



# Annual Report 2018

Including a report of activities referred to in the Trust Conditions, section 7



# Introduction

The Board of Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) appointed two new Board members in 2018: Cilian Jansen Verplanke and Marc van Gelder. This brought the Board up to the required size and also means that an adequate mix of skills is now represented on the Board. A General Meeting of Depositary Receipt Holders and two Extraordinary General Meetings of Depositary Receipt Holders were held in 2018. NL Financial Investments (NLFI), the foundation that holds the shares in ABN AMRO Group N.V. (ABN AMRO) on behalf of the State of the Netherlands (the State), did not transfer any shares in ABN AMRO to STAK AAG in 2018. STAK AAG accordingly issued no depositary receipts for shares in 2018.

The structure of STAK AAG was developed further in 2018. The Board worked on improving the implementation of procedures in relation to depositary receipts and depositary receipt holders, and made further preparations for exceptional circumstances and the possibility of engaging external advisers in such circumstances. Supported by a small, professional team of advisers, STAK AAG carried out its activities in constructive consultation with ABN AMRO, NLFI and other stakeholders.

Section 7 of the Trust Conditions states that STAK AAG will issue an annual report to the holders of depositary receipts on its activities during the past year. This Annual Report covers the period from 1 January to 31 December 2018.

Amsterdam, 13 March 2019

The board

**Peter Ingelse**, Chair

**Inge Brakman**, Vice-Chair

**Cilian Jansen Verplanke**, Secretary

**Marc van Gelder**, Finance

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# General

## < 1.1 About STAK AAG

Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) is an independent foundation formed for the purpose of receiving shares in ABN AMRO Group N.V. (ABN AMRO) and issuing depositary receipts in exchange for those shares. STAK AAG was founded by ABN AMRO on 20 July 2015 in consultation with the Dutch Minister of Finance and NLF. The objectives, powers, tasks, rights and obligations of STAK AAG are set out in the Articles of Association and the Trust Conditions (see [www.stakaag.org](http://www.stakaag.org)). STAK AAG safeguards the interests of the depositary receipt holders as far as possible and will to the best of its ability resist influences that could threaten the independence, continuity or identity of ABN AMRO. In the event of a threat to this independence, continuity or identity, the interests of ABN AMRO have first priority. STAK AAG also devotes continual attention to the interests of other stakeholders such as the customers, depositors, deposit holders, shareholders and employees of ABN AMRO, and to the public interest.

Under normal circumstances, STAK AAG's primary concern is to protect the interests of depositary receipt holders and take account of the interests of ABN AMRO and other stakeholders and the interests of the public at large. Under normal circumstances, STAK AAG automatically grants a power of attorney to depositary receipt holders on each occasion to vote at the General Meeting of Shareholders of ABN AMRO. In undesirable situations, as described in the Trust Conditions (Article 3.2.5), STAK AAG may decide to exercise the voting rights on the shares itself and not to grant a power of attorney to depositary receipt holders, or to limit or not execute powers of attorney previously granted. It will take this decision independently and without reference to ABN AMRO and other potential stakeholders. As long as NLF holds at least one third of the shares in issue, a proposed decision to that effect must be approved by NLF in advance. If there are no grounds for the preparation or implementation of protective measures, STAK AAG will adopt a restrained approach in its role as shareholder.

Within the limits of its objectives, STAK AAG is independent and its Board carries out its duties independently of ABN AMRO. This independence is laid down in Article 3.5 of the Articles of Association and is safeguarded, inter alia, by the application of independence criteria for the appointment of Board members. Following the incorporation of the Foundation, ABN AMRO has no further involvement in the composition of the Board or the appointment of Board members. STAK AAG has its own self-selected support and the Board acts independently and is not bound by any instructions. The composition of the Board must moreover be such that it is able to perform the duties and responsibilities as described in the Articles of Association and the Trust Conditions.

Independence is further ensured by means of the contractual stipulation that STAK AAG itself decides the costs it needs to incur in the exercise of its duties, and that ABN AMRO is obliged to pay these costs at all times. This is laid down in the Articles of Association and further elaborated in an agreement for the reimbursement of expenses between STAK AAG and ABN AMRO.

The Board members have also issued a declaration that they have abstained and will abstain from investing in ABN AMRO. This means that they will not take direct positions in depositary receipts, bonds or other existing or future securities or debt positions of ABN AMRO, apart from any positions that may be taken for the account of a Board member by an asset manager on the basis of a discretionary asset management agreement (whereby the Board member has no influence over the transactions that are effected).

# Depository receipts

## 2.1 Depository receipt holders

The position of the depository receipt holders is laid down in the Articles of Association and the Trust Conditions of STAK AAG (see [www.stakaag.org](http://www.stakaag.org)). To ensure that the procedures concerning depository receipt holders, such as organising meetings of depository receipt holders and distributing dividends, are carried out as smoothly and effectively as possible, responsibility for their implementation was placed with ABN AMRO in 2018. This has the benefit of short lines of communication and optimum coordination, for example between the General Meeting of Depository Receipt Holders and the General Meeting of Shareholders. The Board ensures the independence of STAK AAG during these processes, and under exceptional circumstances (see below) may have these activities performed by a different party. The procedures in relation to voting rights and distribution of depository receipts are explained below.

### Voting rights

The voting rights attached to the shares in ABN AMRO remain in the hands of STAK AAG. Under normal circumstances, STAK AAG grants the depository receipt holders a power of attorney to exercise the voting right associated with a share in each ballot at the General Meeting of Shareholders of ABN AMRO. Depository receipt holders are entitled to attend the General Meeting of Shareholders of ABN AMRO and may exercise their voting right at their discretion. Depository receipt holders may also request other parties, including STAK AAG, to exercise their voting right on their behalf and may give voting instructions for this purpose. Under normal circumstances, STAK AAG is obliged to follow these instructions.

