakkie succeeded Mr Van Slingelandt as Vice-Chairman of the Supervisory Board as from 10 April 2014. With effect from 1 July 2014, the Supervisory Board was completed by the appointment by the General Meeting of Shareholders of Ms Zoutendijk for a period of four years,
following the nomination of the Supervisory Board and the approval of De Nederlandsche Bank. Due to the changes in the Supervisory Board, the composition of its committees was changed by the Supervisory Board. Mr De Haan’s term will expire in 2015. The Supervisory Board intends to propose to the General Meeting of Shareholders to reappoint Mr De Haan for a period of one year.

Composition of the Managing Board

The terms of all members of the Managing Board (except for Mr Van Dijkhuizen, who was appointed in 2013 for a period of four years) expired on 10 April 2014. With a view to the bank’s long-term strategy, a possible IPO, the profile of the Managing Board and the positive evaluation of its performance over the past four years, the Supervisory Board decided to nominate for reappointment all members of the Managing Board whose term were scheduled to expire. The General Meeting of Shareholders reappointed all members of the Managing Board accordingly, except for Mr van Dijkhuizen, as from 10 April 2014 for another period of four years. The Employee Council advised approval of these proposals. The terms of the reappointed members will expire on the date of the General Meeting of Shareholders in 2018.

Corporate strategy

The Supervisory Board deems the sound and successful execution of the bank’s long-term strategy to be important. Based on five strategic pillars, the long-term strategy aims to prepare the bank for the challenges of the future. To ensure effective execution of the strategy, the Quarterly Execution Monitoring Tool, designed in 2013 by the Managing Board to facilitate monitoring, supervision and discussion of implementation of the strategy, was also used in 2014. Via this tool the Managing Board regularly reviewed the realisation of the strategic objectives, the establishment of activities, the initiatives and guiding principles, and the progress made on the long-term strategic goals, performance targets and alignment of the strategic pillars. The Supervisory Board discussed the main results quarterly with the Managing Board.

These discussions yielded the Supervisory Board insight into the way in which the Managing Board sets priorities, initiatives and timelines for effective execution of the strategy. In December 2014, the Supervisory Board discussed the Yearly Strategic Review and concluded that developments were still substantially in line with the bank’s long-term strategy.

Increasing regulatory requirements and legislation, changing client needs and high technology costs prompted the Managing Board to conduct a strategic review of the Sales & Trading activities of Markets, part of the former Commercial & Merchant Banking. The Supervisory Board was informed by the Managing Board on the approach and process of the strategic review and was updated on the main considerations and consequences of a new strategy. The Supervisory Board and the Managing Board discussed, among other things, the scope of the new Sales & Trading activities, the product offering and the impact of a new Sales & Trading strategy on the bank’s international ambition (a pillar of the bank’s long-term strategy). The Supervisory Board endorsed the new Sales & Trading strategy approved by the Managing Board, as a result of the Sales & Trading product and service offering will be more focused and client led. The business line was renamed Capital Markets Solutions – Sales & Trading.

Segmentation

The new Sales & Trading strategy proposed by the Managing Board also created momentum for changing the organisational structure of the former Commercial & Merchant Banking segment. The Supervisory Board discussed the strategic ambitions and considerations and agreed with the organisational changes proposed by the Managing Board. The business was renamed Corporate Banking. The Supervisory Board was furthermore involved in a number of proposed changes to the wider client segmentation of ABN AMRO in order to cater for changing client needs.

Laws and regulations

The transition to a Single Supervisory Mechanism took place in November 2014, as a result of which ABN AMRO was brought under the supervision of a single European supervisor: the European Central Bank. The European Central Bank conducted an Asset Quality Review (AQR) of all European banks before they were brought under its supervision. The Supervisory Board was regularly updated by the Managing Board on the preparations for the AQR and discussed with the Managing Board the time and attention this required. The Supervisory Board was pleased that ABN AMRO passed the AQR and the stress test, which confirmed that the bank is well capitalised and has buffers to absorb losses and economic shocks. Also, the Supervisory Board is pleased that the asset and collateral valuations and related provisions were found to be adequate. The implementation of Basel II and Basel III was also closely monitored. In this respect, the
Supervisory Board was updated on activities with regard to the improvement of risk models and integrated programmes designed to further strengthen the risk management organisation.

**Strengthening the reporting framework and data quality**

The Supervisory Board devoted special attention to strengthening the regulatory reporting process and the data quality required for this process and closely monitored the steps taken by the Managing Board in this respect. The Audit Committee retained an independent IT specialist to advise the Supervisory Board on this matter. A separate educational session devoted to the reporting framework and data quality was organised in order to gain more in-depth knowledge on these topics. Furthermore, to obtain an overview of the status of and challenges presented by the reporting framework and the underlying data quality, a deep dive session on this subject was held in a meeting in the presence of the independent IT specialist reporting to the Audit Committee. During this session, the progress of the dedicated programmes was discussed. The Supervisory Board acknowledges that the increasing number of regulatory requests, rules and requirements pose a challenge to ABN AMRO.

The Supervisory Board recognises the need to make strengthening of regulatory reporting and data quality a continuous priority.

**IPO**

An important recurring issue on the agenda in 2014 was the preparation for the possible IPO. On 23 August 2013, the Dutch Minister of Finance asked ABN AMRO to start making preparations for a possible IPO. The Supervisory Board extensively discussed, challenged and monitored the IPO preparatory activities within ABN AMRO. The Supervisory Board appointed an additional committee from amongst its members (the ‘IPO Special Committee’), consisting of four members, to advise the Supervisory Board on recurring topics regarding the possible IPO and to prepare related decisions. Members of the Supervisory Board also attended specific IPO-related training programmes on subjects such as valuation techniques, communication and compliance and were briefed by external advisors on the particulars of an IPO process.

To prepare ABN AMRO for a possible IPO, the Managing Board set up an IPO programme in late 2013 to handle all preparations for and execution of the possible IPO. The IPO Office, part of the IPO programme organisation, regularly briefed the Supervisory Board on the progress of the preparatory activities during the five regular Supervisory Board meetings.

In 2014, seven extra meetings were held by the Supervisory Board in the presence of the Managing Board, the Company Secretary and the head of the IPO Office in anticipation of the possible IPO. During these meetings, an IPO Progress Monitoring Dashboard was used. This tool has been specially designed to provide consistent information on the internal preparations for the IPO and supported the Managing Board and Supervisory Board in 2014 in their assessment of the feasibility of the IPO timelines proposed by the shareholder.

During the various meetings on the IPO, the Supervisory Board also discussed the draft of the bank’s Business Plans for 2014-2017 prepared and adopted by the Managing Board, taking into account the perspectives of the different shareholders of ABN AMRO. The Supervisory Board followed the positive advice issued by the IPO Special Committee on the IPO transaction protocol between ABN AMRO and its shareholder. Furthermore, the Supervisory Board closely monitored the various consultations of members of the IPO Special Committee and the Managing Board with NLFI on the defence mechanisms, in particular the date of activation of these mechanisms, which is deemed of great importance to ABN AMRO. The Supervisory Board also kept closely abreast of developments on the proposed amendments to the Articles of Association of ABN AMRO Group as well as to other IPO-related governance documents in preparation for the IPO. During a deep dive session held by Compliance & Conduct on a possible IPO, the Supervisory Board received an update and was informed of the impact that many developments in 2015 will have on the Compliance & Conduct organisation. With a view to the preparations for the possible IPO, two deep dive sessions were organised on operational risk management optimisation programmes and on programmes related to Basel requirements and regulatory reporting. In addition to internal meetings, a meeting was held with members of the Supervisory Board and Managing Board and delegates of De Nederlandsche Bank and the European Central Bank. During this meeting, the follow-up actions of various optimisation programmes in preparation for the possible IPO were discussed.

Interactions with the Employee Council in light of the possible IPO were conducted in an open and constructive manner.
Monthly topics

In addition to the important topics mentioned above, the following topics were also discussed during the various meetings held throughout the year.

