



2015 Sustainability performance and outlook

Driven to deliver value to our stakeholders



Sustainable banking at ABN AMRO

ABN AMRO serves retail, private and corporate banking clients with a primary focus on the Netherlands and with selective operations internationally.

About ABN AMRO

In the Netherlands, clients are offered a full range of products and services through omni-channel distribution including advanced mobile application and internet banking. ABN AMRO offers in-depth financial expertise and extensive knowledge of numerous industry sectors. Internationally, the Group's operations are based on specific expertise and established market positions, including Private Banking, Energy, Commodities & Transportation and Clearing.

Our strategic priorities

ABN AMRO's strategy is based on five priorities designed to create sustainable value for our stakeholders – our clients, shareholders, employees and society at large – and with measurable financial targets and key metrics. One of our strategic priorities is to invest in our future. Part of this priority is to be positively recognised on sustainability and transparency. To achieve this goal we have developed a sustainability strategy.



Invest in our future

- ▶ Recognised as a Top Class Employer
- ▶ Re-engineering the IT landscape and optimising processes
- ▶ **Positively recognised on sustainability and transparency**



Inspire and engage our people

Sustainability strategy

ABN AMRO strives to be a better bank contributing to a better world. Our sustainability strategy up to 2017 commits us to achieving a positively recognised position on sustainability and transparency.

Our sustainability strategy supports this commitment and is based on two pillars:

