



Annual Report 2019

Including a report of activities as referred to in Section 7 of the Trust Conditions



Introduction

In 2019 the Board of Stichting Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB) focused among other things on the implications for the Foundation of an internal merger at ABN AMRO, a change of roles within the Board and preparations for the eventuality of exceptional circumstances. One General Meeting of Depositary Receipt Holders and two Extraordinary General Meetings of Depositary Receipt Holders were held in 2019. NL Financial Investments (NLFi), the foundation that holds the shares in ABN AMRO Bank N.V. (ABN AMRO) on behalf of the State of the Netherlands (the State), did not transfer any shares in ABN AMRO to STAK AAB in 2019. STAK AAB accordingly issued no depositary receipts for shares in 2019.

In 2019 ABN AMRO implemented a simplification of its legal structure, whereby ABN AMRO Group N.V. and ABN AMRO Bank N.V. merged to form a single entity under the name ABN AMRO Bank N.V. This led to an amendment of STAK's Articles of Association and the Trust Conditions, the most important amendment being a change to the name of the Foundation, from Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) to Stichting Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB). The object and working methods of the Foundation were not changed, and depositary receipt holders retain the same rights.

The first term of office of the Board members Inge Brakman and Peter Ingelse expired in mid-2019. Both members consented to an extension of their Board membership for four years. After a term of four years, Peter Ingelse handed over the chairmanship of the Board to Inge Brakman, who until that time had been Vice-Chair. Peter Ingelse now holds the position of Vice-Chair.

The Board also focused in 2019 on the contingency of exceptional circumstances arising by carrying out a simulation and devoting attention to the way in which the public interest is taken into account in exceptional circumstances. Supported by a small, professional team of advisers, STAK AAB carried out its activities in constructive consultation with ABN AMRO, NLFi and other stakeholders. The collaboration worked well, and the Board is grateful to all concerned for their efforts on behalf of STAK AAB, and in particular its own advisers and those of ABN AMRO.

Section 7 of the Trust Conditions states that STAK AAB 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 2019.

Amsterdam, 10 March 2020

The Board

Inge Brakman, Chair

Peter Ingelse, Vice-Chair

Cilian Jansen Verplanke, Secretary

Marc van Gelder, Treasurer

Contents

	BOARD REPORT
	1 General
Page 4	1.1 About STAK AAB
	2 Depository receipts
5	2.1 Depository receipt holders
6	2.2 Meeting of depository receipt holders
8	2.3 Number of depository receipts in relation to number of shares issued
9	2.4 Shares issued in relation to shares held by NLF1
	3 Activities
10	3.1 Administration activities 2019
10	3.2 Outlook for 2020
	4 Board
11	4.1 Composition
11	4.2 Governance
12	4.3 Risk paragraph
12	4.4 Remuneration policy
13	4.5 Costs and liquidity
13	4.6 External advice
	Appendix
14	Additional activities of Board members
	FINANCIAL STATEMENTS 2019
16	5 Financial position at 31 December (before profit appropriation)
17	6 Statement of income and expense
	7 Notes
18	7.1 General
18	7.2 Accounting policies
20	7.3 Notes to the statement of financial position
22	7.4 Notes to the statement of income and expense
25	Independent audit report

General

1.1 About STAK AAB

Stichting Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB) is an independent foundation formed for the purpose of receiving shares in ABN AMRO Bank N.V. (ABN AMRO) and issuing depositary receipts for these shares. STAK AAB was founded by ABN AMRO on 20 July 2015 in consultation with the Dutch Minister of Finance and NLF, under the name Administratiekantoor Continuïteit ABN AMRO Group. The object, powers, tasks, rights and obligations of STAK AAB are set out in the Articles of Association and the Trust Conditions (see www.stakaab.org). STAK AAB 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 AAB 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 AAB'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 AAB 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 AAB 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 revoke, 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 AAB will adopt a restrained approach in its role as shareholder.