In its February meeting, the Supervisory Board evaluated and discussed the independent auditor’s report that KPMG (the independent external auditor) issued on the 2013 Consolidated Annual Financial Statements with KPMG and the Managing Board. The proposal for the final dividend over 2013 to the annual General Meeting of Shareholders was discussed and approved. The Supervisory Board furthermore approved the proposed press release on the fourth-quarter 2013 results and the proposed budget for 2014 and was informed of the draft agenda for the annual General Meeting of Shareholders. Following the advice of the Remuneration, Selection & Nomination Committee the results of the proposed financial and non-financial targets for the Managing Board and the Management Group for 2013 were approved. The Supervisory Board was updated on the negotiations on the transition to a defined contribution pension scheme and the new collective labour agreement. Having due regard for Corporate Social Responsibility, the Supervisory Board noted with satisfaction ABN AMRO’s achievements in community involvement through the introduction of three new forms of financing, including crowdfunding.

The consolidated Annual Report 2013, the consolidated Annual Financial Statements 2013 and all annexed information of ABN AMRO Group were reviewed and discussed in March with the Managing Board, Group Audit and KPMG and subsequently approved by the Supervisory Board. The Supervisory Board approved the issuing of these documents on 7 March 2014. The Supervisory Board took note of the Management Control Statement 2013. The Supervisory Board was furthermore updated on the possible impact on ABN AMRO of developments in Ukraine and the Crimean Peninsula.

In March, seven members of the Supervisory Board visited the Technology, Operations & Property Services department of ABN AMRO, where they were extensively briefed on the importance of innovation in a rapidly changing world. During an executive meeting, the Chairman of the Managing Board gave an update on the AQR, the bank’s strategy and the findings of the evaluation of the Managing Board for 2013.

The annual General Meeting of Shareholders took place in April and was attended by all of the members of the Supervisory Board. Apart from the General Meeting, the Chairman of the Supervisory Board regularly met with the Board of Directors of NLFI, the sole shareholder. Two members of the Supervisory Board attended an educational session about the new mortgage market. In this session the trends and developments in the bank’s mortgage services were discussed, as were the related risks and profitability aspects. An educational session on the manner in which ABN AMRO keeps abreast of regulatory amendments and implements the resultant procedures was attended by several members.

A delegation from the Supervisory Board met with representatives from the Dutch central bank on several occasions in 2014 to discuss, among other things, the Supervisory Review and Evaluation Process (SREP).

In May the Supervisory Board took note of the envisaged impact of the change of pension system on the budget for 2014. The Supervisory Board approved the proposed press release and Quarterly Report on the first-quarter 2014 results. Also in May, the Supervisory Board extensively reviewed, discussed and subsequently approved the ABN AMRO Business Plan 2014-2017. The Supervisory Board took notice of ABN AMRO’s stronger monitoring of developments in proposed and new legislation and other regulations. During an executive meeting the Chairman of the Managing Board gave an update on the IPO, the progress of negotiations on the collective labour agreement and the status of preparations for the AQR. The Supervisory Board also discussed the progress of the self-assessment of individual members of the Supervisory Board and of the collective Supervisory Board. Educational sessions in May were devoted to the topics of programme lending and financial derivatives. Furthermore, a deep dive session was held on the Top Class Employer strategy, part of the bank’s long-term strategy up to 2017. This presentation gave insight into the elements of the strategy, a general overview of the initiatives taken to become a Top Class Employer and more in-depth information on talent management and leadership programmes. An educational session held in September also touched on this subject.

In June, four members of the Supervisory Board took the workshop ‘Doing Business in Brazil’. The Supervisory Board together with the Managing Board visited an ABN AMRO branch in The Hague in July. This branch’s various business lines and services were presented in interactive sessions. In July a delegation from the
Supervisory Board met with representatives from the Netherlands Authority for the Financial Markets for their yearly meeting.

After a review and discussion with the Managing Board and on the advice of the Audit Committee, in August the Supervisory Board approved the Quarterly Report for the second quarter and the Interim Financial Report 2014 for ABN AMRO Group including the press release, as well as the abbreviated financial report of ABN AMRO Bank. The Supervisory Board paid special attention to the level of loan impairments, given the Managing Board’s expectations on the pace of economic recovery. In August the Supervisory Board took note of a strategic programme to further enhance the customer experience in Retail Banking. The Supervisory Board supported the ambition to accelerate end-to-end digitisation of key customer processes, consolidate the branch network and upgrade branches, offering a broader range of services at each branch. The Supervisory Board reviewed the Enterprise Risk Management reports regularly. In these reports the actual and forecasted risk profile is benchmarked against the bank’s risk appetite. The Supervisory Board agreed with the proposed adjustments to the Risk Appetite 2014 and 2015 and was assured that the current risk appetite framework is suitable for its purposes. In the same meeting the proposed Compliance Charter was approved. The Supervisory Board was advised on the latter two subjects by the Risk & Capital Committee. Two members of the Supervisory Board who visited the bank’s New York and Chicago offices found their visit very positive and informative. Furthermore, they met with representatives from the Fed and CME. They shared their main findings with the Supervisory Board and Managing Board during the meeting in August.

In October, the yearly tripartite consultative meeting between the Supervisory Board, the Managing Board and the Employee Council was attended by seven members of the Supervisory Board. This interactive event was fully dedicated to the topic ‘soft controls’. The Supervisory Board and its individual members maintained regular contact with the Employee Council throughout 2014. The Supervisory Board believes it is important for the bank to develop sustainable relationships with clients and offer sustainable products. To gain more in-depth knowledge of ABN AMRO’s approach to sustainability and the related initiatives, four members of the Supervisory Board attended an educational session devoted to this topic.

In November, the Supervisory Board approved the Quarterly Report and the proposed press release for the third quarter. An interim dividend in 2014 had been declared to the shareholder following approval by the Supervisory Board. During educational sessions in September and November, members of the Supervisory Board were updated on integrated programmes designed to further develop the risk management organisation in accordance with increasingly strict regulations. In its November meeting, an independent IT specialist presented the final report on the financial and regulatory reporting improvement programmes. During a workshop ‘Treasury - financial markets’ a better understanding was gained on how financial markets and pricing mechanisms operate, focusing mainly on debt instruments. The Supervisory Board considers employee motivation to be an important condition for giving clients excellent service. As such, it discussed the outcome of the annual Employee Engagement Survey, which showed that 76% of the bank’s employees feel committed to their work. The Supervisory Board was pleased with this outcome as well as the response rate of 82%. Also in November, trainees of the Next Generation network, the bank’s trainee network, met with members of the Supervisory Board. Topics such as remuneration policies, laws and regulations, and the general image of bankers were discussed in an interactive session.

In December, both the Managing Board and the Supervisory Board met with a delegation from the Dutch central bank and the European Central Bank, including the Joint Supervisory Team Coordinator for ABN AMRO, during which various focus areas of the ABN AMRO Supervisory Board for 2015 were discussed. The Supervisory Board met with members of the Netherlands Authority for the Financial Markets (AFM) to discuss the challenges facing the financial sector in sustainably embedding client centricity in the conduct and culture of financial institutions. Furthermore, in December the budget for 2015 was approved, as well as the framework for the financial and non-financial targets for 2015 for the Managing Board and members of the Management Group with a direct reporting line to the Supervisory Board.
Other topics
The Supervisory Board received quarterly updates in 2014 on material compliance matters and the effectiveness of compliance procedures, the main legal issues and proceedings, and the handling of claims. The correspondence with De Nederlandsche Bank, the AFM and other regulators was reviewed and discussed on a regular basis and the Supervisory Board was frequently updated on the communication with these authorities by Group Audit and the Compliance & Conduct department. The Supervisory Board was updated quarterly on important topics within the organisation by the Chairman of the Managing Board and informed verbally of the Corporate Banking and Retail Banking activities and developments by the members of the Managing Board responsible for these activities. Alignment of the business strategy with the corporate strategy was explained during these sessions. The Supervisory Board was kept closely abreast of ABN AMRO’s capital structure and funding strategy and was regularly advised on these subjects by the Risk & Capital Committee. The Supervisory Board received detailed monthly updates from the Chief Financial Officer on the current and projected financial results, including developments regarding loan impairments.