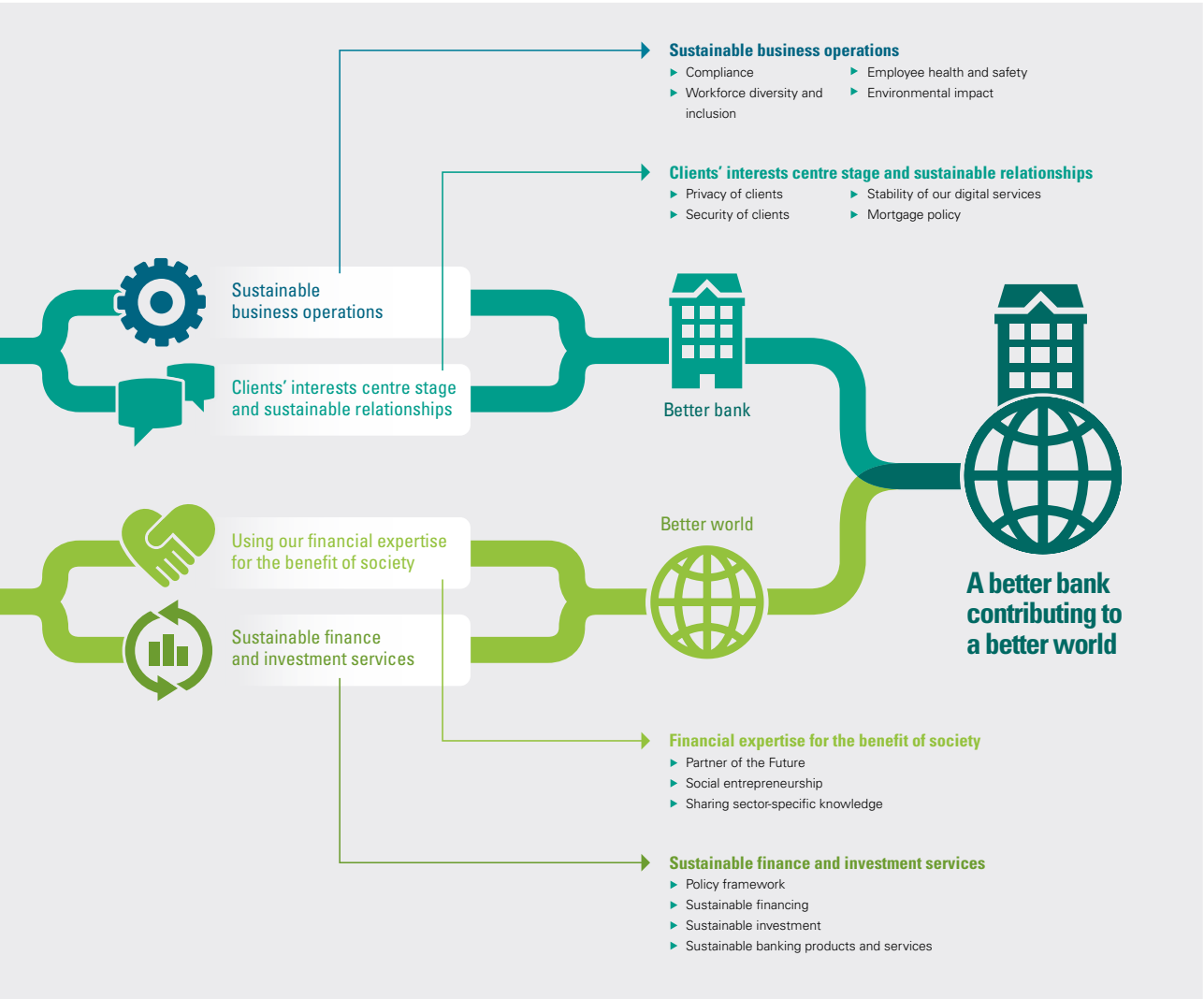
Better bank

- ▶ We pursue sustainable business operations.
- ▶ We put our clients’ interests centre stage and build sustainable relationships.

Better world

- ▶ We use our financial expertise for the benefit of society.
- ▶ We finance and invest for clients in a sustainable manner.

We inspire and engage our people by giving them a role in increasing transparency and sustainability at the bank.



Highlights 2015

Notional amount
(EUR million)

500

In June 2015, we issued the largest Certified Climate Bond to date - with a notional amount of EUR 500 million. This 'green bond' opens up the sustainable housing and property markets to investors.



'Excellent'
Our head office scored 'Excellent' for sustainability, a BREEAM certification.

New social impact bond



We continued to promote social entrepreneurship in the Netherlands through our Social Impact Fund by making new investments. In 2015 a new social impact bond was launched in which the Fund collaborated with The Rotterdam initiative BuzinezzClub and the city of Utrecht.

Newsletter Sustainable Banking

In November 2015, we launched our newsletter 'Sustainable Banking: the how and why'. The stories presented in our quarterly newsletter illustrate our current sustainable activities and dilemmas.

Record year

Our sustainable investments grew to EUR 6.4 billion in 2015. In this year, we introduced a new sustainability indicator for investments and tightened our policy on the violation of UN Global Compact principles.

(EUR billion)
 **6.4**



Stakeholder dialogues

We held 4 round-table sessions to talk to our stakeholders about a variety of themes that were put forward by those same stakeholders last year, for instance clients' privacy or human rights. This helped us to decide where we need to focus our efforts and what we can contribute, and indirectly how we can improve our policies.



Human Rights Conference
 During our second International Human Rights Conference, we published the ABN AMRO and Human Rights guide, 'Our Path Towards Respecting Human Rights'. In this guide we publicly state our commitment to human rights and explain how we can be connected to human rights impacts.

Lowering the threshold
 We lowered the threshold for the sustainable fund mandate to EUR 100,000, making it available to retail clients. This makes it possible for a larger group of clients to invest in sustainable assets.

Threshold Sustainable fund mandate (EUR)
100,000



Global Sustainability Risk Indicator tool

We introduced the Global Sustainability Risk Indicator tool for Commercial Clients in October 2015. The tool helps us determine the sustainability risk involved in lending to specific clients.

First energy-neutral bank office
 In November 2015, we opened the first energy-neutral bank office in the Netherlands, located in Alkmaar.



Ambition: most sustainable real estate bank
 In order to accelerate the transition to sustainable commercial property in the Netherlands, we have set the ambition of becoming the most sustainable real estate bank of the Netherlands.

10 action points

We signed the Dutch banks Climate Statement, which consists of ten action points we pledge to apply, thereby increasing the sustainability of the sector and society.

Outlook 2016 - 2017

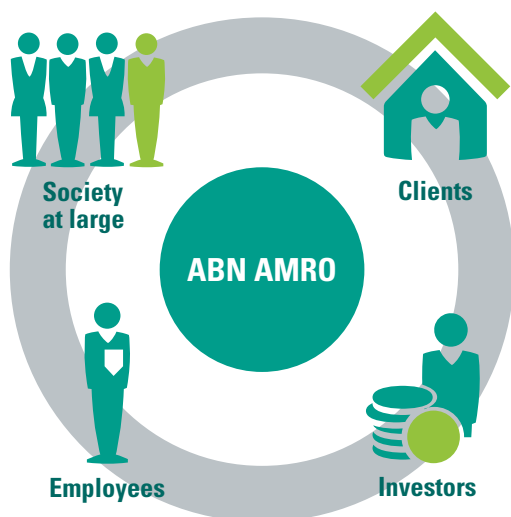
In 2015, we translated our sustainability strategy into goals and metrics. We make our employees ambassadors of ABN AMRO by giving them a role in increasing transparency and sustainability at the bank. We measure the results of our efforts with our Employee Engagement Survey and strive to score 80% or higher by 2017.