Within the limits of its object, STAK AAB 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 AAB 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 AAB 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 on the reimbursement of expenses between STAK AAB 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, with the exception of 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 AAB (see www.stakaab.org). The activities in relation to depository receipt holders, such as meetings of depository receipt holders and the distribution of dividend, have been placed with ABN AMRO to ensure that they are organised as well and effectively as possible. 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 AAB at all times. Under exceptional circumstances (see below) these activities may be performed by a different party. The procedures in relation to voting rights and distribution of shares and depository receipts are explained below.

Voting rights

The voting rights attached to the shares in ABN AMRO remain in the hands of STAK AAB. Under normal circumstances, STAK AAB 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 AAB, to exercise their voting right on their behalf and may give voting instructions for this purpose. Under normal circumstances, STAK AAB 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 AAB may decide to limit the power of attorney to vote at General or Extraordinary General Meetings of Shareholders of ABN AMRO, to limit, exclude or revoke this power of attorney and not to follow the voting instructions given. In such cases STAK AAB will exercise the voting rights itself. As long as NLF1 holds at least one third of the shares in issue, a proposed decision to that effect must be approved by NLF1 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 AAB 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 2018 of €752 million (€0.80 per share) was approved at the General Meeting of Shareholders of ABN AMRO Bank N.V. on 24 April 2019. In accordance with the relevant provision in the Trust Conditions (Article 3.3.1), STAK AAB paid this final dividend directly to the depository receipt holders without fees or commission. Together with the interim dividend of €611 million (€0.65 per share) paid in September 2018, the total gross dividend for 2018 amounted to €1,363 million (€1.45 per share).

An interim dividend of €0.60 per share in respect of the financial year 2019 was paid in September 2019. 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 AAB 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
2018	€ 0.65	€ 0.80	€ 1.45
2019	€ 0.60	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 Receipt Holders (GMDRH) takes place no later than two weeks prior to a meeting of shareholders of ABN AMRO. The meeting is convened by STAK AAB and is held in Amsterdam. In addition, STAK AAB 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 three per cent (3%) of the total number of depositary receipts, subject to clear statement of the items to be discussed (see Article 4.1.2 of the Trust Conditions). Each depositary receipt holder is entitled to attend the meeting of depositary receipt holders. The members of the Board of STAK AAB, the members of the Executive Board and the Supervisory Board of ABN AMRO are also entitled to attend the meeting. The Chair of STAK AAB 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 AAB was held on Tuesday, 8 April 2019 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 24 April 2019
- the 2018 Annual Report of STAK AAB
- amendment of 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 stemmed from ABN AMRO's intention to simplify its legal structure, whereby ABN AMRO Group N.V. and ABN AMRO Bank N.V. would merge to form a single entity, ABN AMRO Bank N.V. Since this merger would mean that ABN AMRO Group no longer existed and that ABN AMRO Bank would be the sole remaining party, the Articles of Association and Trust Conditions of the Foundation needed to be amended, the most important amendment being a change to the name of the Foundation, from Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) to Stichting Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB). Since this was purely a technical name change, the object and working methods of the Foundation were not changed and the depositary receipt holders retained the same rights.

ABN AMRO Bank and NLF had given their approval for the amendment of the Articles of Association and the Trust Conditions. The amendment of the Trust Conditions was also approved by Euronext.

The required quorum for a ballot on the amendments to the Articles of Association and the Trust Conditions was not achieved at the General Meeting of Depositary Receipt Holders (GMDRH), and these agenda items were therefore struck out. Consequently, an Extraordinary General Meeting of Depositary Receipt Holders (EGMDRH) was convened on 24 April 2019, at which a ballot on the amendments to the Articles of Association and the Trust Conditions was once again placed on the agenda. Although there is no quorum requirement for an EGMDRH, amendment of the Articles of Association and the Trust Conditions was still only possible if it received the support of a two-thirds majority of the votes cast.