Performance evaluation
The Supervisory Board reviews its performance and that of the Supervisory Board committees on an ongoing basis and recognises the importance and value-add of this review. The self-assessment for 2013 was completed in the first quarter of 2014, and the main results were shared with the General Meeting of Shareholders on 10 April 2014. The Supervisory Board carried out a review of its own performance over full-year 2014 that was completed in the first quarter of 2015. The self-assessments include an evaluation of the effectiveness of the introductory and lifelong learning programmes. Important topics covered in the evaluation are the Supervisory Board’s role with respect to strategy, risk management and internal control, culture and behaviour within the organisation, the dynamics between the Supervisory Board members, the composition and expertise of the Supervisory Board, and the functioning of the committees of the Supervisory Board. The effectiveness of the procedures for the meetings of the Supervisory Board are also part of the evaluation. The self-assessments are supported by an independent corporate advisory firm.

Annual accounts 2014 and dividend
The Supervisory Board reviewed the Annual Report 2014, the Annual Financial Statements 2014 and all annexed information of ABN AMRO Group. The Supervisory Board evaluated and discussed these documents with the Managing Board, Group Audit and KPMG (the independent external auditor) and took note of the proposed independent auditor’s report that KPMG issued on the Annual Financial Statements 2014. The Supervisory Board was provided with sufficient assurance regarding the information provided by the Managing Board in the annual Management Control Statement. The Annual Financial Statements 2014 were authorised for issue by the Supervisory Board on 19 March 2015. The Supervisory Board furthermore approved the proposal to the annual General Meeting of Shareholders on the final dividend over 2014.
The Remuneration, Selection & Nomination Committee met on four occasions in 2014. All members of the Remuneration, Selection & Nomination Committee were present at the meetings held in 2014, except that one member missed one meeting. One extra teleconference meeting was convened at short notice to decide on the approach relating to the effects of the draft Act on the Remuneration Policy of Financial Undertakings. In addition, the meetings were attended by the Chairman of the Managing Board, the member of the Managing Board responsible for People, Regulations & Identity, representatives of HR and the Company Secretary. In February and March, the Committee extensively discussed the results of the financial and non-financial targets for the Managing Board and the Management Group for 2013 as well as the proposed financial and non-financial targets for the Managing Board and the Management Group for 2014, and it issued positive advice. In February the Remuneration, Selection & Nomination Committee devoted attention to succession planning for the Management Group. The Committee issued positive advice in June on the adjustments to the Global Reward Policy in response to changes in laws and regulations. In November the Remuneration, Selection & Nomination Committee approved the framework of the financial and non-financial targets for 2015 for the Managing Board and members of the Management Group with a direct reporting line to the Supervisory Board. The Committee was regularly updated on the negotiations on a new Collective Labour Agreement, challenged the Managing Board on its approach and kept close track of the progress of these negotiations. The transition from a defined benefit pension scheme to a defined contribution pension scheme and the consequences of this change were also regularly discussed. Other focus areas were the restraints on variable remuneration for the Management Group in connection with expected legislation in the Netherlands, such as the Regulation on Sound Remuneration Policies 2014 and the draft Act on the Remuneration Policy of Financial Undertakings, the restraints on variable remuneration of Identified Staff abroad under the CRD IV regulation, the arrangements included in the Collective Labour Agreement relating to pension accrual on salaries exceeding EUR 100,000, the approval of the list of Identified Staff members in line with the bank’s policies, and changes within the bank’s Management Group.

Peter Wakkie
Chairman, Remuneration, Selection & Nomination Committee
Audit Committee report

All members of the Audit Committee were present at the regular meetings of the Audit Committee. The meetings were also attended by the Chairman of the Managing Board, the CFO, the CRO, the head of Group Audit, the independent external auditor and the Company Secretary. Other members of the Managing Board and the Management Group were also present with regard to relevant items on the agenda.

The Audit Committee held five executive meetings in 2014, without members of the Managing Board or the external auditor being present, which took place immediately prior to the regular meeting of the Audit Committee. During these executive meetings the Audit Committee discussed, among other things, the independence of the external auditor, status updates and reviews of improvement programmes with regard to financial and regulatory reporting and data quality, topics related to the IPO readiness of ABN AMRO and the functioning of Group Audit. In addition to the regular and executive meetings of the Audit Committee, the Chairman of the Audit Committee held individual discussions with the independent external auditor, the head of Group Audit, the Chairman of the Managing Board and the CFO. All relevant issues discussed during the Audit Committee meetings were reported to the full Supervisory Board, in subsequent meetings of the Supervisory Board, which were also attended by the external auditor.

Focal points in 2014 were internal control and financial reporting. The Audit Committee closely monitored financial and regulatory reporting improvement programmes, which have been started up to strengthen regulatory reporting and take the IT landscape to the next level. The Audit Committee was advised on these matters by an independent IT specialist it had already engaged in 2013.

The Audit Committee was regularly updated on the progress of the programmes by the independent specialist and by the Managing Board, Group Audit and the external auditor. Within the framework of the Lifelong Learning Programme, a deep dive session on these projects was organised in February 2014. During the meeting in November, the IT specialist presented his final report. Following this report the Audit Committee concluded that the programmes were managed adequately. Nonetheless, the Audit Committee will continue to monitor these programmes. Throughout 2014, the independent external auditor was assessed with regard to supplementary assignments.

In February 2014, the Audit Committee discussed the fourth-quarter and full-year results for 2013 and advised the Supervisory Board to approve the full-year 2013 results and 2013 dividend proposal with due regards to its remarks. The Audit Committee also put forward suggestions regarding a proposal of the Managing Board for a new format for the external quarterly reports. The external auditor presented an example of a new format for its control statement, aiming to contribute to more meaningful audit reporting. The Audit Committee discussed the Management Control Statement.

In March, the Chairman of the Audit Committee met with the Chairman of the Employee Council. In April and October the Chairman of the Audit Committee provided instructions with regard to the design of the Financial Derivatives Course for members of the Audit Committee.

In May, the Audit Committee discussed a report on client signals, which stated that 97% of client complaints had been resolved to the satisfaction of the clients. The Audit Committee discussed an update on the bank’s fiscal
position and its whistleblowing policy. The Committee also discussed and made additional recommendations on the audit plan of the external auditor. With respect to financial reporting, the Audit Committee discussed the fair value valuation of financial instruments, the method for determining IBNI and the Basel reporting process. In addition to the regular quarterly report of the internal auditor, a report on the inflow and outflow of audit issues flagged by the internal auditor was discussed. The performance of the external auditor was evaluated on the basis of a memo from the internal auditor and a proposal for a tender for a new external auditor was discussed, as the current external auditor’s term will expire in 2016 and hence a new external auditor has to be appointed.

In its August meeting, the Audit Committee focused on the interim financial results and discussed the development of loan impairments, interest and fee income, and the cost/income, Core Tier 1 and return on equity ratios. At the request of the Audit Committee, a report of the internal auditor on the follow-up of issues flagged by the external auditor was prepared and discussed. In addition, the progress of the planning of the internal auditor was discussed. The Audit Committee decided to advise the Supervisory Board to approve the interim financial reports of ABN AMRO Bank and ABN AMRO Group.