Under certain circumstances as described in the Trust Conditions, the independence, continuity or identity of ABN AMRO may be at issue, for instance in the event of a hostile takeover bid or activities of shareholders that are or could be materially in conflict with the interests of ABN AMRO. In such exceptional circumstances, the Board of STAK AAG may decide to limit the power of attorney to vote at General or Extraordinary General Meetings of Shareholders of ABN AMRO, to exclude or revoke this power of attorney and not to follow the voting instructions given. In such cases STAK AAG will exercise the voting rights itself. As long as NLF I holds at least one third of the shares in issue, a proposed decision to that effect must be approved by NLF I in advance. Each limitation, exclusion or revocation of the power of attorney and non-observance of voting instructions may last for a maximum of two years. STAK AAG will in such circumstances act primarily in the interests of ABN AMRO. It will also devote attention at all times to the interests of other stakeholders such as customers, depositors, deposit holders, shareholders and employees of ABN AMRO and the public interest.

### Distributions on shares and depository receipts

The proposed final dividend for 2017 of €752 million (€0.80 per share) was approved at the General Meeting of Shareholders of ABN AMRO on 29 May 2018. In accordance with the relevant provision in the Trust Conditions (Article 3.3.1), STAK AAG paid this final dividend directly to the depository receipt holders without fees or commission. Together with the interim dividend of €611 million paid in September 2017, the total gross dividend for 2017 amounted to €1,363 million (€1.45 per share).

An interim dividend of €0.65 per share in respect of the financial year 2018 was paid in September 2018. The table on page 6 shows the gross dividends per share distributed since the first issue of depository receipts in 2015.

Dividend distributed by STAK AAG per depositary receipt since the first issue of depositary receipts.

Year	Interim dividend	Final dividend	Total dividend
2015	€ –	€ 0.44	€ 0.44
2016	€ 0.40	€ 0.44	€ 0.84
2017	€ 0.65	€ 0.80	€ 1.45
2017	€ 0.65	not yet available	not yet available

## 2.2 Meeting of depositary receipt holders

A meeting of depositary receipt holders is held at least once a year. This General Meeting of Depositary Holders (GMDRH) takes place no later than two weeks prior to a meeting of shareholders of ABN AMRO. The meeting is convened by STAK AAG and is held in Amsterdam. In addition, STAK AAG may convene a meeting of depositary receipt holders whenever it deems that there is reason to do so, for example to gauge the views of depositary receipt holders. A meeting of depositary receipt holders will also be convened at the request of one or more depositary receipt holders who collectively represent at least ten per cent (10%) of the total number of depositary receipts, subject to clear statement of the items to be discussed. Each depositary receipt holder is entitled to attend the meeting of depositary receipt holders. The members of the Board of STAK AAG, the members of the Executive Board and the Supervisory Board of ABN AMRO are also entitled to attend the meeting. The Chair of STAK AAG will decide regarding attendance at the meeting by (other) third parties.

### General Meeting of Depositary Receipt Holders

The General Meeting of Depositary Receipt Holders (GMDRH) of STAK AAG was held on Tuesday, 3 May 2018 in Amsterdam. The matters discussed and explained by the Board at this meeting included the following:

- the agenda for the General Meeting of Shareholders of ABN AMRO to be held on 29 May 2018
- the 2017 Annual Report of STAK AAG
- amendment of to the Articles of Association and the Trust Conditions.

With regard to the proposals to amend the Articles of Association and the Trust Conditions, the Chair explained that the proposed amendments would not lead to a change in the tasks or powers of the Trust Office or the Board. The purpose of the amendments was solely to clarify both documents and make them more mutually consistent so that the tasks and powers were described in the same way, as intended when STAK AAG was incorporated. ABN AMRO Group and NLFI had granted the necessary approval for the amendment of the Articles of Association. Amendment of the Trust Conditions requires the approval of ABN AMRO Group, NLFI, Euronext and the depositary receipt holders.

The proposal to amend the Articles of Association and the Trust Conditions was not carried at the meeting. As a result, the envisaged clarification could not be effected. However, this does not alter the primary objective of STAK AAG which the Board consistently adopts as a basic principle in exercising its duties, namely protecting the interests of ABN AMRO Group, the companies affiliated to it in a group and the enterprises associated with those companies, in such a way that the interests of those companies and enterprises are safeguarded to the maximum, as well as resisting influences which could undermine the independence,

continuity or identity of those companies and enterprises in a way that is contrary to their interests. In exercising the rights attached to the shares, the primary focus of STAK AAG is on the interests of the depositary receipt holders and takes into account the interests of ABN AMRO Group, the companies affiliated to it in a group and the enterprises associated with those companies. If one of the cases as referred to in Section 2:118a (2) of the Dutch Civil Code should occur or threaten to occur, STAK AAG will focus primarily on the interests of ABN AMRO Group and its associated enterprise. In performing its duties, STAK AAG at all times takes into account the legitimate interests of customers, depositors and deposit holders, shareholders, holders of depositary receipts issued with the cooperation of ABN AMRO Group, its employees, and the society in which ABN AMRO Group carries out its activities.

Detailed minutes of the GMDRH are available at [www.stakaag.org](http://www.stakaag.org).

### **Extraordinary General Meeting of Depositary Receipt Holders**

Extraordinary General Meetings of Depositary Receipt Holders (EGMDRH) of STAK AAG were held on 6 February 2018 and 25 June 2018 in Amsterdam. The meeting held on 6 February 2018 discussed the agenda for the Extraordinary General Meeting of Shareholders of ABN AMRO to be held on 28 February 2018 concerning the appointment of Christian Bornfeld as a member of the Executive Board. The meeting of 25 June 2018 discussed the agenda for the Extraordinary General Meeting of Shareholders of ABN AMRO to be held on 12 July 2018 concerning the appointment of Tom de Swaan as Chair of the Supervisory Board.