After the closing of the ballot on the amendment of the Articles of Association, the Chair declared that 100% of the votes cast had been cast in favour of the amendment of the Articles of Association (220,643,493 votes for and 804,101 abstentions). The EGMDRH accordingly gave its approval for the resolution by the Board of STAK AAG to amend the Articles of Association as set out in Annex I and Annex Ia in the papers for this meeting (see www.stakaab.org).

After the closing of the ballot on the amendment of the Trust Conditions, the Chair declared that 100% of the votes cast had been cast in favour of the amendment of the Trust Conditions (220,643,493 votes for and 804,101 abstentions). The EGMDRH accordingly gave its approval for the resolution by the Board of STAK AAG to amend the Trust Conditions as set out in Annex II and Annex IIa in the papers for this meeting (see www.stakaab.org).

A ballot on the merger itself was held during the General Meeting of Shareholders of ABN AMRO Group N.V. on 24 April.

Minutes of the GMDRH are available at www.stakaab.org.

Extraordinary General Meeting of Depositary Receipt Holders

Extraordinary General Meetings of Depositary Receipt Holders (EGMDRH) of STAK AAB were held on 24 April and 3 December 2019 in Amsterdam. The EGMDRH on 24 April 2019 was convened because the GMDRH held on 8 April 2019 had failed to achieve the quorum for a ballot on the proposed amendments to the Articles of Association and the Trust Conditions (see above).

The meeting on 3 December 2019 discussed the agenda for the Extraordinary General Meeting of Shareholders of ABN AMRO to be held on 17 December 2019 concerning the appointment of Laetitia Griffith as a member of the Supervisory Board.

No votes were cast at the EGMDRHs. The minutes of the EGMDRHs are available at www.stakaab.org.

Power of attorney

In accordance with Article 3.2.2 of the Trust Conditions of STAK AAB, the Board granted power of attorney to all depositary receipt holders of ABN AMRO, with the exception of STAK AAB, 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 24 April 2019 and the Extraordinary General Meeting of Shareholders of ABN AMRO on 17 December 2019, without prejudice to the powers assigned to STAK AAB 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 AAB 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

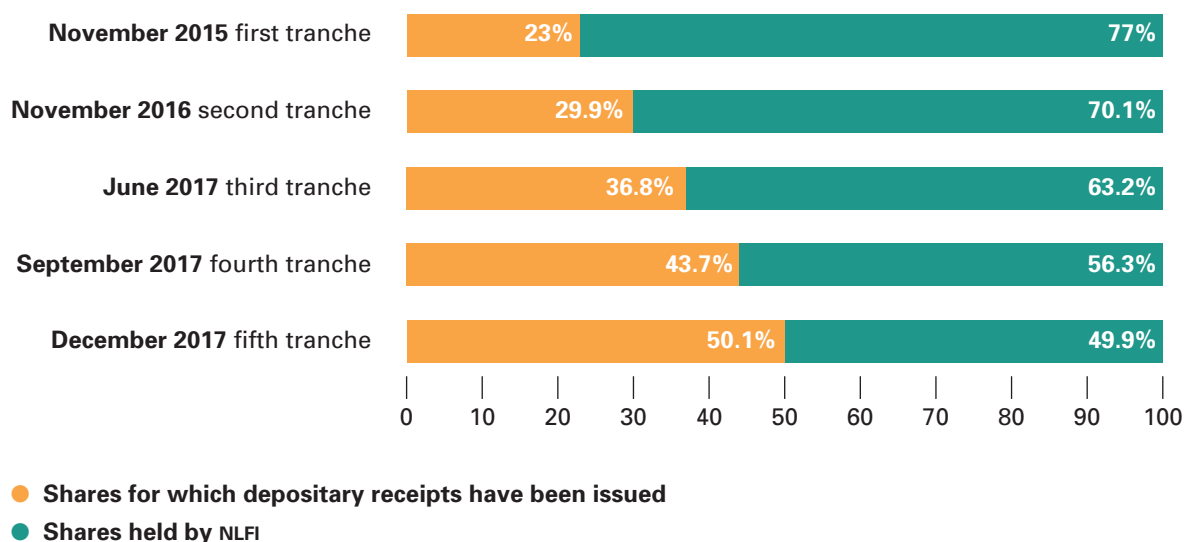
NLFI did not transfer any shares in ABN AMRO to STAK AAB in 2019. As a result, the proportion of the total share capital of ABN AMRO for which STAK AAB has issued depositary receipts remained unchanged at approximately 50.1% at 31 December 2019, corresponding to 470,940,001 depositary receipts. These depositary receipts can be traded on the stock exchange of Euronext Amsterdam.

