

How do the various elements of our strategy create value?



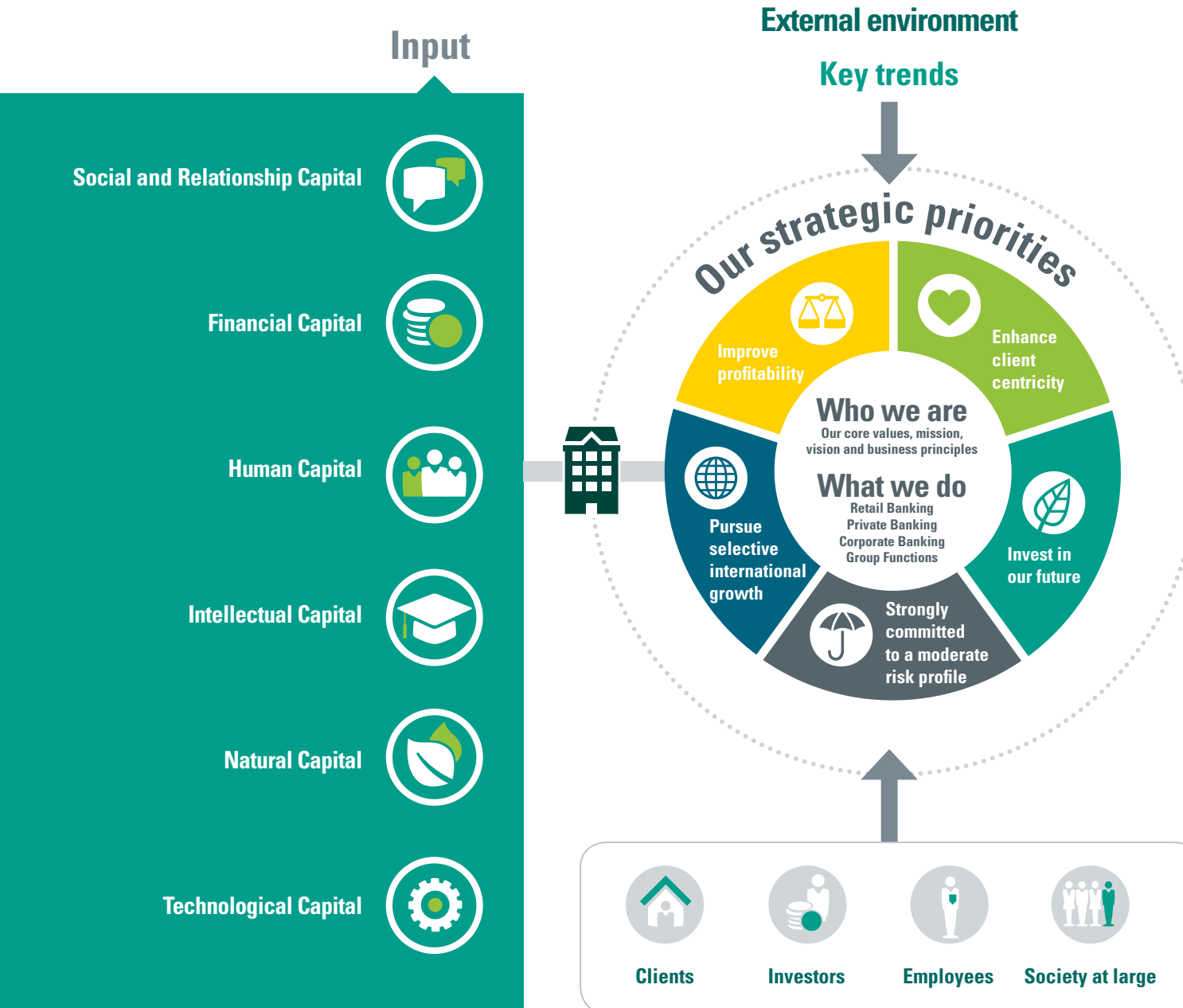
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