No votes were cast at the EGMDRH. The minutes of the EGMDRHs are available at [www.stakaag.org](http://www.stakaag.org).

### **Power of attorney**

In accordance with Article 3.2.2 of the Trust Conditions of STAK AAG, the Board granted power of attorney to all depositary receipt holders of ABN AMRO, with the exception of STAK AAG, to exercise the voting rights associated with the shares in the capital of ABN AMRO at the General Meeting of Shareholders of ABN AMRO on 29 May 2018 and the Extraordinary General Meeting of Shareholders of ABN AMRO on 12 July 2018, without prejudice to the powers assigned to STAK AAG in Article 3.2.5 of the Trust Conditions. Under this power of attorney, depositary receipt holders were able to exercise the voting rights at both these meetings for the number of shares corresponding to the number of depositary receipts held by the depositary receipt holder in question on the registration date.

The Board of STAK AAG did not receive voting instructions from depositary receipt holders for the General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders and therefore did not vote at these meetings.

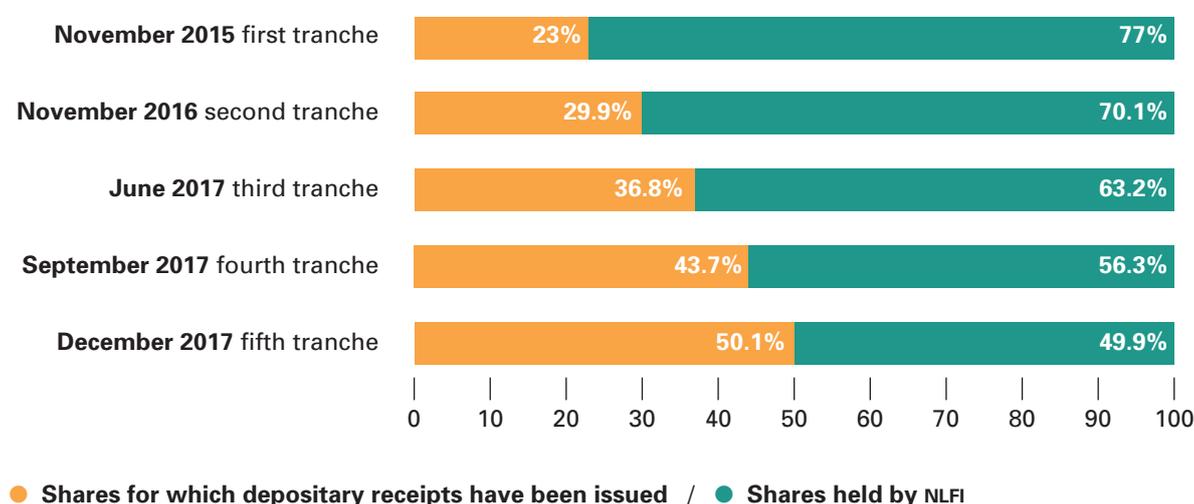
## **2.3 Number of depositary receipts in relation to number of shares issued**

NLFI did not transfer any shares in ABN AMRO to STAK AAG in 2018. As a result, the proportion of the total share capital of ABN AMRO for which STAK AAG has issued depositary receipts remained unchanged at approximately 50.1% at 31 December 2018, corresponding to 470,940,001 depositary receipts.

These depositary receipts can be traded on the stock exchange of Euronext Amsterdam. The table on page 8 gives an overview of the issuance of depositary receipts from November 2015 to 31 December 2018 inclusive.

Tranche	Year	Month	Number	Percentage	Cumulative
1	2015	November	216,200,000	23.0 %	23.0 %
2	2016	November	65,000,000	6.9 %	29.9 %
3	2017	June	65,000,000	6.9 %	36.8 %
4	2017	September	65,000,000	6.9 %	43.7 %
5	2017	December	59,740,001	6.4 %	50.1 %

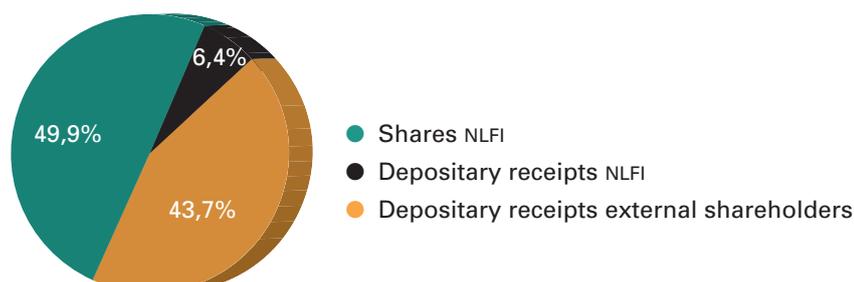
**Figure 1:**  
Cumulative issuance of depositary receipts per tranche from 2015



## 2.4 Outstanding shares in relation to shares held by NLFI

At 31 December 2018, ABN AMRO had two shareholders, NLFI and STAK AAG. NLFI held approximately 49.9% of the shares and STAK AAG approximately 50.1%. The total economic interest of NLFI in ABN AMRO Group N.V. at 31 December 2018 amounted to approximately 56.3%, consisting of approximately 49.9% in ordinary shares and approximately 6.4% in depositary receipts; see figure 2. NLFI has issued a statement waiving the rights to attend and vote at meetings of depositary receipt holders associated with the depositary receipts. This does not apply to the right to vote at meetings of shareholders of ABN AMRO associated with the depositary receipts. The depositary receipts, like the other depositary receipts issued, are listed on Euronext N.V.

**Figure 2:**  
Distribution of shares and depositary receipts between economically entitled parties at 31 December 2018



# Operations

## 3.1 Board meeting

The Board of STAK AAG met five times in 2018. Various items were discussed at these meetings. The main items discussed are summarised here.

