



Investor Relations

# Innovation & Technology update

**Analyst lunch**

22 June 2018

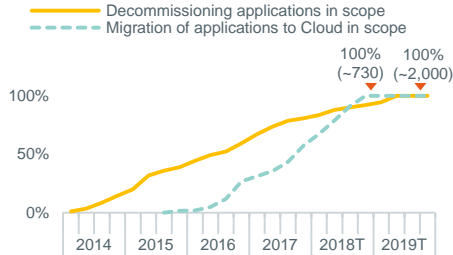
# Executive summary

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- Introducing Christian Bornfeld, Chief Innovation & Technology Officer at ABN AMRO since March 2018
- ABN AMRO has a solid base in IT, digital and innovation
- Strong digital propositions with award winning apps like: mobile banking, Tikkie, Grip
- Efficiency improved through cost discipline, clear priorities and reduced complexity
- Building blocks in place for agile IT delivery and to further speed up innovation
- Well positioned to build value propositions around client journeys with partners

# ABN AMRO has a solid base in IT, digital and innovation

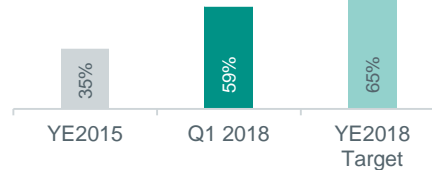
## IT landscape rationalisation



- IT infrastructure transformed through specific initiatives
- Large-scale decommissioning and re-platforming executed
- Private and public clouds enable scalability and short time-to-market
- No large scale core system replacement needed

## Digitalisation on par with peers

Retail client sales and services online



- Valuable propositions with award winning apps: mobile, Tikkie, Grip
- Move services from branches and call centres to mobile and online
- Mature advisory and service concept based on video and chat
- Strong increase in client contacts and improved NPS
- Digitalisation resulted in strong reduction of operational FTE

## Innovation and ways of working



- Agile way of working adopted for all IT-related change
- Key building blocks in place: group innovation, challengers, developer portal
- Digital Impact Fund for external investments
- Cooperation with partners to accelerate innovation
- Broad knowledge base on technologies like AI, Block chain and Cloud

# Further improve efficiency through prioritisation and business rationalisation

## Average annual IT costs in 2015-2017



## Getting more out of the IT budget

### Run costs

- Further consolidation of IT infrastructure
- Automate run and maintenance processes (DevOps)
- Rationalise application landscape
- While volumes have increased significantly, run-cost remained flat

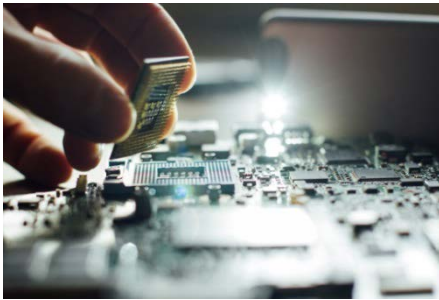
### Change costs

- Leverage synergies across business units and geographies
- Further mature agile way of working and reduce overhead
- Set clear priorities in allocation IT budget and improve cost discipline
- Increased investments have been done in IT; limited capitalisation

1) Subsidiaries not included

# Current focus to improve client experience and effectiveness

## Continuous rejuvenation



- Continuously phase-in further modernisation
- No fixed end state; be able to continuously reinvent ourselves
- Adapt partnerships to reflect shift to cloud and new ways-of-working
- Continuously upgrade cyber security defences

## Accelerate digitalisation



- Build value propositions around key client journeys with partners
- Digital first: rationalise products and consolidate back-office activities
- Strengthen digital offering in commercial and private banking
- Use data and AI to drive proactivity and relevance in client interactions
- Leverage open banking potential to deliver new offerings

## Focused innovation & partnerships



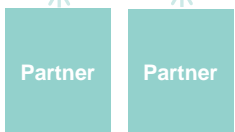
- Align innovation agenda around strategic focus areas
- Enforce early validation
- Deliver on API pipeline and broaden developer/partner community
- Mature and evolve Agile way-of-working
- Explore opportunities for building utilities with partners and peers

# Smart partnering to seize opportunities fast and flexible

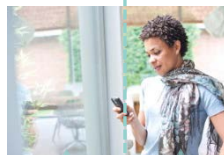
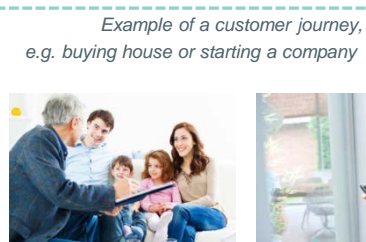
From a traditional player...



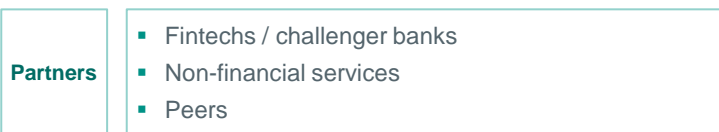
**ABN AMRO**



... to being relevant in ecosystems



**Digital channels, support centres & physical distribution network**

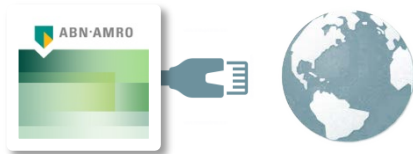


## Capabilities

- Partnering
- API's
- Real-time decision making

# Well positioned for Open Banking, engaging in ecosystems

## Explore open banking potential



- Use broad user base of current apps as steppingstone
- API Developer platform to explore opportunities & connect with developers
- Digital challengers launched, competing with new competitors
- Digitalisation of our advisory capabilities, e.g. with GRIP
- Exploring the new playing field and learn by doing

## Engage in digital ecosystems



- Combining services with partners to deliver a broad value proposition
- Speed up innovation and enhance more customer journeys with partners
- Targeted initiatives
  - Create platforms with 3rd party services, e.g. 'Tikkie business'
  - Distribute capabilities via 3rd parties, e.g. Tweadle (lending)
  - Connect & partner with external APIs, e.g. additions to mobile app

## Mutually reinforcing propositions



- Enabling broad adoption among existing clients and new clients
- Accelerated exploration of new opportunities
- Working with partners, also through Digital Impact Fund, e.g. Tink for Grip and CLS for Tweadle
- Beyond Banking Days to identify concepts
- Fully embedded in the business model



# Q&A