In November, the Audit Committee discussed the final report of the independent specialist engaged to advise on the financial and regulatory reporting improvement programmes. Furthermore, on the basis of the reports of the internal and external auditors and the Finance department, the Audit Committee focused on certain subjects that it deems important in view of a possible IPO, such as internal control, the development and robustness of the financial results as a whole and per business line, and the financial reporting procedures, including procedures for the establishment of loan impairments. Furthermore, an update on the bank’s fiscal position and a memo on suspense accounts were discussed. The Audit Committee also advised the Supervisory Board to approve a proposal of the Managing Board for an interim dividend payment and approved an amended version of the audit charter of the internal auditor. With respect to the appointment of the external auditor, the Audit Committee advised the Supervisory Board to approve the proposal of the Managing Board to propose to the General Meeting to reappoint KPMG for the financial year 2015. An update was given on the tender for a new external auditor for the period as from financial year 2016.

The Audit Committee was furthermore regularly updated on the main findings of the internal and external auditors, including the findings in the external auditor’s management letter. The Audit Committee also discussed internal control, governance, risk and compliance based on the quarterly internal and external audit reports. In this respect, focus areas are the procedures for financial reporting, including the procedure for the establishment of loan impairments and the timelines for impairments. The Audit Committee extensively discussed the performance and audit ratings of the first and second line departments of the bank on a quarterly basis. During each meeting it devoted attention to the robustness and development of
the financial results and ratios, including the level of loan impairments, also in view of a potential IPO. These discussions were held on the basis of the internal and external quarterly financial reports. The Audit Committee also discussed the impact of pensions on the bank’s balance sheet and the consequences of the intended change to a defined contribution pension scheme. Furthermore, the Audit Committee kept closely abreast of the correspondence and communication with the Dutch central bank and other regulators, as far as audit-related issues were concerned. In this respect the Committee also discussed financial reports issued to supervisory authorities, such as the COREP and FINREP reports.

Furthermore, the Chairman of the Committee actively arranged meetings with different departments within the organisation to keep track of developments and advancements. In April, the Chairman of the Committee, together with another member of the Supervisory Board, participated in the client arena of the Group Audit department. In September, the Chairman, together with another member of the Supervisory Board, discussed with FR&R its strategy, the development, relevance and completeness of impairments and other activities. In October, the Chairman of the Committee discussed with the Participations department the tasks of the department and the positions, value and results of the participations. In November, the Chairman of the Committee visited one of the group entities, International Card Services B.V., to discuss its strategy, organisation, control, risk management, financial information and results. In December, the Chairman, together with another Supervisory Board member, met with the COO of ABN AMRO to discuss IT and IT suppliers. Throughout the latter half of the year, the Chairman met with business controllers and CFOs to discuss performance and management information.

The Audit Committee reviewed and discussed the Annual Report 2014 and the Annual Financial Statements 2014 of ABN AMRO Group N.V. and all annexed information in March 2015.

Hans de Haan
Chairman, Audit Committee
All members of the Risk & Capital Committee were present at the meetings of the Risk & Capital Committee. In addition, these meetings were attended by the Chairman of the Managing Board, the CFO and the CRO. The heads of Group Audit, ALM/Treasury, Central Risk Management, Compliance and Legal and the Company Secretary were also present at meetings. In addition to the meetings of the Risk & Capital Committee, the Chairman of the Risk & Capital Committee regularly held individual discussions with the CRO. All relevant issues discussed during the Risk & Capital Committee meetings were reported to the full Supervisory Board, in subsequent meetings of the Supervisory Board, which were also attended by the external auditor.

One of the focus areas and recurring subjects of the Risk & Capital Committee in 2014 was the level and development of loan impairments. During each meeting the Risk & Capital Committee discussed the Enterprise Risk Management report, devoting special attention to the impairment levels as a whole, the impairment levels in certain sectors, and individual impairments and the corresponding 'lessons learned'. On the basis of the report, the Committee also held in-depth discussions on operational risks, market risks and credit concentration risks.

An important subject in 2014 was the Asset Quality Review performed by the European Central Bank as part of the comprehensive assessment. The Risk & Capital Committee was regularly updated on the Asset Quality Review process and the anticipated results. The Risk & Capital Committee complimented the Managing Board on the way it handled extensive information requests from the European Central Bank and is pleased with the outcome of the Asset Quality Review. Other recurring agenda items included the quarterly legal and compliance updates. Based on these reports the Risk & Capital Committee discussed individual legal and compliance files, the performance of the compliance and legal function, compliance policies and procedures, an improvement programme with regard to the Compliance & Conduct organisation, the relationship with the supervisory authorities, and the impact of national and international laws and regulations.

The Risk & Capital Committee approved the capital and funding plan and was updated quarterly on the bank’s capital and funding positions. The Risk & Capital Committee discussed the bank’s target capital ratios, also in view of the long-term strategy, and the plans for raising capital and funding, including the timing. Particular attention was paid to the leverage ratio and the liquidity coverage ratio, including the exact regulatory definition of these ratios and the national and international discussions in this respect. The Risk & Capital Committee furthermore agreed to ABN AMRO’s participation in the TLTRO programme.

The Risk & Capital Committee was updated regularly on the implementation of Basel II and III and discussed the progress reports provided by the Managing Board in each meeting. Furthermore, the Committee closely monitored the progress of ‘Fit for the Future’, an integrated programme designed to further develop risk management and the Risk organisation.

Another recurring agenda item was the correspondence with the Dutch central bank and other supervisory authorities. The Risk & Capital Committee was informed of these matters in quarterly reports prepared by the internal auditor and Compliance & Conduct. The Risk & Capital
Committee also discussed letters or reports received from and sent to the Dutch central bank and European Central Bank concerning risk and capital-related subjects.

In addition to the abovementioned recurring agenda items, in its meeting of February 2014 the Risk & Capital Committee was informed that the Dutch central bank approved the ABN AMRO (A)IRB models which are used to calculate credit risk. This is an important step for the bank. The Risk & Capital Committee furthermore discussed the monitoring task of the Compliance & Conduct department and the rating of the AFM with respect to client centricity. Other important subjects included the top individual exposures of the bank, the bank’s leverage ratio and liquidity ratios and the internal control with respect to ABN AMRO Clearing Bank and the clearing collateral policies.

In May, the Risk & Capital Committee was updated on the introduction of the Banker’s Oath at ABN AMRO, mandatory for all employees under new Dutch regulations. The Committee also discussed developments with respect to duty of care and the bank’s conduct monitoring framework.

In August, the Risk & Capital Committee approved a new version of the bank’s Compliance Charter. The Risk & Capital Committee discussed the AFM’s client centricity dashboard and concluded that the overall rating was adequate. The Committee also discussed a memo regarding the risks the bank is exposed to in its commodities business and an update on the measures the bank is taking in response to the circumstances in Ukraine and Russia. The bank’s primary and secondary exposures in Russia and Ukraine were also reviewed. Furthermore, a deep dive regarding the shipping sector was presented and discussed, focusing on the credit risks of the bank’s shipping loan portfolio. Finally, the Risk & Capital Committee discussed the risk appetite for 2015 and an amended version of the bank’s risk appetite 2014, and advised the Supervisory Board to approve these documents. During its meeting in November 2014, the Risk & Capital Committee focused in particular on the progress made by the AMA ORM Readiness programme and the IMA Compliance programme and conditions relating to the possible IPO. This was in addition to regular items such as capital and funding plans, the ERM report, reports on all material compliance issues, reports on legal files, and letters received from and sent to regulators.

More information on the risk, capital, liquidity and funding-related topics discussed in the Risk & Capital Committee is provided in the Risk & Capital Report.

Rik van Slingelandt
Chairman, Risk & Capital Committee
Various changes in the applicable guidelines for financial institutions with respect to remuneration became effective in 2014 and more restrictions are set to follow. All relevant guidelines have been timely implemented in ABN AMRO’s own policies and practices or are expected to be implemented in 2015. This report sets out our remuneration philosophy and principles for all ABN AMRO employees. The remuneration policy and practices for the Managing Board, Supervisory Board and so-called Identified Staff are discussed in greater detail in the subsequent sections of this report.