Preparation for and reporting on the GMDRH held on 3 May 2018 and the EGMDRH held on 25 June 2018. Preparation for and attendance at the GMS of ABN AMRO on 29 May 2018 and the EGMS on 12 July 2018. Attention was also devoted at these meetings to optimising the support, developing a manual for exceptional circumstances and the amendment of the Articles of Association and the Trust Conditions. The Annual Report, consisting of the Management Report and the Financial Statements for 2017, was also adopted and the budget and annual plan for 2019 were formulated.

## 3.2 Discussions with ABN AMRO and NLF I

The Board of STAK AAG met with the Executive Board and Supervisory Board of ABN AMRO on several occasions in 2018. Items discussed included subsequent transactions, the reciprocal information position, the amendment of the Articles of Association and Trust Conditions, the Annual Report 2017 of STAK AAG and the finances in 2018. The Board also attended the GMS and the EGMS of ABN AMRO.

Discussions were held with the board of NLF I in 2018. The matters discussed included the mutual expectations with respect to the interpretation of duties and roles, amendments of the Articles of Association, the reciprocal information position and (mutual) communication.

## 3.3 Outlook for 2019

A meeting of depositary receipt holders will be held in Amsterdam on Monday, 8 April 2019 prior to the General Meeting of Shareholders of ABN AMRO to be held on Tuesday, 24 April 2019, as prescribed in Article 4.1 of the Trust Conditions. The activities of the Board in the first two quarters of 2019 will mainly be concerned with preparations for the meeting of depositary receipt holders and the appropriate relationship management with depositary receipt holders and NLF I, the General Meeting of Shareholders of ABN AMRO and the related activities. The Annual Report 2018, consisting of the Management Report and the Financial Statements for the year 2018, has also been prepared and adopted in the first quarter. The agenda for the third and fourth quarters of 2019 will as a minimum include making further preparations for exceptional circumstances and a budget for 2020.

The budget for 2019 was fixed at €470,940.00. ABN AMRO will cover the costs on the basis of the agreement for reimbursement of expenses concluded between STAK AAG and ABN AMRO. The remuneration policy for 2019 was established in line with the policy in previous years.

# Board

## < 4.1 Composition

Within the limits of its mandate, STAK AAG is independent and has a Board that is independent of ABN AMRO. The first Board of STAK AAG was appointed on its incorporation in July 2015. Thereafter, the Board appoints its own members without the need for approval or cooperation from ABN AMRO. In principle, members of the STAK AAG Board are appointed for a term of four years. They may be reappointed for up to two additional terms.

The Articles of Association state that the Board of STAK AAG consists of between three and five natural persons. In addition to the requirements set out in the Articles of Association, the Board has formulated a profile description for Board members (see [www.stakaag.org](http://www.stakaag.org)). Among other things, this sets out the criteria to be met by Board members and the size and composition of the Board, taking account of the activities of STAK AAG and the desired expertise and background of Board members.

In 2018 the Board consisted of:

- Peter Ingelse, Chair, appointed on 20 July 2015
- Inge Brakman, Vice-Chair, appointed on 20 July 2015
- Cilian Jansen Verplanke, Secretary, appointed on 9 April 2018
- Marc van Gelder, Finance, appointed on 9 April 2018

The CVs of the Board members are available on the website [www.stakaag.org](http://www.stakaag.org). The Board members meet the personal requirements with respect to independence as set out in Article 3.5 of the Articles of Association, and each of them has endorsed the Board regulations.

## < 4.2 Governance

For its internal governance, the Board will as far as possible comply with principles of governance generally accepted in the Netherlands including – to the extent applicable to STAK AAG – the principles of the Dutch Corporate Governance Code as published in December 2016. In the Annual Report, the Board lists the potential risks associated with the activities of the Foundation; STAK AAG has an external auditor for the audit of the financial statements, a profile description is in place for Board members and the additional activities of the Board members are included as an appendix in this Annual Report. With the appointment of two new Board members in 2018, the appointment terms of the Board members will be phased so that the retirement roster coincides with the ‘natural’ retirement dates. In view of the appointment of two new Board members, a Board evaluation was carried out in 2018 in the form of a number of mutual discussions. The remuneration policy for the Board is disclosed in the Annual Report.

The Board is aware of the fact that the objective of the Foundation is not in line with the Dutch Corporate Governance Code, since the Trust Office can withdraw the power of attorney to vote from the depositary receipt holders as a protective measure. The explanatory notes for this have to be provided by ABN AMRO, as the founder of STAK AAG, and are included in the ABN AMRO annual report.

### 4.3 Risk paragraph

The Board is expected to be able to act quickly and effectively if exceptional circumstances appear or arise. To perform its duties properly, it is essential that the Board has up-to-date and adequate information. The main direct information partners are the Executive Board, Supervisory Board and Employee Council of ABN AMRO. Other information partners are De Nederlandsche Bank (DNB), the European Central Bank (ECB) and, for a period yet to be determined, the board of NLFi and the Dutch Minister and Ministry of Finance. The Board has made information arrangements with these partners in relation to both normal circumstances and exceptional circumstances that may arise. The Board considers that its own composition is adequate to enable it to function in normal circumstances. If exceptional circumstances should arise, the Board considers that it will need to be able to call on specialist expertise.

The Board is dependent on the services of other parties for the performance of a number of essential operational tasks, including the selected Listing Agent and institutions involved in the distribution of dividend. The primary risks in this regard lie with the executive institutions, but since ultimate responsibility rests with the Board, there is also a derived risk for STAK AAG. The potential impact of these risks is considered to be significant. Partly for this reason, the activities relating to depositary receipts and depositary receipt holders, such as the payment of dividend and convening meetings of depositary receipt holders, have been entrusted to ABN AMRO. The Board has determined that no further measures are necessary in order to mitigate risks.