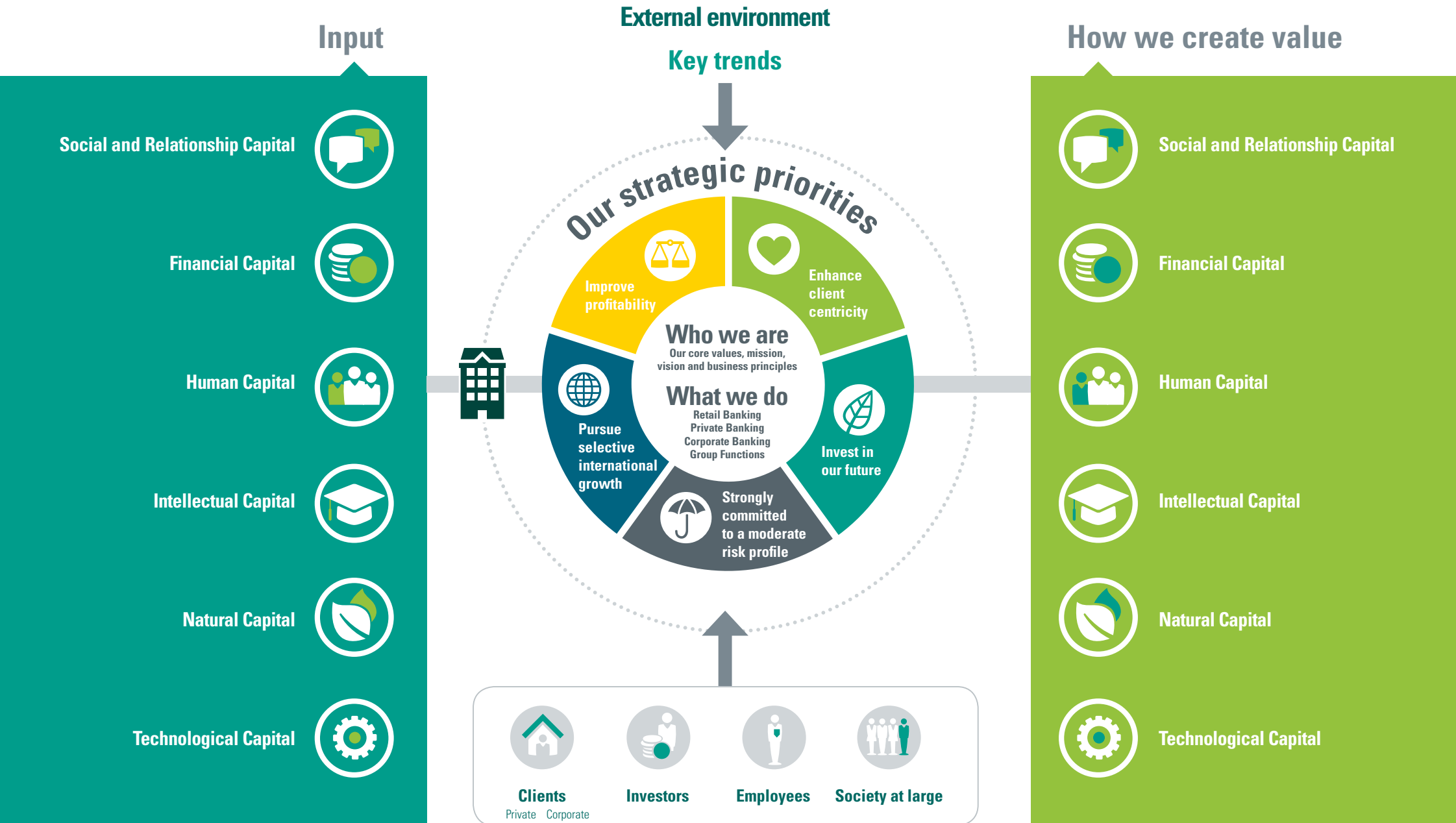
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Input

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.