ABN AMRO has adjusted the remuneration policy for all employees in the Netherlands in recent years. An additional explanation is included in this year’s Remuneration Report.

More information on remuneration of the Supervisory Board and Managing Board can be found in note 34 to the Annual Financial Statements.
Adjustments to ABN AMRO’s remuneration policy in 2010-2014

ABN AMRO has amended down the remuneration policy for all employees in the Netherlands in recent years. In doing so, we have taken into account various factors, such as the bank’s competitive and market position, but also what society expects of us. Against this background, we have implemented various measures over the past few years. As an employer, we are responsible for the continuity of the bank and we want to be a trustworthy employer for our people.

Collective labour agreement
Since 2010, ABN AMRO has moderated remuneration conditions across the board for all of the bank’s employees. Our decision to adjust the remuneration policy was prompted in part by new Dutch and European laws and regulations, including the Act on Remuneration Policies of Financial Undertakings (Wet Beloningsbeleid Financiële Ondernemingen (WBFO)) and the Bonus Prohibition for State-supported Enterprises Act (Wet Bonusverbod Staatsgesteunde Ondernemingen). In anticipation of this legislation, the bank took pro-active steps to achieve structural restraint.

ABN AMRO has, for instance, made agreements in the collective labour agreement on a restrained package of employment conditions. In 2014, we introduced zero salary growth for two years for employees covered by the collective labour agreement. This applies to approximately 99% of the bank’s workforce in the Netherlands; that is, around 18,250 FTEs in the Netherlands at the end of 2014. Under the collective labour agreement, variable remuneration remains restricted (for on-target performance 9% up to a maximum of 20%) and is within the legal limits.

Management Group
We have also adjusted the remuneration of our Management Group, the bank’s top 100 managers. The variable remuneration for this group of employees in the Netherlands has been changed. Until 2014, the Management Group was contractually entitled to a maximum variable remuneration equalling 100% of their fixed salary. The system used for variable remuneration was approved by the Dutch Ministry of Finance and is linked to clear, quantitative and qualitative targets, equally divided in financial and non-financial targets (KPIs) for issues such as client satisfaction, leadership, solvency, liquidity, cost ceiling and employee engagement. The average variable remuneration for the Management Group was 60% for 2013. Since 2014, a year earlier than legally required, the bank has capped variable remuneration for this group to 20%. Despite a partial increase in the fixed
salary, which was applied in accordance with the later Act on Remuneration Policies of Financial Undertakings, the total income of the Management Group declined by an average of 5-10%, taking into account that fixed pay is pensionable.

**Managing Board**
The Members of the ABN AMRO Managing Board were recruited in 2009 and appointed in 2010. The employment agreements of the Members of the ABN AMRO Managing Board (excluding the Chairman) as concluded in 2009 with the Dutch Ministry of Finance, provided for a fixed salary of EUR 600,000 and a variable remuneration of 50% of their fixed salary if performance targets were met (on-target performance) up to a maximum of 60% in the event of above-target performance. Over the past years, the Managing Board members delivered on- or above-target performance and were therefore contractually entitled to a total remuneration of at least EUR 900,000 over those years. However, the Bonus Prohibition Act prohibited as from 2011 the payment of any variable remuneration to Board Members of state supported banks, including ABN AMRO. The Act allowed for partial compensation in the form of an increase of fixed salary up to 20%. The ABN AMRO Supervisory Board decided, in agreement with the shareholder, to partially apply the permitted compensation by allowing a temporary fixed allowance of 16.67% as of 2012. For the calendar years 2012 and 2013, respectively, all eligible Managing Board Members waived their entitlement to this allowance. The Supervisory Board decided to pay this temporary fixed allowance as from 2014, bringing the total remuneration of the Managing Board Members to EUR 707,500 as from 2014. This is 17% lower than the remuneration they were contractually entitled to receive as from 2009 for on-target performance. The salary of the Chairman of the Managing Board remained unchanged.

More details on the remuneration of the Managing Board are available later in this chapter and note 34 to the Annual Financial Statements.

**Changes to employee benefits**
The adjustments to the remuneration policy are also visible in the benefits to which all of the bank’s employees in the Netherlands are entitled, i.e. staff who are covered by the collective labour agreement and members of the Management Group and Managing Board. For instance, we took measures relating to pension accrual: as from 2015, employees must pay a larger share of the pension contribution. Another example of a reduction is the abolition of the mortgage interest discount for new employees and the freezing of this benefit for current employees.

With all of the above measures, ABN AMRO has taken concrete steps in recent years to achieve a straightforward, transparent and restrained remuneration policy. In doing so, the bank is not only saving costs in the short term, but has also created a sustainable remuneration policy for staff that fits these times.
Philosophy, policies and principles

Remuneration compass

As a bank with Dutch roots, we have an enterprising spirit and a strong drive to succeed, while being prudent and pragmatic. We set high standards and expect our employees to be professional, passionate about their work and to have a strong moral compass. Reward is one of the instruments in a balanced set of instruments we use to attract, retain and develop the best people. We offer meaningful work, a climate in which people can master their profession and personalised working conditions. ABN AMRO’s corporate strategy is based on five strategic priorities (more information can be found in the Strategic Report). Our reward philosophy centres around these priorities.

Remuneration philosophy

Client centricity: We put our clients’ interests centre stage in our performance management cycle

ABN AMRO wants to be a bank that creates sustainable value and that puts its clients’ interests centre stage. In pursuing this goal, we use a set of core values and business principles, which we include in our performance management cycle in Key Performance Indicators (KPIs). We use both financial and non-financial targets, which are always aligned with and serve to strengthen our strategy.

Our business principles guide us in how we engage with each other and with our clients. The principles are derived from our core values, our aim to put clients’ interests centre stage and the competencies we require of our people.

We use an appraisal philosophy based on a uniform model and process for all employees. Accountability for performance is one of the starting points. At ABN AMRO, this means that employees take responsibility for and
commit themselves to the bank’s targets and the framework in which it operates. The bank implemented further guidelines for performance management in 2014. The KPIs and performance assessments now not only take into account the financial results, but also how the results are achieved, i.e. the employee’s behaviour and alignment with business principles and leadership qualities. Mid-year and end-of-year performance appraisals are held between managers and staff.

Investing in our future: We attract and retain the best people
One of the key elements of ABN AMRO’s long-term corporate strategy is our ambition to become a Top Class Employer. Our HR and Reward strategies are designed to help us attract and retain the best people over the coming years.

Moderate risk profile: We adhere to applicable rules and regulations and use appropriate risk adjustments
We contribute to our bank’s moderate risk profile by complying with applicable rules and regulations that regulate remuneration in the financial sector. In the Netherlands, these include:
- The Dutch Banking Code;
- Guidelines on Remuneration Policies and Practices as formally adopted on 10 December 2010 by the Committee of European Banking Supervisors (CEBS Guidelines);
- The fourth amended European Capital Requirements Directive (CRD IV), which replaced the former Directive (CRD III) on 1 January 2014;
- As a result of the implementation of CRD IV, the Dutch Regulation on Sound Remuneration Policies pursuant to the Financial Supervision Act 2011 was replaced by an updated Remuneration Policy Regulation (Regeling Beheerst Beloningsbeleid 2014 – RBB). Together with the Remuneration Policy Decree (Besluit beheerst beloningsbeleid Wft) these form the specific Dutch framework;
- The Dutch act on limitation of liability DNB and AFM and bonus prohibition for state-supported enterprises (Wet aansprakelijkheidsbeperking DNB en AFM en bonusverbod staatsgesteunde ondernemingen, or Bonus Prohibition Act).

In addition, we adhere to rules and guidelines in other countries where the bank is active, while always aiming to strike a good balance between local market practice and the bank’s international strategy.

We also make sure that we use appropriate risk adjustments in our remuneration process, in part by:
- Safeguarding an adequate focus on performance by means of our remuneration schemes;
- Striking the right balance between financial and non-financial KPIs;
- Including KPIs relating to risk mitigation measures;
- Following strict governance processes and setting a cap on maximum remuneration.