The Foundation's financial obligations are covered by the agreement for reimbursement of expenses concluded with ABN AMRO. This includes the costs of any engagement of additional and specialist independent advisers for the Foundation in the event that exceptional circumstances should arise.

In the opinion of the Board, the above risks and other uncertainties did not arise during the year under review.

### 4.4 Remuneration policy

The Articles of Association of STAK AAG require the Board to pursue a controlled remuneration policy (Article 3.8). The Board has accordingly decided to base its remuneration policy voluntarily on the Dutch Executives' Pay (Standards) Act (the 'WNT') as it applies to the semi-public and public sectors, as long as NLFi still holds at least one third of the shares in ABN AMRO on behalf of the State. On incorporation, the fixed remuneration was set at €20,000 per year, with annual increases limited to the increase in the consumer price index published by Statistics Netherlands (CBS). This is based on an estimated time requirement of approximately 75 hours a year. Any additional remuneration will only be considered if the actual time requirement exceeds the threshold of 75 hours a year. An arrangement has also been established for reimbursement of minor office expenses and a travel allowance. To the extent that Board members are obliged to pay VAT on the reimbursements received, this will also be paid by STAK AAG. The total remuneration paid to Board members in 2018 amounted to €113,087 including VAT.

## 4.5 Costs and liquidity

The costs of the activities performed by STAK AAG are shown in the Financial Statements, which are included in this Annual Report. The Board is well aware that the costs of STAK AAG are borne entirely by ABN AMRO and therefore seeks to ensure that those costs are controlled as far as possible and limited wherever possible.

Based on the agreement for reimbursement of expenses concluded by STAK AAG with ABN AMRO, the total expenses for the past financial year of STAK AAG, amounting to €476,631, were charged in full to ABN AMRO. In addition to Board expenses amounting to €113,087, the expenses in 2018 consisted mainly of costs for the meetings of depositary receipt holders, administrative support and legal and other advice provided to the Board. The total expenses incurred for 2018 were €6,409 lower than the budgeted figure. This reduction in costs can be explained among other things by the higher costs of administrative support (with the legal costs, in particular, turning out higher), offset by the lower general management costs (with both the audit costs and other costs turning out lower than budgeted).

The activities of STAK AAG are funded fully by ABN AMRO. The conditions on which this funding is based are also set out in the agreement for reimbursement of expenses. The agreements made safeguard the liquidity position of STAK AAG. Among other things, it has been agreed that a liquidity buffer of at least €100,000 will be provided to STAK AAG. The liquidity position of STAK AAG was adequate at year-end 2018.

Further details of the financial position of STAK AAG are shown in the 2018 Financial Statements.

## 4.6 External advice

The Board was assisted in 2018 by a permanent and independent team of advisers for management and secretarial services, legal advice, financial-legal advice, communication advice and a Listing Agent. To ensure that the procedures in relation to depositary receipt holders, such as organising meetings of depositary receipt holders and distributing dividends, are carried out as smoothly and effectively as possible, their implementation was entrusted to ABN AMRO in 2018.

Mazars Accountants N.V. acted as the external auditor of STAK AAG.

Amsterdam, 13 March 2019

The Board

**Peter Ingelse**, Chair

**Inge Brakman**, Vice-Chair

**Cilian Jansen Verplanke**, Secretary

**Marc van Gelder**, Finance

# Additional activities

## Appendix list of additional activities of Board members

### Peter Ingelse

- Mediator/arbitrator at Reuling Schutte
- Chair of the Advisory Board of the Dutch Mediators' Association

### Inge Brakman

- Chair of the Dutch Red Cross
- Chair of SKO (Stichting Kijkers Onderzoek)
- Member of the Supervisory Board of DSM Nederland
- Member of the Supervisory Board of Shell Nederland
- Member of the Supervisory Board of Accenture Nederland
- Coach at Quist leading humans
- Member of the Supervisory Board of Funda
- Member of the Supervisory Board of WNF
- Member of the Supervisory Board of Springtij Forum

### Cilian Jansen Verplanke

- Partner/co-founder of investment fund Karmijn Kapitaal, Amsterdam
- Governor of Stichting RC Oude Armen Kantoor, Amsterdam
- Board member of the Young Pianist Foundation

### Marc Van Gelder

- CEO of Dennendonck Investments B.V.
- Chair of the Supervisory Board of Vastned N.V.
- Chair of the Supervisory Board of Hans Anders N.V.
- Member of the Supervisory Board of Action B.V.
- Member of the Supervisory Board of Mint Solutions B.V.
- Member of the Supervisory Board of JPMorgan European Smaller Companies Trust plc.
- Chair of Stichting Continuïteit NN Group N.V.
- Chair of Stichting Administratiekantoor Fugro N.V.
- Member of the Supervisory Board of Springtij Forum
- Board member of the Netherland-America Foundation
- Member of the Supervisory Board of Koninklijk Paleis het Loo
- Member of the Supervisory Board of the Helen Dowling Institute





# FINANCIAL STATEMENTS

# Financial statement 2018

## 5. Statement of financial position at 31 December 2018 (before profit appropriation)

	2018	2017
	€	€
<b>NON-CURRENT ASSETS</b>		
<b>Financial non-current assets</b>		
Shares in ABN AMRO Group N.V. (7.3.1)	p.m.	p.m.
		p.m.
		p.m.
<b>Current assets</b>		
Receivables and prepayments and accruals	0	0
Cash and cash equivalents (7.3.2)	255,450	209,064
	255,450	209,064
<b>Current liabilities and accruals and deferred income (7.3.3)</b>		
	255,450	209,064
<b>Result of assets less current liabilities</b>		
	0	0
<b>Non-current liabilities</b>		
Depository receipts issued (7.3.1)	p.m.	p.m.
		p.m.
		p.m.
<b>Equity (7.3.4)</b>		
	0	0
	0	0