External environment

Key trends



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)

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.

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Input

Financial Capital



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

External environment

Key trends



Main output 2015

- ▶ 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

How we create value



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.



[Read more about this topic online](#)

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Input

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.

External environment

Key trends



Main output 2015

- ▶ 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%

How we create value



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.

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Input

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.

External environment

Key trends



Main output 2015

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

How we create value



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.

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Input

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.

External environment

Key trends



Main output 2015

- ▶ % 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

How we create value



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.

[Read more about this topic online](#)

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Input

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.

External environment

Key trends



Main output 2015

- 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



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 cybercrime 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.

ABN AMRO is a full-service bank with primary focus on the Netherlands and selective operations internationally. We serve retail, private and corporate banking clients based on our in-depth financial expertise and extensive knowledge of numerous industry sectors.

History

Since

1720

ABN AMRO has a long-standing history in banking and roots that go back for centuries. Following various legal and operational separations, combinations and restructurings, ABN AMRO is now a leading Dutch bank. Our business profile and international footprint has changed while our historic roots and strong brand name remain.



Headquarters

Amsterdam
The Netherlands



Number of employees (FTEs)



22,048

Our businesses

Retail Banking
Private Banking
Corporate Banking

Credit ratings ABN AMRO Bank

S&P: A/stable/A-1
Moody's: A2/stable/P-1
Fitch: A/stable/F1
DBRS: A/positive/R-1 (low)

Corporate governance structure

Two-tier board consisting of a Supervisory Board and a Managing Board.

Supervisory Board

Managing Board

Core values

Trusted
Professional
Ambitious

Business principles

- I aim to provide my clients with the best solutions
- I take responsibility
- I only take risks I understand

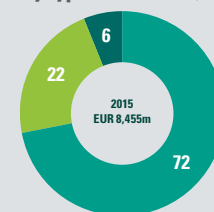
- I am a passionate professional
- I am committed to sustainable business practices
- I build relationships through collaboration

Operating income

2015:

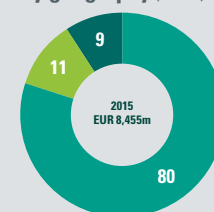
8,455 m

By type of income (in %)



- Net interest income
- Net fee and commission income
- Other operating income

By geography (in %)



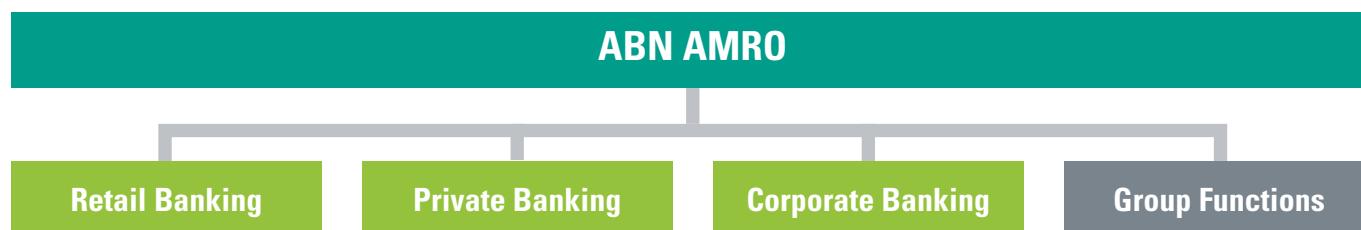
- The Netherlands
- Rest of Europe
- USA, Asia and rest of the world

Our goals

To be a full-service bank with a leadership role in the Dutch market. Internationally, we aim to be a capability-led bank in selected businesses and geographies.