Overall indicator: we aspire to be in the top 15% of the Dow Jones Sustainability Index by 2017.

| Strategic pillar | Goal | Metrics for 2017 |
|--|--|--|
| <div>Sustainable business operations</div> <div></div> | In our efforts to make our own business operations more sustainable and transparent, we act within the letter and spirit of the laws and standards for financial services provision. | <ul style="list-style-type: none">▶ Carbon emission reduction (to be defined in 2016)▶ Gender diversity: women to be placed in 30% of upper middle-management positions and 25% of senior management positions▶ A score of >180 points on the Transparency Benchmark |
| <div>Client centricity and sustainable relationships</div> <div></div> | We offer clients safe and reliable services by combining highly secure and stable systems with client centricity. | <ul style="list-style-type: none">▶ Increase the Net Promoter Score by 10% by 2017 compared with 2015▶ Increase the Trust Monitor score by 15% by 2017 compared with 2015 |
| <div>Financial expertise for the benefit of society</div> <div></div> | We increase our contribution to a sustainable society by putting our expertise to use in practical and systemic issues. | <ul style="list-style-type: none">▶ Have 40% of our employees volunteer through ABN AMRO Foundation or other social projects▶ Increase our social impact on key themes (to be defined in 2016) |
| <div>Sustainable finance and investment services</div> <div></div> | We enhance the bank's positive value creation by transparently integrating ESG criteria into our investment advice and lending. | <ul style="list-style-type: none">▶ ESG/ESE criteria to be integrated into our investment advice and lending (to be defined in 2016)▶ To be recognised as a sustainable bank by our clients (to be defined in 2016) |

Creating sustainable value for our stakeholders

This year, ABN AMRO is taking the next step toward integrated reporting. **The move to integrated reporting is in line with our drive to deliver long-term value to all our stakeholders - clients, investors, employees and society at large. Therefore we focus more attention on the bank's future and strategy and provide more non-financial data and targets.**



On the following pages, we explain the relation between:

- ▶ Our stakeholders' interests
- ▶ The topics stakeholders consider material for ABN AMRO
- ▶ How we create long-term value for our stakeholders, as shown in our value creation model.

How do we deliver stakeholder value?

We strive to create long-term, sustainable value for all of our stakeholders.

Our stakeholders

We take the interests of these stakeholders seriously and believe it is our responsibility to manage the impact of our activities.

In doing so, we focus on systematically balancing the bank's interests with those of our stakeholders in everything we do.



Individuals:

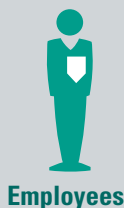
- ▶ Convenience, transparency and reliability in the delivery of banking products and services
- ▶ Provide insights into clients' personal finances and offer advice and solutions based on their unique situation
- ▶ Derive more value for money from the products and services they purchase
- ▶ Sensitivity to privacy issues regarding the use of client data

Businesses and corporates:

- ▶ Forge long-term relationships based on strong commitment, seamless execution and going the extra mile
- ▶ Create insights and connectivity to other parts of the value chain in the sector in which the client operates
- ▶ Capture opportunities through product solutions and tools which provide convenience to the client



- ▶ Strong, sustainable returns on risk adjusted capital
- ▶ Attractive dividend payout ratio and dividend yield
- ▶ Simple business model operating in a relatively attractive banking market
- ▶ Solid capital position and capital generation capabilities to respond to future regulatory uncertainty
- ▶ High quality and transparent disclosure



- ▶ Being able to make a difference for clients and society with a sense of purpose
- ▶ Fair, inclusive and flexible working environment
- ▶ Well-supported by an efficient and collaborative working environment
- ▶ Build sustainable employability through continuous improvement of employee skills and expertise
- ▶ Effective management style based on 'walking the talk' by senior management whose actions are in line with what they say



Community:

- ▶ Safeguarding human rights, health & safety, and the environment via financing and investment activities
- ▶ Embedding sustainability of our finance and investment services and offering sustainable products and services to our clients
- ▶ Minimising the organisation's environmental impact
- ▶ Actively contribute to restoring the public's trust in the banking industry