Overview of the issuance of depositary receipts from November 2015 to 31 December 2019 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	juni	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 shows the proportion of shares held by NLFI in relation to the shares for which depositary receipts have been issued.

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

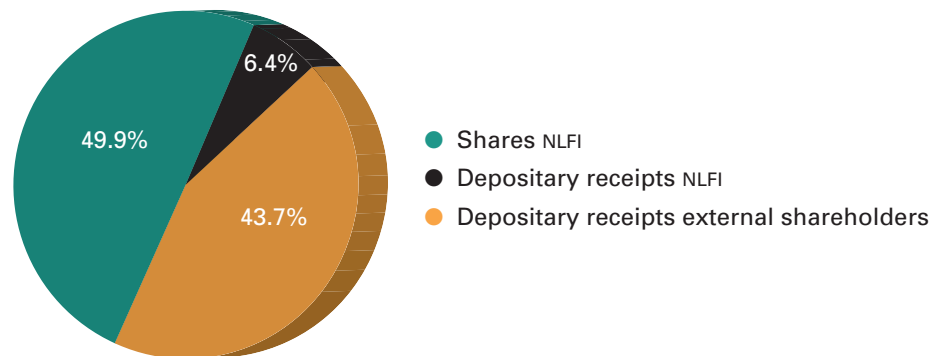


2.4 Shares issued in relation to shares held by NLF1

At 31 December 2019, ABN AMRO had two shareholders, NLF1 and STAK AAB. NLF1 held approximately 49.9% of the shares and STAK AAB approximately 50.1%. The total economic interest of NLF1 in ABN AMRO Bank N.V. at 31 December 2019 amounted to approximately 56.3%, consisting of approximately 49.9% in ordinary shares and approximately 6.4% in depositary receipts; see figure 2. NLF1 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 2019



Activities

3.1 Board activities 2019

The Board of STAK AAB met five times in 2019. Various items were discussed at these meetings. Preparation for and reporting on the GMDRH held on 8 April 2019 and the EGMDRH held on 24 April and 3 December 2019. Preparation for and attendance at the General Meeting of Shareholders of ABN AMRO on 24 April 2019 and the Extraordinary General Meeting on 17 December 2019. Special attention was devoted to the consequences for STAK AAB of the internal merger at ABN AMRO (see also section 2.2).

Attention was also devoted to the further development of the manual for exceptional circumstances, the way in which the public interest is taken into account during exceptional circumstances and the role changes within the Board. The Annual Report, consisting of the Board Report and the Financial Statements for 2018, was also adopted and the budget and annual plan for 2020 were formulated.

In addition to the Board meetings, a 'Dry Run' was also organised in which the actions of the Board under exceptional circumstances were simulated based on fictional cases. This led to new insights which were incorporated in the manual.

In accordance with what is now established practice, the Board of STAK AAB consulted on several occasions with the Executive Board and the Supervisory Board of ABN AMRO on a variety of topics. The Board also attended the General and Extraordinary General Meetings of Shareholders of ABN AMRO. The Board also consulted with other parties, including De Nederlandsche Bank (DNB) and the Dutch Ministry of Finance.