International ambition: We are flexible and in control
Our strategic ambition to selectively grow our international business implies that we need to attract, motivate, develop and retain high-performing, engaged staff in markets that differ from the Netherlands. Factors we take into account include the labour market and applicable rules and regulations in the various countries in which we operate. Our remuneration policy, while remaining constrained and sound, gives us enough flexibility to operate effectively in each local market.

We aim to align our reward programmes across organisational and country boundaries, while acknowledging the need for variation to accommodate local differences. We conduct among other things benchmarking to make sure that our employee value proposition qualifies as sufficiently competitive in all markets in which we are active.

Improving profitability: We are cost conscious
Our annual performance management cycle creates a link between performance (realistic, sustainable results) and reward. More information on this subject is provided in the Our People section of this report.

In principle, we position pay packages around the median of the relevant labour market. We focus strongly on keeping labour costs under control. Where relevant, we take account of remuneration benchmarks. However, these benchmarks are, only used to support decisions, not to determine them. This allows us to respond effectively to changes in the financial markets and economic circumstances.
Remuneration policy

ABN AMRO’s Global Reward Policy

The bank’s remuneration principles described above are embedded in ABN AMRO’s Global Reward Policy. This policy is designed to support ABN AMRO’s business strategy, objectives, values and long-term interests. It provides a framework for effectively managing reward and performance across the bank.

The Supervisory Board approves the general remuneration principles laid down in the Global Reward Policy and assesses the general principles and exceptions that relate to the applicable governance and/or international structures. As a result of the many amendments to the applicable guidelines and regulations within the financial sector, the Global Reward Policy needs to be kept aligned with all relevant developments. All changes in applicable rules and regulations need to be implemented in the Global Reward Policy. The Supervisory Board therefore reviews the policy regularly, considering the company’s strategy, risk awareness, targets and corporate values as well as relevant market practice. It also takes into account external requirements with respect to governance, the international context and relevant market data. Whenever relevant, the Supervisory Board receives input from control functions such as Risk Management, Compliance, HR and Audit.

The Global Reward Policy applies globally within ABN AMRO at all levels and in all countries (including branch offices). There is a separate Reward Policy that applies to members of the Managing Board as agreed by the Supervisory Board and the shareholder. The Global Reward Policy also specifies specific rules with respect to those staff whose professional activities could have a material impact on the bank's risk profile. Within ABN AMRO this group is indicated as Identified Staff.

Changes in 2014

We updated the Global Reward Policy in 2014 in response to internal and external developments and implemented the revised version in the course of the year. We have adapted our internal policies to comply with European regulations on the selection of employees that qualify as so-called Identified Staff.

A new Collective Labour Agreement for ABN AMRO employees in the Netherlands for 2014 and 2015 was agreed between the bank and the unions. The agreement stipulates a 0% salary increase for Dutch employees in 2014 and 2015. Furthermore, as a consequence of new Dutch pension legislation, the pension scheme changed with effect from mid-June 2014, resulting in a decrease in accrual and a higher pensionable age. The former defined benefit pension scheme was changed into a so-called collective defined contribution scheme (CDC).

European Remuneration Guidelines such as CRD IV became effective and relevant Dutch regulations such as the Remuneration Policy Decree (Besluit beheerst beloningsbeleid Wft) and the Remuneration Policy Regulation (Regeling beheerst beloningsbeleid Wft 2011 - RBB 2011) were updated with effect from 2014 (RBB 2014). CRD IV introduced further restrictions with respect to remuneration in the financial sector, such as the introduction of a bonus maximum of 100% or, under certain conditions, 200% of the annual fixed income. The Dutch government is implementing further restrictions within the Dutch financial industry under a new bill, the Wet Beloningsbeleid Financiële Ondernemingen (WBFO), with an implementation date of 7 February 2015 and transitional arrangements. Two of the new restrictions are the introduction of a 20% maximum for variable remuneration for the financial sector and an extension of the provisions and target group of the Bonus Prohibition Act for state-supported banks.

Expected changes in 2015

As a result of the implementation of the WBFO, it is expected that the DNB regulation RBB 2014 will be further updated. Further guidelines from supervisors such as the ECB and DNB are expected, as are updated EBA guidelines.

The Dutch pension legislation which provides for a cap of the pensionable income took effect as from 1 January 2015. ABN AMRO uses one pension scheme for all employees, including Managing Board and Management Group members. ABN AMRO and the trade unions have reached agreement on a so-called net pension arrangement for income exceeding the set threshold with effect from 2015.
Remuneration principles for Managing Board and Identified Staff

The following section provides details of the remuneration principles for the Managing Board and for employees that qualify as Identified Staff.

Managing Board

The Global Reward Policy principles apply to all employees of the bank worldwide. A different governance applies to the Managing Board, however, as the Supervisory Board is responsible for the proposal of the policy and principles. The proposal must be approved by the shareholder. In addition to setting policy, the Supervisory Board executes the remuneration policy for the Managing Board members.

For the Managing Board, ABN AMRO has always aimed for a level of total compensation below the median of the relevant markets. A peer group of companies has been defined against which remuneration proposals for the Managing Board were assessed. These companies are comparable in terms of scope. The basis reference group consists of 14 companies in the financial sector within the Netherlands, Belgium, Germany, France and the United Kingdom. In addition, a cross-industry market analysis was performed against companies listed on the Dutch AEX, i.e. both financial and non-financial companies.

As mentioned in the 2012 Remuneration Report and pursuant to the Bonus Prohibition Act that became effective in 2011, remuneration restrictions for the members of the Managing Board have become applicable. As a result, Managing Board members would not be eligible to receive the contractually agreed variable remuneration during the period of government support.

After careful consideration and with due observance of the one-off transition arrangement included in the Bonus Prohibition Act, the Supervisory Board decided to compensate the members of the Managing Board with a temporary fixed allowance. This allowance of EUR 100,000 (gross), which represents 16.67% of the 2011 annual salary, applies effectively as from 1 January 2012 for as long as the Bonus Prohibition Act is applicable to ABN AMRO. For the calendar years 2012 and 2013, respectively, all eligible Managing Board Members waived their entitlement to this allowance. The Supervisory Board decided that as from the year 2014 this allowance will be paid out to the six eligible Managing Board members. The Chairman of the Managing Board is not entitled to this allowance.

details on remuneration of Managing Board

Details on the remuneration of the individual Managing Board members are provided in note 34 to the Annual Financial Statements.

a. Annual fixed remuneration 2014

The annual base salary in 2014 was equal to the base salary in 2013, amounting to EUR 607,500 for the members of the Managing Board and EUR 759,375 for the Chairman of the Managing Board. Salary adjustments for the Managing Board follow the developments in the collective labour agreement for the banking industry (CAO Banken), which did not result in any increase for 2014. Including the temporary fixed allowance of EUR 100,000, the annual fixed remuneration for the members of the Managing Board in 2014 amounted to EUR 707,500.

b. Variable remuneration

Although the remuneration package for the members of the Managing Board provides for a variable compensation component, the Bonus Prohibition Act does not allow such compensation for board members of financial institutions that fall under the scope of this Act. The members of the Managing Board are therefore not entitled to receive variable compensation with respect to the 2014 performance year, just as in previous years. As a consequence, the Board members do not participate in the Variable Compensation Plan that applies to all Identified Staff within ABN AMRO.

c. Benefits

The Chairman and members of the Managing Board participate in the ABN AMRO pension scheme as applicable to all Dutch employees. The changes made to the pension scheme in 2014 therefore also apply to all seven Managing Board members.

