



NL financial investments

Lange Houtstraat 26
2511 CW Den Haag
Postbus 45650
2504 BB Den Haag

T 070 20 50 600

www.nlfi.nl

ABN AMRO Group NV
Att. Mr D.J.M.G. van Slingelandt
Gustav Mahlerlaan 10
1082 PP Amsterdam

COPY: Mr R. van Outersterp

The Hague, 17 December 2015

NLFI 2015/475

Subject: NLFI Focus Letter 2016

Dear Mr Van Slingelandt, dear Rik,

NLFI attaches great importance to an informative AGM and an effective dialogue with the management and supervisory boards prior to and during the AGM. NLFI has sent an annual focus letter to its holdings since 2014. The purpose of these letters is to stipulate a few priorities that require your additional attention. We are planning on spending extra attention on the topics in this letter in the ongoing dialogue, at the preparatory AGM and possibly at the AGM itself. Our two objectives for 2016 related to (i) integrated reporting; and (ii) culture change. These objectives are further explained in this letter.

1. Integrated reporting: The International Integrated Reporting Council provides a framework for sharpening the focus of financial and non-financial reporting. In this way, users of financial statements obtain better understanding about the value of an undertaking in the long-term. The Netherlands Financial Markets Authority (Stichting Autoriteit Financiële Markten, hereinafter AFM) emphasizes the fact that the risks described in non-financial information and the manner in which these risks are controlled have a major impact on the financial information.¹ Both types of information should therefore be considered in conjunction. NLFI has already addressed this point in the focus letter 2015 and is grateful to you for the steps already taken toward an integrated annual report. NLFI wants to encourage you to go ahead and asks special attention for the risks and opportunities that sustainable development could represent for ABN AMRO.

The UNEP has published a report on how the financial sector can take the lead in facing the large challenges involved in sustainable development.² This includes the financing of sustainable solutions for energy issues. Focusing on sustainable development could also mean that certain activities will be funded less or not at all.³ NLFI congratulates ABN AMRO with the sustainability policy drawn up already and the annual publication of the sustainability report. NLFI calls on you to be more transparent about the risks and opportunities generated by sustainable development, and in addition to the aforementioned report, to report more extensively on the progress on the stated objectives.

The UNEP report also notes that a large number of people have no or only limited access to financial services. In the Netherlands, this is also the case for example for non-status residents and

¹ AFM's response to the consultation of the Draft Decision publication on non-financial information of the Ministry of Security and Justice.

² United Nations Environment Programme (UNEP), Inquiry into the Design of a Sustainable Financial System - The Financial System We Need: Aligning the Financial System with Sustainable Development, October 2015, <http://web.unep.org/inquiry/publications>

³ For a further description of the opportunities and risks of sustainable development, see also the various publications of the Sustainable Finance Lab on: <http://sustainablefinancelab.nl/rubriek/nieuws/banken/>



sole contractors.⁴ This is a risk but potentially also an opportunity for ABN AMRO. NLFI makes an appeal to (i) pick up on the theme inclusive finance with preference; (ii). to formulate policy and ambitious targets about this; and (iii). to be transparent about the progress on this theme.

2. **Cultural change:** On presentation of its 2014 annual report in April 2015, the AFM found that banks, insurers and consultants have still not booked sufficient progress regarding the shift of focus to the customer and the restoration of consumer confidence. According to the AFM, the progress was also too much the result of political, regulatory and community pressure.⁵ The Dutch Central Bank (De Nederlandsche Bank, hereinafter DNB) also attaches a great deal of value to the supervision of conduct and culture. DNB furthermore assesses if decision-making, leadership and communications contribute to a sound and controlled business operation and reduced exposure to risk of a bank.⁶ NLFI would like to enter in conversation with ABN AMRO to agree on clear reports on measurable targets and milestones in terms of customer focus, speed of adjustment, integrity and service to society.⁷

We are happy to explain this letter and the items listed therein. We hope to make a constructive contribution to an effective and informative dialogue and AGM in 2016.

Best regards,

Michael Enthoven

Rens Bröcheler

⁴ An important step was taken in making financial services accessible with the unbankable covenant between the Ministry of Finance, NVB and the Salvation Army in 2001. However, it remains difficult for non-status holders and self-employed professionals to access (certain) financial services. See for example: European Financial Inclusion Network, Country Report Stage II The Netherlands, www.fininc.eu

⁵ AFM 9 April 2014, Press Release to the presentation of the 2014 Annual Report. www.afm.nl

⁶ DNB Brochure, Conduct and Culture in the Dutch financial sector, 2015, www.dnb.nl

⁷ Targets regarding culture change could, for instance, be agreed on the basis of the NVB Culture Chart, see: https://www.nvb.nl/media/document/001365_cultuurkaart-financiele-sector.pdf