Governments and regulators:

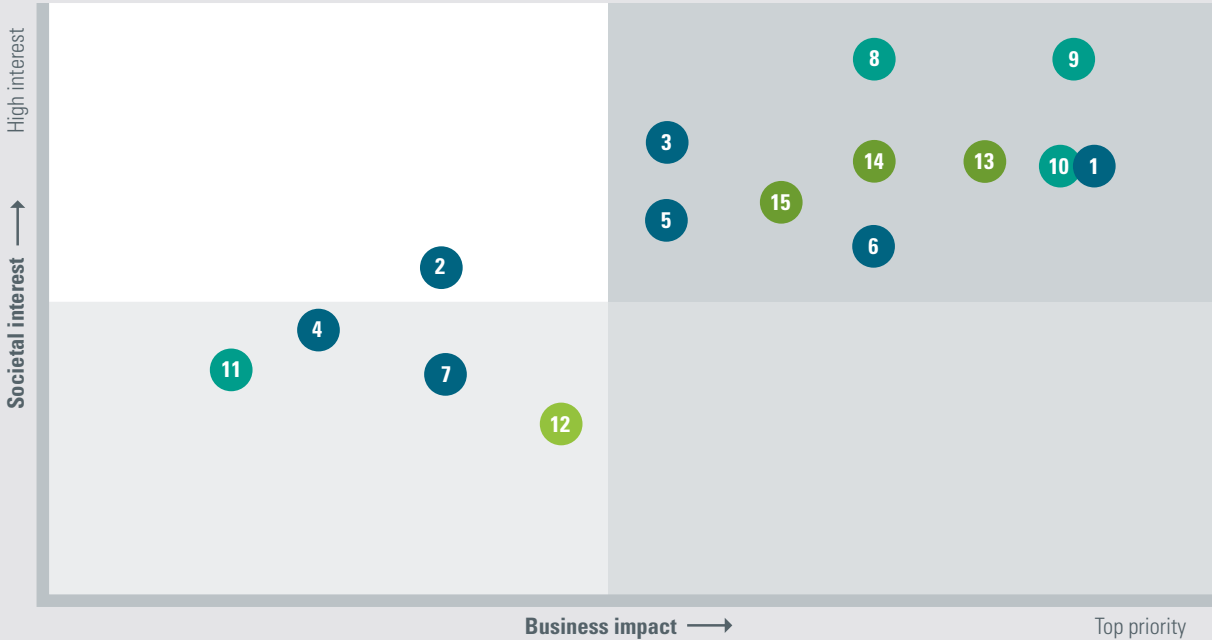
Compliance with national and international legislation

Materiality

In 2014, we performed a materiality analysis that revealed what our internal and external stakeholders consider to be the most material, or relevant, issues. In 2015 we conducted multi-stakeholder dialogues in order to deepen our understanding of, and approach

to, these material issues. A full description of this process is available on our website: abnamro.com/sustainablebanking We will conduct a review of our materiality analysis in 2016.

Our material topics



Sustainable business operations

- 1 Compliance with national and international legislation and regulations
- 2 Preventing corruption and fraud¹
- 3 The health of our employees and the safety of the working environment
- 4 Responsible tax policy¹
- 5 The diversity of our workforce
- 6 Our organisation's environmental impact
- 7 Responsible remuneration policy¹



Clients' interests centre stage and sustainable relationships

- 8 The privacy of clients' financial transactions
- 9 The security of clients' financial transactions
- 10 The stability of our digital services
- 11 Mortgage policy¹



Financial expertise for the benefit of society

- 12 Volunteering and charity¹



Sustainable finance and investment services

- 13 Safeguarding human rights, health and safety and the environment in financing and investment
- 14 Offering sustainable products and services
- 15 ESG/ESE in financing and investment

¹ Material topics of less significance.

How we create value

Input

Social and relationship Capital

We forge and maintain cooperative relationships with our key stakeholders – clients, investors, employees and society at large – to make us a better bank and a good corporate citizen.

Financial Capital

We use financial capital to invest in our activities, including reserves generated through equity, customer deposits and other funding sources.

Human Capital

We need talented and committed employees to make a difference for our clients, now and in the future. As of year-end 2015, we had 22,048 FTEs based in the Netherlands and abroad.