In line with the new Dutch pension legislation and with effect from 2014, the standard retirement age has increased from 65 to 67 years, whereas the average income accrual will be lowered from 2.15% to 2.05%, and, as from 2015, to 1.875%. Starting in 2015 a new employee pension contribution of 5.5% will be implemented, whereas the tax-facilitated pension accrual will be limited to pensionable income up to EUR 100,000. The Collective Labour Agreement partners agreed to introduce a so-called net pension arrangement for all employees that are affected by this cap as from 2015. As from 16 June 2014, the former defined benefit pension scheme was changed to a so-called collective defined contribution (CDC) pension scheme.
In addition to pension benefits, Managing Board members are eligible for benefits such as the use of a company car and a designated driver.

d. Severance
In the event of redundancy, a severance payment equal to one gross annual salary will apply.

e. Appointment period
All Managing Board members, except for Kees van Dijkhuizen, who was appointed on 1 May 2013, were re-appointed for a term of four years with effect from 1 April 2014.

Managing Board 2014 performance
ABN AMRO’s performance management framework supports the performance of the Managing Board. In 2014, three collective financial and three non-financial targets were set for all Managing Board members. All targets have an equal weight and in total form 80% of the total target framework. The remaining 20% of KPIs are linked to individual performance and are also divided into financial and non-financial components relating to the Managing Board member’s area of responsibility, his/her individual leadership and cooperation between business lines.

The Supervisory Board assessed the Managing Board members’ performance and decided that all members delivered above-target performances in 2014.

As a consequence of the Bonus Prohibition Act, the members of the Managing Board are not eligible to receive a variable remuneration linked to their performance in 2014.

Details on Identified Staff
ABN AMRO continues to adhere to all relevant remuneration restrictions. The rules apply not only to the Managing Board, but also to those staff whose professional activities could have a material impact on the bank’s risk profile. Within ABN AMRO the group of Identified Staff consists of:
- Members of the Managing Board and Supervisory Board;
- Members of the Management Group;
- Staff responsible for independent control functions;
- Other risk takers. The definition of the group of other risk takers follows from credit, market and liquidity risk analyses as undertaken annually by the Group Risk Management Team on the basis of REA thresholds, membership of certain Risk Committees, the level of P&L budget and responsibilities;
- Other employees whose total remuneration takes them into the same remuneration bracket as senior managers and risk takers;
- Employees who qualify on the basis of the additional qualitative and quantitative criteria as laid down in the EBA Guideline with retroactive effect to 1 January 2014.

Composition of remuneration package Identified Staff
In general, the remuneration packages for Identified Staff have been structured in accordance with the various regulations and restrictions for the financial sector as described above. A typical remuneration package for Identified Staff consists of the following components:
- Annual base salary;
- Annual variable remuneration (with deferred payout);
- Benefits and other entitlements.

ABN AMRO strives to position the level of total direct compensation for Management Group members just below market median levels. With effect from 2014, the variable compensation for Management Group members is capped at 20% of base salary in anticipation of the new Dutch bonus cap included in the WBFO.

ABN AMRO’s collective labour agreement governs the remuneration packages for Identified Staff based in the Netherlands who are not Management Group members. For Identified Staff outside the Netherlands, ABN AMRO takes account of the relevant business dynamics (e.g. market conditions, local labour and tax legislation) when deciding on the composition of the reward packages. For the last two categories of employees, total direct compensation is aimed to be positioned around market median levels.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight Management Board</th>
<th>Weight Management Group (Commercial business segments(^1))</th>
<th>Weight Management Group (Group Functions)</th>
<th>Weight non-Management Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial: RARORAC, C/I ratio, Common Equity Tier 1 ratio</td>
<td>40%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Non-financial: Enhance Client Centricity, Client satisfaction, Employee engagement</td>
<td>40%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Personal financial: Financial performance business line</td>
<td>10%</td>
<td>5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Personal financial: RARORAC business line</td>
<td></td>
<td>5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Personal financial: Cost ceiling business line</td>
<td></td>
<td>5%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Personal nonfinancial: No specific KPIs prescribed</td>
<td></td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Individual: No specific KPIs prescribed</td>
<td></td>
<td>10%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^1\) Commercial business segments are Retail Banking, Private Banking and Corporate Banking.

All variable remuneration awards for Identified Staff are subject to and structured in accordance with the Variable Compensation Plan. Before any variable remuneration is granted, ABN AMRO applies an ex-ante risk assessment by way of a collective quantitative risk adjustment mechanisms (such as the solvability check) and a qualitative individual check (the gatekeeper). The gatekeeper procedure forms part of the performance management framework and provides for an assessment of each individual Identified Staff member by the Control Functions (Risk, Compliance and Audit) on the basis of several behavioural elements. This assessment results in advice to the Managing Board, which takes the final decision on whether variable compensation can indeed be granted to the Identified Staff member concerned (this decision must be formally approved by the Remuneration, Selection & Nomination Committee). Only after these checks have been performed will a variable remuneration award be granted. Furthermore, the variable remuneration is awarded over time and divided between an upfront part (60%) and a deferred part (40%) and all such parts will be equally divided into a cash and a non-cash instrument as shown in the following scheme.

#### Payout scheme

<table>
<thead>
<tr>
<th>Payout scheme (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
</tr>
<tr>
<td>80</td>
</tr>
<tr>
<td>60</td>
</tr>
<tr>
<td>40</td>
</tr>
<tr>
<td>20</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>30</td>
</tr>
<tr>
<td>20</td>
</tr>
</tbody>
</table>

- **Upfront – in cash**
- **Deferred – in cash**
- **Upfront – in non-cash**
- **Deferred – in non-cash**

**Upfront variable remuneration:**
- Will be awarded in the first quarter of the year following the relevant performance year.

**Deferred variable remuneration:**
- Vests in equal instalments in the three years following the first payment;
- Will only vest after an explicit ex post risk assessment: the ‘malus assessment’ (see the Malus paragraph).
Specific conditions are attached to the non-cash instrument:

- It fluctuates in line with the net asset value of ABN AMRO;
- A two-year retention period is applied to the non-cash instrument, so that any unconditional instrument will need to be retained for an additional two years;
- For a specific group of Identified Staff, the settlement in cash of the non-cash instruments can be capped.

**ABN AMRO’s ex post risk adjustment tools Malus**

The malus assessment is conducted by the Control Functions Risk, Compliance, HR, Finance and Audit and any outcome is subject to approval of the Managing Board and Supervisory Board. During this malus assessment, it is determined whether any new information is available which should prevent the vesting of deferred parts, e.g. relating to:

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

**Outcome of malus assessment for performance years 2011, 2012 and 2013**

The Supervisory Board decided that on the basis of the reassessment as performed by the Control Functions there was no reason to apply a collective or individual malus with respect to the vesting of:

- The third tranche of deferred variable compensation with respect to the 2011 performance period;
- The second tranche of the deferred variable compensation with respect to the 2012 performance period;
- The first tranche of the deferred variable compensation with respect to the 2013 performance period.

This means that one-third of each of the deferred variable compensation awards with respect to the three performance years mentioned above now will be granted to the relevant Identified Staff members.

**Clawback**

The Supervisory Board has discretionary power to lower any variable compensation to a suitable amount if, in its opinion, payment of the compensation would be unacceptable under the principle of reasonableness and fairness. The Supervisory Board is also authorised to reclaim any variable remuneration over any performance period if the award, calculation or payment has been based on incorrect data or if the performance conditions were not achieved in hindsight. The recipient will then be obliged to repay said amount to the bank.

**Personal hedging or insurance**

Personal hedging or insurance linked to remuneration and liability in order to circumvent the risk control effects that have been embedded in the variable compensation plan are not permitted.
# Details on remuneration

## Aggregated total compensation over 2014 per business segment as at 31 December 2014

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Number of FTEs (Identified Staff)</th>
<th>Aggregated remuneration&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>13</td>
<td>3,575</td>
</tr>
<tr>
<td>Private Banking</td>
<td>123</td>
<td>29,434</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>48</td>
<td>19,376</td>
</tr>
<tr>
<td>Group Functions&lt;sup&gt;2&lt;/sup&gt;</td>
<td>94</td>
<td>28,739</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>278</td>
<td><strong>81,124</strong></td>
</tr>
</tbody>
</table>

1 Remuneration comprises fixed and variable compensation, sign-on bonus and severance pay over 2014.
2 All Managing Board and Supervisory Board members are reported under Group Functions.