ABN AMRO Group

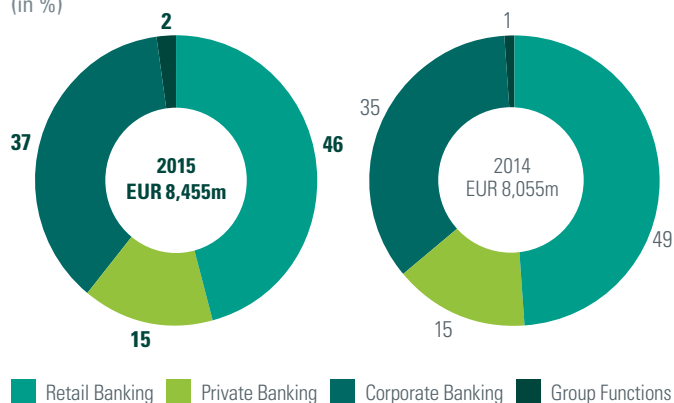


Business description

ABN AMRO is a leading Dutch full-service bank with a transparent and client-driven business model, a moderate risk profile, a clean balance sheet with predominantly traditional banking products, and a solid capital position and funding profile. ABN AMRO serves retail, private and corporate banking clients with a primary focus on the Netherlands and with selective operations internationally. ABN AMRO presents four reporting segments: Retail Banking, Private Banking, Corporate Banking (including sub-segment information) and Group Functions.

Operating income by business segment

(in %)



Retail Banking

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±5
m

Number of
retail clients



Retail Banking is a leading retail bank with a solid and recognised position in our home market, the Netherlands. We are the principal bank for approximately 21% of the Dutch population and have a market share of 21% in the small business segment in the Netherlands. We provide a full range of transparent retail banking products and high-quality services under the ABN AMRO brand, and specific products and services under different labels. We offer our products and services through omni-channel distribution with extensive physical and digital coverage.

up to 1
m

Investable assets. 300,000
small businesses with annual
turnover up to EUR 1 million



Overview

In 2015 we maintained a leading market position and captured a number one market position in new mortgage production, with a combined market share of all ABN AMRO brands in the Dutch mortgage market of approximately 20%. Retail and Private Banking together held a market share of 21% in the savings and deposits market.

Building on our client-centric approach, we aspire to offer the best client experience among our peers, making clients the bank's ambassadors. To this end, we measure the Net Promoter Score (NPS). More important than the score itself, however, is our approach: we carefully monitor client feedback on what we can improve and what we are doing well. In 2015 we started a pilot to help us improve our service based on clients' feedback. We will further roll out the NPS way of working in 2016.

We continued and launched several initiatives in 2015 to further improve the client experience. For example, we are redesigning our omni-channel distribution network

and accelerating digitalisation of our client processes. We released several updates of our mobile banking app this past year, enhancing usability and introducing new features that make it easy for clients to interact with the bank. Clients are rapidly adopting digital channels, yet at the same time physical distribution remains important, with clients increasingly requiring high-quality advice. We aim to provide seamless navigation and easy accessibility in every distribution channel. To this end, we reshaped our distribution network in anticipation of changing client needs by further integrating distribution to retail clients and small business clients, further embedding remote advice in our omni-channel offering and pooling expertise in the branch network.

Looking ahead, Retail Banking will continue to put clients' interests first by further embedding the NPS way of working, expanding our digital services offering, optimising and simplifying products and services, and focusing on high-quality advice.

2

Number two¹ in savings (including Private Banking)
Number one² in new mortgage production.
Leading position in the Netherlands. Principal
bank for 21%³ of the Dutch population and market
share of 21%⁴ in the small business segment

±260
Number of branches
worldwide

Seamless omni-channel distribution
with a nationwide network, Advice &
Service Centres and 24/7 internet and
mobile banking

² Source: calculated based on DNB Domestic MFI statistics and internal analyses, H1 2015 figures.

³ Source: calculated based on information provided by the Dutch Land Registry (Kadaster), 2015.

⁴ Source: GfK Online tracker, 2015.

⁵ Source: TNS NIPO, 2015.