Intellectual Capital

This includes our specialised financial skills and expertise based on our strong Dutch and local brands abroad, and innovative capabilities we use to develop the best solutions and optimise the customer experience, as well as our in-depth sector knowledge across 15 different industries.

Natural Capital

This relates to the natural resources on which we depend to create value for all our stakeholders. The direct environmental impact of our operations is relatively limited; the bank's primary energy footprint consists of carbon emissions and waste generation.

Technological Capital

This consists of tangible and intangible infrastructures that we use to conduct our business activities. We are heavily dependent on our IT infrastructure for the continuity of our operations.



Main output 2015

- Change in Net Promoter Score
 - Retail Banking: +1
 - Private Banking: +2
 - Corporate Banking: -2
- Client satisfaction (% clients rating ≥7): 78
- Trust Monitor score: 3.1 (scale 1 to 5)

- ROE: 12.0%
- CET1 ratio: 15.5%
- C/I Ratio: 61.8%
- Dividend per share: EUR 0.81
- Earnings per share: EUR 2.03
- Regulatory charges and taxes in the Netherlands: approximately EUR 1,912 million

- Employee engagement score: 76%
- Global training costs as % of total staff costs: 2.1%
- Female representation in upper middle-management positions: 25%
- Female representation in senior management positions: 23%

- Number of times employees volunteered for the community: 10,045
- Digital impact fund: EUR 10 million
- Social impact Fund: EUR 10 million

- % reduction in energy consumed since 2012: 33%
- CO₂ emissions per FTE: 1.95 tonnes
- Sustainable client assets: EUR 6.4 billion
- Groenbank sustainable financing: EUR 216 million
- Waste generated per FTE: 181 kg

- Availability of our digital services: 99.5%
- Number of households using internet banking: 5.8 million
- Applications decommissioned since 2014: Approximately 650

How we create value

Social and relationship Capital

Our ambition is to build on our client-centric approach and to make our clients promoters by giving them the best experience. We continue to monitor and address the public's trust in ABN AMRO and in the financial industry. By actively engaging other stakeholders through dialogue and acting on material issues raised, we continue to strengthen our cooperative relationships with them.



Financial Capital

One of our key activities involves providing loans and advances to individuals, small businesses as well as corporates. We contribute to a strong and stable financial sector through our moderate risk profile. Our management actions, combined with improvements in the Dutch economy, have contributed to an improving ROE which underpins our dividend paying capacity. We invest in major initiatives such as TOPS 2020 and Retail Digitalisation to further drive efficiency improvements.



Human Capital

Under our Top Class Employer strategy, we aim to attract, develop and retain the best people by defining a strong corporate identity, creating a culture of excellence and helping employees create their best place to work. We continue to make progress in the area of diversity, focusing on gender, cultural background and disability.



Intellectual Capital

We continuously strengthen our advisory capabilities, expand our digital offering and reshape our distribution model to respond to changing client needs. We actively pursue collaboration with external parties to extend our innovative capabilities. In terms of contributing to society, we actively seek ways to offer our financial expertise, including sharing sector-specific knowledge and promoting social entrepreneurship.



Natural Capital

One of our priorities is to reduce our environmental footprint by making our operations more sustainable. We aim to decrease energy consumption in 2017 by 20-30% compared with 2012. Another way we contribute to society is by embedding our sustainability approach in our financing to corporates and investment services to retail and private clients.



Technological Capital

We deliver value to our clients through a stable, secure and robust IT landscape with a high availability of systems and low losses from cyber-crime and fraud. We are currently in the process of re-engineering and simplifying our IT landscape and accelerating the digitalisation of client processes, enabling us to be more agile and ready for the future.



Sustainable reporting at ABN AMRO

We have introduced a new way of reporting on and communicating our sustainability performance which will help us get the right information across to the right stakeholders. We are now communicating the information through several channels, targeting specific stakeholder groups;

In recent years, we have taken the first steps towards integrated reporting. As of March 2016, we report on the material sustainability topics in the Annual Report, and the bank will no longer issue a Sustainability Report.

Additionally, our quarterly Sustainable Newsletter provides updates on current topics and dilemmas. Please subscribe to our Sustainable Newsletter at abnamro.com/sustainablebanking via [nieuwsbrieven](mailto:nieuwsbrieven@abnamro.com).

More information

The Sustainable Banking website provides additional information and background information.

For more details see:

abnamro.com/sustainablebanking

or contact us at:

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