3.2 Outlook for 2020

A meeting of depositary receipt holders will be held in Amsterdam on 6 April 2020 prior to the ABN AMRO General Meeting of Shareholders to be held on 22 April 2020, as prescribed in the Trust Conditions (Article 4.1). The activities of the Board in the first two quarters of 2020 will mainly be concerned with preparations for the meeting of depositary receipt holders and the attendant relationship management with depositary receipt holders and NLF1, the General Meeting of Shareholders of ABN AMRO and the related activities. The Annual Report 2019, consisting of the Board Report and the Financial Statements for the year 2019, will also be prepared and adopted in the first quarter.

The agenda for the third and fourth quarters of 2020 will as a minimum include making further preparations for exceptional circumstances and a budget for 2021.

The budget for 2020 was fixed at €386,900. ABN AMRO will cover the costs on the basis of the agreement on reimbursement of expenses concluded between STAK AAB and ABN AMRO. The remuneration policy for 2020 was established in line with the policy in previous years. During the course of 2020, the Board will take a decision on the possibility of indexation of the Board remuneration.

Board

4.1 Composition

Within the limits of its object, STAK AAB is independent and has a Board that is independent of ABN AMRO. The first Board of STAK AAB was appointed on its incorporation in July 2015. Thereafter, the Board has appointed its own members without the need for approval or cooperation from ABN AMRO. In principle, members of the STAK AAB 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 AAB 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.stakaab.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 AAB and the desired expertise and background of Board members.

The first term of office of the Board members Inge Brakman and Peter Ingelse expired in July 2019. Both members indicated that they were willing to extend their term on the Board of STAK AAB and consented to their reappointment. Simultaneously with the reappointment, Inge Brakman became Chair of the Board of STAK AAB with effect from 20 July 2019. She succeeded Peter Ingelse, who had performed the role of Chair for four years. Peter Ingelse remains on the Board as Vice-Chair.

In 2019 the Board consisted of:

- Inge Brakman, Chair (Vice-Chair until 20 July 2019): joined the Board on 20 July 2015; second term
- Peter Ingelse, Vice-Chair (Chair until 20 July 2019); joined the Board on 20 July 2015; second term
- Cilian Jansen Verplanke, Secretary; appointed on 9 April 2018, first term
- Marc van Gelder, Treasurer; appointed on 9 April 2018, first term

The CVs of the Board members are available on the website www.stakaab.org. A list of their additional activities may be found in the Appendix to this Board Report. 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 AAB – 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; the Foundation 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 the Annual Report. With the present composition of the Board, the appointment terms of the Board members will be phased so that the retirement roster coincides with the ‘natural’ retirement dates. The remuneration policy for the Board is disclosed in the Annual Report. During the internal evaluation of the Board members, the extension of the terms of office and change in the roles of the Board members were discussed.

The Board is aware of the fact that the object of the Foundation is not in line with the Dutch Corporate Governance Code, since the Foundation 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 the Foundation, 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 NLF1 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 AAB. 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 AAB 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 NLF1 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 annum, 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 per year. Any additional remuneration will only be considered if the actual time requirement exceeds this threshold of 75 hours per 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 AAB. The total remuneration paid to Board members in 2019 amounted to €105,372 including VAT.

4.5 Costs and liquidity

The costs of the activities performed by STAK AAB are shown in the Financial Statements which are included in this Annual Report. The Board is well aware that the costs of STAK AAB 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 on reimbursement of expenses concluded by STAK AAB with ABN AMRO, the total expenses for the past financial year of STAK AAB, amounting to €284,239, were charged in full to ABN AMRO.

In addition to Board expenses amounting to €105,372, the expenses in 2019 consisted mainly of costs of administrative support and legal and other advice provided to the Board. The total expenses incurred for 2019 were €245,761 lower than the budgeted figure. These lower expenses are explained among other things by the fact that no supervisory fees were charged and that the legal expenses turned out lower.