Private Banking

ABN AMRO Private Banking operates through strong local brands. The Dutch brand, ABN AMRO MeesPierson, maintained its position as market leader in the Netherlands in terms of client assets, totalling EUR 199 billion in 2015.

Overview

ABN AMRO Private Banking operates through strong local brands. The Dutch brand, ABN AMRO MeesPierson, maintained its position as market leader in the Netherlands in terms of client assets, totalling EUR 199 billion in 2015. Banque Neufilize OBC (NOBC) is our well-known private bank in France, with eleven branches in the main French cities. NOBC holds a top 4 position in the French private banking market. Bethmann Bank is a top 3 private bank in Germany, with twelve branches in the main economic regions of Germany. Private Banking is also active in Belgium, Luxembourg, the Channel Islands and in Asia and the Middle East.

A modern private bank

ABN AMRO Private Banking is a modern private bank, internationally present and locally involved, that understands changing client needs while providing agile service and distinctive financial solutions to ensure true client engagement.

To realise its ambition, Private Banking has defined five strategic drivers:

- ▶ We develop relevant client solutions;
- ▶ We innovate;
- ▶ We are dedicated to leadership and culture;
- ▶ We deliver consistent execution and risk management;
- ▶ We drive sustainable performance and scale.

Based on its strong commitment to putting clients' interests first, ABN AMRO Private Banking's pledge is that 'every interaction counts'.

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>100,000

Number of clients. Year-end 2015 present in 11 countries with > 50 offices



1

Market leader in the Netherlands under the brand name ABN AMRO MeesPierson. Ranked 4th in France, 3rd in Germany and the eurozone, with a solid position in selected countries in Asia and the Middle East



Fully integrated financial advice

And a broad array of services focused on wealth structuring, wealth protection and wealth transfer



Seamless multi-channel client servicing

In the Netherlands and is investing in order to do the same in other selected geographical markets



Corporate Banking

Corporate Banking is an established business partner of the Dutch corporate sector. Our clients are corporates in all sectors of the Dutch economy with annual turnover exceeding EUR 1 million. Internationally, we serve our domestic client base through local Dutch Desks in selective markets and through cooperation with partner banks.

Overview

Corporate Banking is strongly committed to the Netherlands, where we offer our clients a broad range of standard and tailor-made products and services based on in-depth client and sector knowledge. Our clients are corporates in all sectors of the Dutch economy with annual turnover exceeding EUR 1 million.

We have a client- and capability-led international strategy that focuses on three specialities for which we operate in selective markets: (i) serving clients that are internationally active in the energy, commodities and transportation sectors (ECT Clients), (ii) clearing activities in more than 150 liquidity centres worldwide and (iii) asset-based financing (consisting of commercial finance and lease).

Our key strengths are our existing leading market positions and strong brand name, relationship-driven business model combined with a dedicated sector approach, strong focus on risk management, resilient revenues and proven management track record.

We launched several initiatives in 2015 that further enhanced client centricity: we strengthened our sector-based organisation and increased the in-depth sector knowledge across Corporate Banking, and we pursued controlled international growth in selective markets abroad.

Looking ahead, we believe that our key strengths form a solid foundation for adapting to the challenges presented by changing client needs, economic conditions and increased competition and regulation.

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70,000

Number of corporate clients.



>1

Annual turnover
m



Client- and capability-led international strategy

With a focus on three specialities ECT Clients, Clearing and asset based financing



