CREATING LONG-TERM VALUE THROUGH INTEGRATED THINKING AND REPORTING

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Reporting 3.0 Conference
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AGENDA OF THIS PRESENTATION

- Introduction
- Our journey towards creating long-term value
- Our approach to Integrated Reporting
- Results and next steps
ABN AMRO AT A GLANCE

Number of employees
(in FTEs)
19,954

By geography

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

Operating income
(in EUR millions)
9,290

Net profit
(in EUR billions)
2,791

Total loans
of which 150.5
in residential mortgages
274.9

Client assets/savings
236.7

Client assets/securities
145.9
(in EUR billions)
ABN AMRO’S STRATEGY AND FOCUS AREAS

LONG-TERM STRATEGIC FOUNDATION
- Client-driven
- Invest in the future
- Moderate risk profile
- Sustainable growth

SUSTAINABILITY FOCUS AREAS
- Accelerate the transition to a circular economy
- Combat climate change

MEDIUM-TERM STRATEGIC PRIORITIES
- Bring expertise
- Enhance the client experience
- Innovate & grow
- Deliver fast

Respect human rights in everything we do
Support social entrepreneurship
OUR JOURNEY

TOWARDS CREATING LONG-TERM VALUE
“To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders…”

LARRY FINK, CHAIRMAN AND CHIEF EXECUTIVE OFFICER
“We believe that companies are better able to deliver long-term value to shareholders when they consider stakeholder concerns…”
THIS IS WHAT ‘THE WORLD’ IS EXPECTING FROM US…

**Stakeholder value creation**

- Short term
- Medium term
- Long term

To create shareholder value
WHERE TO START?

Long-term value creation

Integrated Thinking

Integrated Reporting
WHAT KIND OF VALUE CAN WE CREATE?
BUT THERE ARE MORE VALUES
FOR INSTANCE...
Human capital
Social & relationship capital
Intellectual capital
FOR WHOM DO WE WANT TO CREATE VALUE?
ON WHAT DO WE CREATE VALUE?
OUR VALUE CREATION MODEL

INPUT

Social and Relationship
Digital and Technological
Human and Intellectual
Financial

DRIVING FORCES
Stability of our financial system
Connectivity
Convenience
Disintermediation
Responsible business

OUTPUT

Social and Relationship
Digital and Technological
Natural
Human and Intellectual
Financial

OUTCOMES

Through fast and innovative propositions, together with our expertise, we help clients in their financial activities.

Stable and safe (digital) services that safeguard the privacy of our clients.

Provide our clients with sustainable products and services to create a positive impact on the environment.

A simplified and agile organisation with engaged employees, and a responsible remuneration policy. Developing the expertise of our staff to help clients and society at large to the best of our ability.

Our role as a stimulating factor to the economy: Sustainable revenues and focus on costs leading to a healthy return, and solid capital buffers.
REPORTING WAS OUR STARTING POINT

Long-term value creation

Integrated Thinking

Integrated Reporting
“INTEGRATED REPORTING IS A PROCESS FOUNDED ON INTEGRATED THINKING.”
“THE PRIMARY PURPOSE OF AN INTEGRATED REPORT IS TO EXPLAIN TO PROVIDERS OF FINANCIAL CAPITAL HOW AN ORGANIZATION CREATES VALUE OVER TIME.”
GUIDING PRINCIPLES <IR>

A. Strategic focus and future orientation
B. Connectivity of information
C. Stakeholder relationships
D. Materiality
E. Conciseness
F. Reliability and completeness
G. Consistency and comparability
THE REPORTING JOURNEY OF ABN AMRO
THE REPORTING JOURNEY AT ABN AMRO

2011: Sustainability flyer
THE REPORTING JOURNEY AT ABN AMRO

2012: Sustainability Report (GRI)
2013: Sustainability Report (GRI) with limited assurance on data
THE REPORTING JOURNEY AT ABN AMRO

2014: Sustainability Report (GRI G4), first materiality assessment
2015 WAS A TURNING YEAR
2015: Introduction of targeted stakeholder communication (website / newsletter)
2016: Integrated Report, assurance on new materiality matrix and text. Better website, more attention to connectivity and value creation.
2016: Human Rights report (UNGP RF), separate report, first financial institution
2017: Core & More approach, limited assurance of entire Integrated Annual Review, based on IIRC Framework
2017: CORE & MORE APPROACH

Integrated Annual Review

Limited assurance based on <IR> Framework!

Annual Report
Pillar III Report
SDG Report
Human Rights Update
Quarterly Newsletter
And more...
ASSURANCE FRONT TO BACK COVER, BASED ON IIRC FRAMEWORK

Assurance report of the independent auditor
To: the executive board and supervisory board of ABN AMRO Group N.V.
RESULTS
THE RESULTS OF INTEGRATED REPORTING

- Long-term value creation
- Integrated Thinking
- Integrated Reporting
<table>
<thead>
<tr>
<th><strong>The Results of Integrated Thinking</strong></th>
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<tr>
<td><strong>Management reporting</strong></td>
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<tr>
<td>Ability to steer non-financials,</td>
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<td>evidence based. Non-financials can be</td>
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<td>used as pre-financials</td>
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<td><strong>Risk reporting</strong></td>
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<tr>
<td>Strategic Risk Assessment aligned</td>
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<td>and more thorough</td>
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<td><strong>Integrated reporting</strong></td>
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<td>Alignment of management-(internal),</td>
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<td>external-, and risk reporting</td>
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Bank-wide Materiality Community started in May 2017

20 material topics integrated in Strategic Risk Assessment

Ability to steer non-financials, evidence based.

Pre-financial information increasingly used for internal decision making
INTEGRATED THINKING AND INTEGRATED REPORTING BRINGS BETTER DECISION-MAKING THAT ULTIMATELY LEADS TO LONG-TERM VALUE CREATION
AN EXAMPLE...

TIKKIE, PAYMENTS VIA WHATSAPP

- Linked to material topic ‘co-creation and innovation’
- Creates value for our clients
- Available to all possible users – benefits society
- Leads to innovation in philanthropic sector
RESPONSIBLE INVESTMENTS, THE NORM FOR OUR CLIENTS

- Linked to material topic ‘ESG/ESE in financing and investments’
- Reduces clients’ investment risks in long term
- Reduce negative impact on society (human rights, climate)
- Impact reports improves awareness clients
NEXT STEPS
MEASURING LONG-TERM VALUE CREATION

IP&L: Measuring long-term value creation

Summary report
NEXT STEPS

• Improved integrated decision-making
• SDG reporting
• Refine targeted stakeholder communication: online first, continuous reporting
• Next step in assurance
• Improve process of materiality & reporting
• Further professionalize measuring IP&L
QUESTIONS?
THANK YOU

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