## 6. Statement of income and expense

	Actual 2018 1 Jan. to 31 Dec.	Budget 2018 1 Jan. to 31 Dec.	Actual 2017 1 Jan. to 31 Dec.
	€	€	€
<b>INCOME</b>			
Reimbursement of expenses			
Payment of expenses for implementing objective (7.4.1)	476,631	483,040	516,044
<b>Total income</b>	<b>476,631</b>	<b>483,040</b>	<b>516,044</b>
<b>EXPENSES</b>			
Board expenses (7.4.2)	113,087	116,900	76,832
Board support (7.4.3)	355,194	290,100	376,782
General management exp. (7.4.4)	8,350	76,040	62,430
<b>Total expenses</b>	<b>476,631</b>	<b>483,040</b>	<b>516,044</b>
<b>Balance of income and expense</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Notes

## 7.1 General

Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) was incorporated on 20 July 2015. The Articles of Association established on incorporation have not been changed since that time.

### Article 1.2 of the Articles of Association states the following:

The objective of STAK AAG is:

- a) to acquire and administer, in return for assignment of registered depositary receipts ('Depositary Receipts'), shares ('Shares') in the capital of ABN AMRO Group N.V., a public limited liability company with registered seat in Amsterdam: ABN AMRO Group N.V. (the 'Company' or 'ABN AMRO') and to exercise all rights attached to the Shares, including the voting rights and the right to receive distributions on the Shares subject to the obligation to pay these out on the Depositary Receipts
- b) to promote the exchange of information between the Company on the one hand and the Company's Depositary Receipt holders and shareholders on the other
- c) to promote the acquisition of voting instructions from Depositary Receipt holders, subject to the provisions of section 2:118a of the Dutch Civil Code, as well as to perform all activities that are incidental or may be conducive to all of the foregoing.

STAK AAG shall exercise the rights attached to the Shares in such a way to ensure that the interests of the holders of shares of the Company and of the enterprises maintained by the Company and the companies affiliated to it in a group are maintained and optimally safeguarded. STAK AAG shall deter any influence that could affect the independence, continuity or identity of the Company and of those enterprises to the maximum of its abilities.

In doing so, STAK AAG shall at all times take into account the legitimate interests of the clients, the depositors and deposit holders, the shareholders, the holders of Depositary Receipts issued with the Company's cooperation, the employees, and the society in which the Company carries out its activities.

For the performance of its activities, STAK AAG has undertaken to be bound by Trust Conditions. These Trust Conditions were established on 24 November 2015, and may be consulted at [www.stakaag.org](http://www.stakaag.org) and elsewhere.

## 7.2 Accounting policies

The financial statements of STAK AAG are prepared in accordance with the provisions of Guideline 640 'Not-for-Profit Organisations' issued by the Dutch Accounting Standards Board ('Guideline 640').

### Estimates and assumptions

The preparation of the annual financial statements in accordance with Guideline 640 requires the Board to make judgements, estimates and assumptions that affect the reported value of assets and liabilities and

of income and expenses. The estimates and assumptions are based on past experience and other factors considered to be reasonable given the circumstances. The results of this form the basis for the opinion on the carrying amounts of assets and liabilities that cannot be easily obtained from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are continually assessed. Revisions to estimates are recognised in the period in which the estimate is revised. The financial effects of a revision are recognised in the period(s) to which the revision relates.

### **Criteria for recognition**

An asset is recognised in the statement of financial position when it is likely that the future economic benefits will accrue to STAK AAG and its value can be reliably established. A liability is included in the statement of financial position when it is likely that the settlement thereof will involve a financial outflow and the amount thereof can be reliably established.

Income is recognised in the statement of income and expense when an increase in the economic potential associated with an increase of an asset or a decrease of a liability has occurred, and the amount thereof can be reliably established. Expenses are recognised when a decrease of the economic potential associated with a decrease of an asset or an increase of a liability has occurred, and the amount thereof can be reliably established.

If due to a transaction all or almost all of the future economic benefits and all or almost all of the risks relating to an asset or a liability are transferred to a third party, the asset or liability is derecognised in the statement of financial position. Assets and liabilities are also no longer recognised in the statement of financial position from such time as the conditions of probability of future economic benefits and reliability of determining the value are no longer met.

### **Netting off an asset and a liability**

A financial asset and a financial liability are netted off and recognised as a net amount in the statement of financial position if there is a statutory or contractual authorisation to settle the netted off asset and liability simultaneously and the intention is to settle the items in this manner. The interest income and expenses associated with the netted off financial assets and financial liabilities are also recognised on a net basis.

### **General accounting policies**

Assets and liabilities are stated at nominal value, unless otherwise indicated. Assets and liabilities in foreign currencies are translated at middle exchange rates on the closing date. All income and expenses are applied or charged to the result, taking account of transitory items on the closing date. Income and expenses resulting from transactions in foreign currencies are translated at the exchange rates prevailing on the transaction date. Impairments are applied for the risk of non-recoverability of assets where necessary.

## Shares in ABN AMRO Group N.V. held and depositary receipts issued

Any future economic benefits associated with the shares in ABN AMRO held by STAK AAG will not accrue to STAK AAG, but to the holders of the depositary receipts issued by STAK AAG. The shares in ABN AMRO held by STAK AAG are thus not recognised as assets of STAK AAG in the financial statements. There is also no liability recognised in the financial statements for the depositary receipts for shares in ABN AMRO issued by STAK AAG, since STAK AAG has no economic liabilities with respect to the depositary receipt holders other than making the benefits associated with the shares in ABN AMRO available.