International presence

In the key financial and logistical hubs



Group Functions

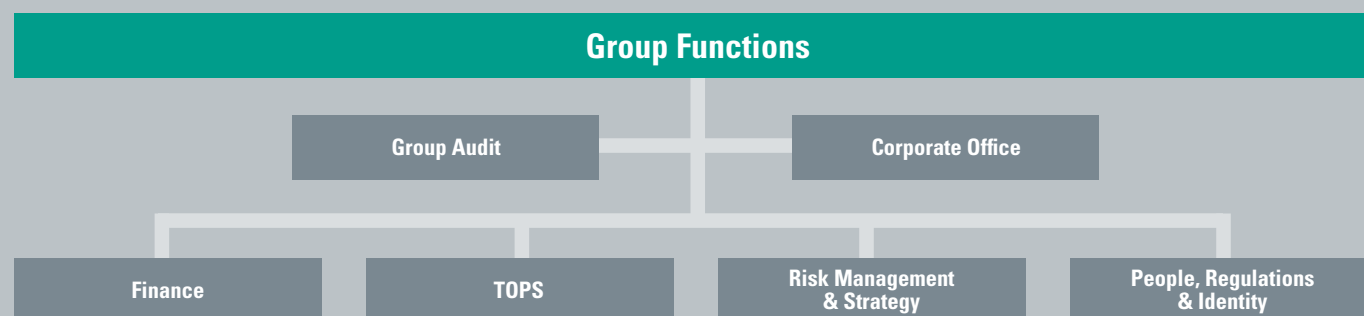
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Group Functions supports and controls all group-wide business activities. Its main focus areas include realisation of the Group's long-term strategy by means of management control, compliance with regulations, and second and third line responsibilities.

Overview

Group Functions is organised into four main departments, each of which is headed by a member of the Managing Board: Finance, Risk Management & Strategy (RM&S), People, Regulations & Identity (PR&I) and Technology, Operations & Property Services (TOPS). Group Audit and the Corporate Office are also part of Group Functions.

Group Audit reports to the Chairman of the Managing Board, and the head of Group Audit has direct access to the Chairman of the Audit Committee. The majority of Group Functions' costs are allocated to the business segments.



Our strategy

Our 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. These five priorities are: enhance client centricity, invest in our future, strongly commit to a moderate risk profile, pursue selective international growth and improve profitability.



Enhance client centricity

We aim to stand out from other banks based on the quality and relevance of our advice and services. One way we intend to further distinguish ourselves is by enhancing our needs-based client segmentation and providing solutions that suit our clients' unique situations. We are embedding the Net Promoter Score (NPS) way of working in our operations. We focus on continuously improving our services and internal processes based on feedback from our clients.

We continued our journey in 2015 in enhancing our omni-channel offering. Besides releasing updates of our mobile app, we introduced new, innovative ways to serve our Retail Banking clients. For our Private Banking clients in the Netherlands we implemented several initiatives to improve the quality of investment advice provided. Further steps were taken in 2015 to enhance our sector expertise as part of our service to Corporate Banking clients.



Invest in our future

Re-engineering the IT landscape and optimising processes

Since 2014, we have been rationalising our IT landscape by decommissioning about 650 redundant applications, with a further reduction of 280 applications planned for 2016. Furthermore in 2016, we aim to migrate a substantial part of our applications to our on-premise dedicated private cloud environment and we will continue to rationalise processes and applications.

The Retail Digitalisation programme, launched in 2014, will help us accelerate the digitalisation of key processes. By making further investments in our online service offering and mobile apps, we aim to deliver a seamless online, mobile and branch experience. In 2015, we further optimised our distribution channels by integrating the servicing of small business clients, further embedding remote advice in our offering, and increasing the number of advisors and specialists across our branches.

We teamed up with The Startup Orgy (TSO) to support Dutch startups by sharing our expertise. Through our Digital Impact Fund, we invest in innovative startups specialising in the digitalisation of financial products and services. This also gives us access to smart innovations which could benefit our business and retail clients.

Positively recognised position on sustainability and transparency

Our pledge is to be a better bank contributing to a better world. As such, we are committed to being positively recognised for our position on sustainability and transparency. In 2015, we translated our sustainability strategy into goals and metrics. As an overall indicator of how we are performing, we aspire to be in the top 15% of the Dow Jones Sustainability Index by 2017.

Top Class Employer

Making a difference to our clients now and in the future requires a talented, committed workforce. Our people strategy is based on our aspiration to be a Top Class Employer and is designed to help us attract, develop and retain the best people.



