

4th International Conference  
Reporting 3.0 Platform 2017

**Accounting for the future we design  
– valuing the equilibrium of life and  
wellbeing through new conventions**

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31 May 2017

## Patient case history

- First: Wasting disease, starved on many nutrients
- Then: flooded with sugar – overload! Can't process!
- Now: relevant behaviours and tools for health identified, clinical trials done
- Next: ongoing research; all parties act together to ensure behaviour change for health



## 2. Emergence of a new, comprehensive accounting over 20 years?

- Virtual teams in organizations created by integrated thinking, planning and reporting – chief value officer
- Professional accounting bodies integrating thinking in qualifications eg, ACCA, CIMA, CPA Australia + IFAC
- Universities: embedding <IR> in courses; academic research eg, 300 pieces in new database; university reporting eg BUFDG
- Training providers (right) – licenced <IR> training around the world



# 3. What does fair value and wealth creation mean today?

## How we create and share value

Our value creation model shows how we use the resources and expertise at our disposal to create value for our stakeholders. It all starts with the 'input' – four types of capital. These are the key resources we use to generate value. The output results in the value we create for our stakeholders and how we share it with each stakeholder group. The Value Creation Model is presented in the Strategy section of the ABN AMRO Annual Report for 2016.

### INPUT

- Social and Relationship Capital**  
 We maintain strong relationships with our stakeholders by regularly conducting dialogues with them and by performing market analyses, scenario planning and materiality research on what topics matter most to them. Stakeholder management is embedded in our governance model and is carried out in all layers of the bank. Our commitment to sustainability and other social issues is continuously growing.
- Digital and Technological Capital**  
 Our business activities are conducted through tangible and virtual infrastructures. We are investing in digital and innovative propositions and pursuing external partnerships to fortify our digital and technological capital.
- Human and Intellectual Capital**  
 We have specialised financial skills and in-depth sector expertise in different industries. We are committed to attracting, retaining and developing talented and dedicated employees. Our cultural principles and purpose serve as a guide as we work to transform our culture and embed agile methods across our organisation, allowing us to respond alertly to changing client needs.
- Financial Capital**  
 We use financial capital – including reserves generated through equity, client deposits and other funding sources – to invest in our activities.

### KEY TRENDS



### OUTPUT

#### VALUE CREATED

- Social and Relationship Capital**  
 We are redesigning our business and distribution models to address changing client needs, and we offer personalised advice and tailor-made products and services.
  - 15 NPS Retail Banking
  - 1 NPS Private Banking
  - 6 NPS Corporate Banking
  - 3.1 Trust Advisor score (on a scale of 1 to 5)
- Digital and Technological Capital**  
 We are opening up our network by forging partnerships. We strive to ensure a stable, secure IT landscape with high availability while protecting client data, guaranteeing privacy and combating fraud.
  - 99.87% Availability of our digital services
  - 5.9 million Number of internet banking contacts
- Natural Capital**  
 We are maintaining the environmental footprint of our operations and embedding environmental principles in our corporate and real estate financing and our investment services.
  - EUR 8.2 billion Sustainable client assets
  - 162 tonnes CO<sub>2</sub> emissions in terms per FTE
- Human and Intellectual Capital**  
 Our purpose, strategy, values and principles form our culture. We are introducing agile methods bank-wide. Our engaged staff share their financial and sector expertise with our clients and partners.
  - 82% Employee engagement score
  - 2% Training expenses as a percentage of total personnel expenses
- Financial Capital**  
 We have a moderate risk profile, contributing to a strong, stable financial sector. Effective management and an improved Dutch economy will lift our ROE and dividend payout.
  - 11.8% Underlying return on equity
  - 17.0% Fully-loaded CET1 ratio

### OUTCOME

#### VALUE SHARED

- We are creating an agile organisation and a more sustainable business model that addresses our stakeholders' needs.**
- Clients**  
 Client satisfaction is rising and the number of loyal clients is growing.
- Employees**  
 Employee engagement grew in 2016, but job losses will affect our workforce.
- Society at large**  
 We are contributing to a better world while improving our bank's reputation.
- Investors**  
 Sustainable revenues, healthy cash flows and share price, responsible tax policy.

## How can we achieve scale in multi-capital accounting?

- Voluntary experimentation – pros and cons
- Investor pull – pros and cons
- Regulation – hard and soft eg:
  - Securities and Exchange Board of India
  - Malaysia and Philippines Corporate Governance Codes
  - Japanese government
  - South Africa governance code and listing requirement
- Market led approach – what works for different markets, contexts, cultures
- Direction of travel is the same, but does need to speed up!

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