Gains received on shares in ABN AMRO held and payments made on depositary receipts issued for shares in ABN AMRO are, moreover, not recognised in the statement of income and expense. This treatment of shares held, depositary receipts issued and the associated benefits and liabilities is in accordance with paragraph 524 et seq. of Guideline 640 'Not-for-Profit Organisations'.

## 7.3 Notes to the statement of financial position

### 7.3.1 Financial non-current assets – Shares in ABN AMRO Group N.V. / Non-current liabilities – depositary receipts issued

To the extent applicable to the situation at 31 December 2018, the following applies with respect to the shares in ABN AMRO Group N.V. held by STAK AAG and the depositary receipts issued for those shares: Following the transfer of shares and the issuance of depositary receipts for shares in 2015, 2016 and 2017, in 2018 NLFi did not transfer any further shares to STAK AAG and STAK AAG did not issue any further depositary receipts for shares.

At 31 December 2017 STAK AAG held 470,940,001 shares, equivalent to approximately 50.1% of the total share capital of ABN AMRO, and had issued the same quantity of depositary receipts for shares. This situation remained unchanged at 31 December 2018. The depositary receipts can be traded on the stock exchange of Euronext Amsterdam. The table below provides an overview of the issuance of depositary receipts from November 2015 to 31 December 2018 inclusive.

Tranche	Year	Month	Number	Percentage	Cumulative
1	2015	November	216,200,000	23.0 %	23.0 %
2	2016	November	65,000,000	6.9 %	29.9 %
3	2017	June	65,000,000	6.9 %	36.8 %
4	2017	September	65,000,000	6.9 %	43.7 %
5	2017	December	59,740,001	6.4 %	50.1 %
			<u>470,940,001</u>		

The ordinary shares in ABN AMRO are entitled to dividend. Each share represents one vote at the General Meeting of Shareholders of ABN AMRO. On issuance of shares by the Company, holders of ordinary shares have a pre-emptive right, unless this right is limited in accordance with the provisions of the Articles of Association van ABN AMRO.

The proposed final dividend for 2017 of €752 million (€0.80 per share) was approved at the General Meeting of Shareholders of ABN AMRO Group N.V. on 29 May 2018. The payment date of the final dividend was set at 25 June 2018. In accordance with the relevant provision in the Trust Conditions (Article 3.3.1), STAK AAG paid this final dividend directly to the depositary receipt holders without fees or commission. ABN AMRO also offered a dividend reinvestment programme (DRIP) whereby depositary receipt holders may reinvest their net cash dividend in depositary receipts in ABN AMRO.

Together with the interim dividend of €611 million paid in September 2017, the total gross dividend for 2017 amounted to €1.4 billion (€1.45 per share). An interim dividend of €0.65 per share has already been paid for 2018. The table below shows the dividends distributed per share since the first issue of depositary receipts in 2015.

Year	Interim dividend	Final dividend	Total dividend
2015	€ –	€ 0.44	€ 0.44
2016	€ 0.40	€ 0.44	€ 0.84
2017	€ .65	€ 0.80	€ 1.45
2018	€ 0.65	not yet available	not yet available

*Dividend distributed by STAK AAG per depositary receipt since the first issue of depositary receipts.*

The full conditions for the issuance of depositary receipts are established in the Trust Conditions of STAK AAG. These conditions may be consulted at [www.stakaag.org](http://www.stakaag.org). Briefly stated, depositary receipt holders generally have similar economic rights to holders of ordinary shares in the capital of ABN AMRO.

The Trust Conditions also state that exchange of one or more depositary receipts is possible with the permission of ABN AMRO and NLF1, as long as 'Stichting Administratiekantoor Beheer Financiële Instellingen' ('NLF1') holds at least one third of the depositary receipts issued with the Company's permission. Depositary receipt holders may not demand exchange of the depositary receipts they hold.

### 7.3.2 Cash and cash equivalents

Cash and cash equivalents are at the free disposal of STAK AAG and may be analysed as follows:

	2018	2017
	€	€
ABN AMRO current account	255,450	209,064
	<b>255,450</b>	<b>209,064</b>

Under the agreement for reimbursement of expenses concluded between STAK AAG and ABN AMRO, STAK AAG will maintain a buffer of €100,000 at all times.

### 7.3.3 Current liabilities and accruals and deferred income

The analysis of this item is as follows:

	2018	2017
	€	€
Board expenses	42,003	31,596
Legal expenses	1,042	25,074
Corporate service expenses	5,052	13,861
Audit fees	11,250	15,000
Consultancy fees	1,694	5,92955
Intermediary fee	0	26,620
Prepaid reimbursement	194,409	90,984
	<b>255,450</b>	<b>209,064</b>

### 7.3.4 Equity

No changes to the equity of STAK AAG occurred during the reporting year.

The balance of equity was nil during the entire period under review.

### 7.3.5 Events after closing date

No events that need to be reported have occurred since the closing date.

## 7.4 Notes to the statement of income and expense

### 7.4.1 Reimbursement of expenses for implementing objective

	Actual 1 Jan. to 31 Dec. 2018	Budget 1 Jan. to 31 Dec. 2018	Actual 1 Jan. to 31 Dec. 2017
	€	€	€
Reimbursement from ABN AMRO paid	580,057	483,040	567,933
Reimbursement due	0	0	0
Received in advance	- 103,426	0	- 51,949
Reimbursement from ABN AMRO	<b>476,631</b>	<b>483,040</b>	<b>516,044</b>

STAK AAG has concluded an agreement for reimbursement of expenses with ABN AMRO. In this agreement, ABN AMRO has undertaken to pay (in advance) expenses incurred and to be incurred by STAK AAG on written request. Based on the agreement for reimbursement of expenses, the total expenses for the past financial year of STAK AAG, amounting to €476,631, were charged in full to ABN AMRO.