Strongly commit to a moderate risk profile

We are committed to maintaining a moderate risk profile, which is reflected by: (i) a clean and strong balance sheet, (ii) diversification and focus in our portfolio, (iii) sound capital and liquidity management, (iv) sustainability and transparency and (v) clear governance. In 2015, we continued to optimise the sector-based credit risk approach throughout the Risk Management organisation, which focuses on improved risk knowledge and awareness. This approach allows us to better monitor and manage portfolio intake and sector concentration and to add value in credit risk-taking and decision-making.



Pursue selective international growth

We target growth in businesses where we have a strong and proven track record (capability-led growth) and that fit into our moderate risk profile.

The foreign currency branch licence granted by the China Banking Regulatory Commission in September 2015 further enables our ECT business to serve the international needs of our clients. In addition, Financial Institutions set up local relationship management units in the major Western European financial centres of London, Frankfurt and Paris. The launch of our Clearing business on the Brazil equity market in 2015 further enhances our global market access, with our clearing services now spanning more than 150 liquidity centres worldwide.



Improve profitability

Underlying ROE improved to 12.0% in 2015 from 10.9% in 2014, which is in the revised target range of 10-13% announced in September 2015. Underlying profit for 2015 amounted to EUR 1,924 million, up 24% or EUR 373 million compared with the previous year. The increase was achieved on sharply lower impairments and despite higher regulatory levies and project costs. The decrease in loan impairments, seen across the consumer loan and mortgage portfolios, was driven mainly by stringent credit monitoring, balanced portfolio intake and a continued improvement of the economic environment in the Netherlands.

The underlying cost/income ratio increased marginally to 61.8%, which is above the targeted range of 56-60% we set for 2017. We were faced with higher investments and increasing regulatory levies in 2015, and this will continue in 2016. Our cost saving measures are expected to bring down the cost/income ratio to within our target range as planned by 2017.

- 1 Changing role for banks in society**
- 2 Changing client behaviour and expectations**
- 3 Rapid technological change**
- 4 Increasing regulation and supervision**
- 5 Increasing competition**
- 6 Macroeconomic trends, economic and monetary environment**

Speed and personalisation are important elements of our Private Banking service. Hans Muysson, a client for fifteen years, shares what he believes is going well and what could be improved.

ABN AMRO MeesPierson advises clients on how to transfer wealth legally and tax-efficiently to future generations. Our all-inclusive, tailored service includes administration, settlement and management of the estate. Philanthropy helps clients donate their wealth to a good cause.

"The timing and high standard of service made a big impression on me when we were drawing up my estate plan. ABN AMRO MeesPierson took the initiative, in response to a number of developments we had gone through. Their attitude reflected a sincere and personal interest in our well-being. Everything was handled quickly and professionally. This was a textbook case for how to do it right. And yet there's room for improvement. The bank could take more responsibility for its own investment advice. After all, the bank and advisor should also be concerned with the relationship between their advice and the results. Showing vulnerability helps build loyalty. I also think that they would do well to place more emphasis on modernisation. That would distinguish ABN AMRO MeesPierson from the competition."

Who

Hans Muysson,
Client of
ABN AMRO MeesPierson



"Their attitude reflected a sincere and personal interest in our well-being"

Corporate client

Sector-specific knowledge

Who

Petter Heier,
CEO of Grieg Green



My advice to ABN AMRO is to continue the dialogue with clients on sustainability and use its leverage to make them act responsibly.

Corporate Banking's Relationship Managers are specialised in a particular sector and use their in-depth knowledge to support clients in embedding sustainability in their business.

One of those clients is Grieg Green, which provides ship recycling services to companies in the shipping industry. Petter Heier, CEO of Grieg Green, describes the cooperation with ABN AMRO: "Our parent company Grieg Shipping Group had worked with ABN AMRO before, so they knew about our recycling operations. ABN AMRO wanted to know more about what we were doing and thinking in terms of sustainability, and we quickly found common ground."