## Details of aggregated total compensation over 2014

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Number of FTEs</th>
<th>Management Group</th>
<th>Non-Management Group Identified Staff</th>
<th>Aggregated remuneration&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed compensation over 2014</td>
<td>123</td>
<td>155</td>
<td>62,224</td>
<td></td>
</tr>
<tr>
<td>Variable compensation over 2014</td>
<td>107</td>
<td>155</td>
<td>18,899</td>
<td></td>
</tr>
<tr>
<td>- of which in cash</td>
<td></td>
<td></td>
<td>5,670</td>
<td></td>
</tr>
<tr>
<td>- of which in performance certificates</td>
<td></td>
<td></td>
<td>5,670</td>
<td></td>
</tr>
<tr>
<td>- of which unconditional (up-front payment)</td>
<td></td>
<td></td>
<td>11,340</td>
<td></td>
</tr>
<tr>
<td>- of which conditional (deferred payment)</td>
<td></td>
<td></td>
<td>7,560</td>
<td></td>
</tr>
<tr>
<td>Sign on bonus over 2014</td>
<td>2</td>
<td></td>
<td>163</td>
<td></td>
</tr>
<tr>
<td>Severance pay over 2014</td>
<td>4</td>
<td></td>
<td>2,162</td>
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</tr>
<tr>
<td>Highest severance pay over 2014</td>
<td></td>
<td></td>
<td>1,058</td>
<td></td>
</tr>
</tbody>
</table>

1 Remuneration comprises fixed and variable compensation, sign-on bonus and severance pay over 2014.

## Employees with total remuneration higher than EUR 1 million per business segment as at 31 December 2014

<table>
<thead>
<tr>
<th>(in FTE)</th>
<th>1-1.5</th>
<th>1.5-2</th>
<th>2-2.5</th>
<th>2.5-3</th>
<th>3-3.5</th>
<th>3.5-4</th>
<th>4.5-5</th>
<th>&gt;5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Banking</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Banking</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Functions</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Remuneration comprises fixed and variable compensation, sign-on bonus, severance pay and pension contribution over 2014.

## Details of total remuneration higher than EUR 1 million over 2014

<table>
<thead>
<tr>
<th>(in FTE)</th>
<th>1-1.5</th>
<th>1.5-2</th>
<th>2-2.5</th>
<th>2.5-3</th>
<th>3-3.5</th>
<th>3.5-4</th>
<th>4.5-5</th>
<th>&gt;5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Board</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Group</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Management Group Identified Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Remuneration comprises fixed and variable compensation, sign-on bonus, severance pay and pension contribution over 2014.
Remuneration of Supervisory Board members

The remuneration of members of the Supervisory Board is set by the General Meeting of Shareholders based on a proposal of the Supervisory Board. The remuneration of Supervisory Board members is proportional to the time and effort required to perform their duties linked to the membership of the Supervisory Board and the relevant Board committees and is independent of ABN AMRO’s financial results. ABN AMRO does not grant variable remuneration or shares or options to Supervisory Board members in lieu of remuneration. The remuneration as such did not change over 2014. The General Meeting of Shareholders decided, however, that as from 10 April 2014 the remuneration for Supervisory Board committee memberships will be limited to two such memberships.

Details on the remuneration of members of the Supervisory Board in 2014 are provided in note 34 to the Annual Financial Statements.
This chapter gives an overview of the activities carried out by the Employee Councils in 2014.

All ABN AMRO employees are represented at all levels of the bank where important decisions are taken by means of a participation model. A new model was introduced in a pilot launched in late 2013 under which there are a smaller number of Works Council members and an active pool of staff known as ‘participants’. Each group comprises 50% of the legal number of seats in the Employee Council.

In the Netherlands, employees directly elect members of the employee participation bodies (the new term for Works Councils), which are coordinated by an Employee Council (formerly Central Works Council). The councils discuss all important bank matters with senior management, review important decisions and, in the interests of the staff they represent, put forward proposals to strengthen the continuity of the bank.

**Status of participation model pilot**

The pilot launched in late 2013 has so far met the following goals: greater diversity in the councils, a more faithful reflection of the make-up of our organisation, and a higher degree of expertise in the councils and in the secretariat. All of this is designed to enhance the quality of decisions, effectiveness and professionalism of the Employee Council.

We are still exploring a number of matters regarding the governance of the councils (e.g. the structure of the individual councils and of the Employee Council), shorter terms of office and a project-based approach.

The Employee Council and a Steering Group including representatives of all stakeholders intends decide in 2015 whether the new model should be permanently implemented and will make new arrangements for the councils that start their terms on 1 January 2016.

**Consultation with the Managing Board, Supervisory Board and management**

After the merger of ABN AMRO Bank and FBN in 2010, the existing agreements on periodic consultation were reviewed and laid down in a new agreement signed by the Managing Board, Supervisory Board and Employee Council.

In 2014, consultations between the councils of each business and management were open, constructive and substantive. The Employee Council issued its advice in early 2014 on the proposed reappointment of the members of the Managing Board and gave its opinion on the proposed reappointment of the members of the Supervisory Board. A prime example of the constructive consultation is the open dialogue conducted on matters relating to the possible IPO.

**Main subjects discussed in 2014**

The Employee Council was consulted on the following matters in 2014.

- **The possible IPO:** The Employee Council was involved in discussions regarding preparations for a possible IPO. The formal process of requesting and issuing advice on the IPO will be conducted after the Dutch State takes a decision on this matter;
- **Optimisation of the mortgage chain:** A council-wide working group gave its advice on the steps to be taken in the multi-year process of optimising the mortgage chain. The ABN AMRO Hypotheken Groep (AAHG) reporting line was transferred to ABN AMRO in 2014, and preparations for the transfer of the mid-office activities to Stater are on the agenda for 2015;
Commercial & Merchant Banking renamed Corporate Banking: The Employee Council participated in consultations and advised on the changes made to the organisational structure of the former Commercial & Merchant Banking, now named Corporate Banking;

TOPS 2020: The TOPS council challenged and reviewed the feasibility of the targets set under this project, which aims to prepare the TOPS organisation for the future;

Accelerated digitisation: The Retail Banking council was informed of the plans for the upgrade and restructuring of the Retail organisation and will critically review the implementation plans and monitor the process relating to the consequences for staff.
The following provides an overview of the Senior Managing Directors at 31 December 2014.

<table>
<thead>
<tr>
<th>Name</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frans Woelders</td>
<td>Retail Banking</td>
</tr>
<tr>
<td>Jos ter Avest</td>
<td>Private Banking Netherlands</td>
</tr>
<tr>
<td>Jeroen Rijpkema</td>
<td>Private Banking International</td>
</tr>
<tr>
<td>Ruut Meijer</td>
<td>Commercial Clients</td>
</tr>
<tr>
<td>Rutger van Nouhuijs</td>
<td>International Clients</td>
</tr>
<tr>
<td>Rutger Schellens</td>
<td>Capital Markets Solutions</td>
</tr>
<tr>
<td>Pieter van Mierlo</td>
<td>Central Risk Management</td>
</tr>
<tr>
<td>Daphne de Kluis</td>
<td>Financial Restructuring &amp; Recovery</td>
</tr>
<tr>
<td>Fred Bos</td>
<td>IPO</td>
</tr>
<tr>
<td>Jeroen Dijst</td>
<td>ALM/Treasury</td>
</tr>
<tr>
<td>Frans van der Horst</td>
<td>TOPS IT</td>
</tr>
<tr>
<td>Gert-Jan Meppelink</td>
<td>Business Services</td>
</tr>
<tr>
<td>Hilde Garssen</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>

**Company Secretary**
Ruud van Outersterp