In addition to Board expenses amounting to €113,087, the expenses in 2018 consisted mainly of costs for the meetings of depositary receipt holders, administrative support and legal and other advice provided to the Board. The total expenses incurred for 2018 were €6,409 lower than the budgeted figure. This reduction in costs can be explained among other things by the higher costs of administrative support (with the legal costs, in particular, turning out higher), offset by the lower general management costs (with both the audit costs and other costs turning out lower than budgeted).

### 7.4.2 Board expenses

The Board consisted of four members including the Chair during the year under review. The total remuneration paid to Board members in 2018 amounted to €113,087 including VAT. This amount can be analysed as follows:

Board member	Fixed	Supplementary	Expenses	VAT	Subtotal
Ingelse, Chair	€ 20,000	€ 8,400	€ 1,200	€ 6,216	€ 35,816
Brakman, member	€ 20,000		€ 1,230	€ 4,458	€ 25,688
Van Gelder, member	€ 20,000		€ 1,396	€ 4,493	€ 25,889
Jansen Verplanke, member	€ 20,000		€ 1,234	€ 4,459	€ 25,693
				<b>Totaal</b>	<b>€ 113,087</b>

### 7.4.3 Board support

	Actual 1 Jan. to 31 Dec. 2018	Budget 1 Jan. to 31 Dec. 2018	Actual 1 Jan. to 31 Dec. 2017
	€	€	€
Corporate service expenses	94,664	115,500	135,636
Corporate secretarial expenses	4,950	6,600	6,219
Consultancy fees	63,112	55,000	53,536
Other expenses	3,732	13,000	5,254
Legal advice	188,736	100,000	176,137
	<b>355,194</b>	<b>290,100</b>	<b>376,782</b>

#### 7.4.4 General administrative expenses

	Actual 1 Jan. to 31 Dec. 2018	Budget 1 Jan. to 31 Dec. 2018	Actual 1 Jan. to 31 Dec. 2017
	€	€	€
Audit fees	8,350	22,000	15,125
Regulator	0	0	0
Other expenses	0	54,040	47,305
	<u>8,350</u>	<u>76,040</u>	<u>62,430</u>

#### 7.4.5 Appropriation of the result

There was no appropriation of the result of STAK AAG for the year under review, since the balance of income and expenses in 2018 was nil.

Amsterdam, 13 March 2019

The Board

**Peter Ingelse**, Chair

**Inge Brakman**, Vice-Chair

**Cilian Jansen Verplanke**, Secretary

**Marc van Gelder**, Finance

# Auditor's report

## Independent audit report

To the Management of Stichting Administratiekantoor Continuïteit ABN AMRO Group

### Statement regarding the 2018 financial statements included in the annual report

#### Our opinion

We have audited the 2018 financial statements of Stichting Administratiekantoor Continuïteit ABN AMRO Group, Amsterdam.

In our opinion, the financial statements included in this annual report give a true and fair view of the size and composition of the assets of Stichting Administratiekantoor Continuïteit ABN AMRO Group at 31 December 2018 and of the result for the year then ended in accordance with Dutch Annual Reporting Guideline RJ 640 'Not-for-Profit Organisations'.

The financial statements consist of:

1. the statement of financial position at 31 December 2018
2. the statement of income and expenses for 2018
3. the notes with an overview of the accounting policies used for financial reporting and the other notes.

#### The basis for our opinion

We performed our audit according to Dutch law, including Dutch standards for auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Administratiekantoor Continuïteit ABN AMRO Group as required in the Regulation on the Independence of Auditors in the case of Assurance Engagements ('Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten', or 'ViO') and other independence regulations relevant to the engagement in the Netherlands. We have furthermore complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Conduct and Professional Practice for Accountants Regulation).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement regarding other information included in the annual report

In addition to the financial statements and our audit report thereon, the annual report contains the Management Report prepared by the Board.

Based on the procedures described below, we are of the opinion that the Management Report is consistent with the financial statements and does not contain any material misstatements.

We have read the Management Report and, on the basis of our knowledge and understanding obtained from the audit or otherwise, we have considered whether the Management Report contains material misstatements.

With our procedures, we have complied with the requirements of Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the Management Report in accordance with RJ 640.

## Description of responsibilities with respect to the financial statements

### Responsibilities of the Board for the financial statements

The Board is responsible for the preparation of and presentation of a true and fair view in the financial statements in accordance with Dutch Annual Reporting Guideline RJ 640 'Not-for-Profit Organisations' applying in the Netherlands. The Board is also responsible for such internal control measures as the Board determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the Board must consider whether the Foundation is in a position to continue its activities as a going concern. Based on the aforementioned reporting standards, the Board must prepare the financial statements on the basis of the going concern assumption unless the Board intends to liquidate the Foundation or discontinue its activities or if termination is the only realistic alternative.

The Board must disclose in the financial statements any events and circumstances that could reasonably cast doubt on the Foundation's ability to continue its business activities.

### Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in such a way as to obtain sufficient and appropriate audit evidence on which to base our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included:

- Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to select audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluating the appropriateness of accounting policies used and evaluating the reasonableness of accounting estimates and related notes made by the Board in the financial statements.
- Concluding that the Board's use of the going concern basis of accounting is acceptable, and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes in the financial statements or, if such notes are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the notes.
- Evaluating whether the financial statements present a true and fair view of the underlying transactions and events.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant shortcomings in internal control that we identify during our audit.

We also confirm to the Board that we have complied with the relevant ethical provisions with regard to independence. We furthermore communicate with the Board on all relationships and other matters that could reasonably affect our independence and the related measures designed to ensure our independence.

Rotterdam, 13 March 2019

**Mazars Accountants N.V.**

Original signed by C.A. Harteveld RA



**Stichting Administratiekantoor  
Continuïteit ABN AMRO Group**

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