"As a result, ABN AMRO now provides funding for our sustainable recycling solutions. Moreover, we got access to a network of potential business partners. The bank connected us to ship owners in North America and Southeast Asia. We share knowledge with each other whenever an interesting development occurs. For example, we recently made a financial and environmental analysis for a ship that was bound to be recycled in Pakistan. Based on ABN AMRO's research, it turned out that Turkey was the better option in both respects."



"We quickly found common ground. ABN AMRO now provides funding for our sustainable recycling solutions and we got access to a network of potential business partners."

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“Recognising and being willing to increase diversity at the bank allows us to connect the wide variety of talents that people bring to the company.”

In our team, diversity helps us see things from a different perspective, which adds value to ABN AMRO.

Who

Nargis Goldfinger Rasheed,
Asset & Liability Management
Analyst ABN AMRO



Diversity and inclusion are about bringing together and making the most of the unique talents and experiences of all people, regardless of who they are or where they come from. A diverse workforce that reflects the communities we serve helps us to create the best solutions and enhance the customer experience.

At the same time, it fosters innovation, respect and creativity. At ABN AMRO, our approach to diversity focuses on increasing the number of women and people with a culturally diverse background at the bank. Our business lines also have clear targets for attracting disabled people. We can create synergy by maximising the use of diverse talents within teams.

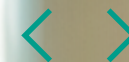
Beyond our own organisation we focus on creating opportunities, for example with the 'Route 99' initiative, which helps corporations offer suitable employment to disabled people. We realise that fighting inequality starts with raising awareness.



Investor Relations

Our relationship with investors during the bank's IPO

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Our investors gave us valuable input as we mapped out the bank's future and set our financial targets.

"It took us several years to prepare for the Initial Public Offering (IPO). During this time, we met with many institutional investors on a regular basis to put our bank on their radar and hear their views. They gave us valuable input as we set the bank's financial targets and mapped out its future. Investors were looking forward to seeing us listed and were pleased with how the IPO went.

Employees, too, were proud about the listing. Afterwards, my colleagues and I watched a video of ABN AMRO teams around the world as they watched the listing ceremony and cheered. Staff all the way from Hong Kong to São Paulo to Chicago and Amsterdam, and at every office in the Netherlands, were dressed in green and yellow to celebrate the big event. All of us had been working towards a common goal, and that was to become a listed bank."

Who

Dies Donker,
Head of Investor Relations
ABN AMRO



"We were in close contact with investors throughout the IPO process. During the 8-day roadshow in Europe and the US, we held more than 100 meetings and talked to over 250 institutional investors."

Society at large

Investigating our total impact on society

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ABN AMRO's main contribution to society consists of creating financial and social capital.

One way that ABN AMRO understands the scope and complexity of its impact on society is by analysing the Integrated Profit & Loss (IP&L) account.

The IP&L attributes a financial value to non-financial effects, such as carbon emissions, a sense of community and well-being. The IP&L recognises the six capitals as defined by the International Integrated Reporting Council (IIRC).

This is in line with ABN AMRO's current reporting approach. Together with True Price, a social enterprise that helps companies quantify and improve their societal impact, we started three IP&L pilot projects in 2015. True Price supported us in our first attempt to measure the impact of our mortgage services, our investments in the cocoa chain and the bank as a whole. The pilot projects produced a first indication of key value drivers, risks, opportunities and actions that could improve our impact on society. For more information on our cooperation with True Price, see our website abnamro.com/en/sustainable-banking/policy-and-reporting/publications

Who

Adrian de Groot Ruiz,
True Price



Financial capital
Human capital
Intellectual capital
Social and relationship capital
Natural capital
Technological capital

Insight in integrated profit and loss



"Financial and social capital creation are the key elements that impact the bank as a whole. This varies from ABN AMRO's own income to enabling clients to make profit, to accumulate wealth, to buy a home or to save without worries."