The activities of STAK AAB are funded fully by ABN AMRO. The conditions on which this funding is based are also set out in the agreement on reimbursement of expenses. The agreements made safeguard the liquidity position of STAK AAB. Among other things, it has been agreed that a liquidity buffer of at least €300,000 will be provided to STAK AAB. The liquidity position of STAK AAB was adequate at year-end 2019.

Further details of the financial position of STAK AAB are shown in the 2019 Financial Statements.

4.6 External advice

The Board was assisted in 2019 by a permanent and independent team of advisers for management and secretarial services, legal advice, financial-legal advice, communication advice and a Listing Agent. The activities in relation to depositary receipt holders, such as the meetings of depositary receipt holders and the distribution of dividend, have been placed with ABN AMRO to ensure that they are organised as well and effectively as possible. Mazars Accountants N.V. acted as the external auditor of STAK AAB.

Amsterdam, 10 March 2020

The Board

Inge Brakman, Chair

Peter Ingelse, Vice-Chair

Cilian Jansen Verplanke, Secretary

Marc van Gelder, Treasurer

Additional activities

< Appendix: list of additional activities of Board members

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

Peter Ingelse

- Mediator/arbiter at Reuling Schutte

Cilian Jansen Verplanke

- Partner/co-founder of Karmijn Kapitaal investment fund, Amsterdam
- Governor of Stichting RC Oude Armen Kantoor, Amsterdam
- Board member of the Young Pianist Foundation
- Board member of the Level20 Dutch Chapter organisation

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.
- Chair of the Supervisory Board of JP Morgan European Smaller Companies Trust PLC
- Chair of Stichting Continuïteit NN Group N.V.
- Chair of Stichting Administratiekantoor Fugro N.V.
- Chair of the Supervisory Board of Diabetes Fonds
- Board member of the Netherlands-America Foundation
- Member of the Supervisory Board of Koninklijk Paleis het Loo
- Chair of the Supervisory Board of Quantib B.V.

The image features a minimalist abstract design on a grey background. On the left side, there is a large teal circle. Overlapping its right edge is a smaller black circle. Two thick, bright orange lines cross the scene diagonally, one from the top-left towards the bottom-right, and another from the top-right towards the bottom-left, forming an 'X' shape. The text 'FINANCIAL STATEMENTS' is centered horizontally in the middle of the image, overlapping the teal circle and the orange lines.

FINANCIAL STATEMENTS

Financial statements 2019

5. Statement of financial position at 31 December 2019 (before profit appropriation)

	2019	2018
	€	€
NON-CURRENT ASSETS		
Financial non-current assets		
Shares in ABN AMRO Bank N.V. (7.3.1)	p.m.	p.m.
		p.m.
		p.m.
Current assets		
Receivables and prepayments and accruals	0	0
Cash and cash equivalents (7.3.2)	391,905	255,450
	391,905	255,450
Current liabilities and accruals and deferred income (7.3.3)		
	391,905	255,450
Result of assets less current liabilities		
	0	0
Non-current liabilities		
Depository receipts issued (7.3.1)	p.m.	p.m.
		p.m.
		p.m.
Equity (7.3.4)		
	0	0
	0	0

6. Statement of income and expense

	Actual 2019 1 Jan. to 31 Dec.	Budget 2019 1 Jan. to 31 Dec.	Actual 2018 1 Jan. to 31 Dec.
	€	€	€
INCOME			
Reimbursement of expenses for implementing objective (7.4.1)	284,239	530,000	476,631
Total income	<u>284,239</u>	<u>530,000</u>	<u>476,631</u>
EXPENSES			
Board expenses (7.4.2)	105,372	116,900	113,087
Board support (7.4.3)	147,131	118,000	355,194
General management exp. (7.4.4)	31,736	236,040	8,350
Total expenses	<u>284,239</u>	<u>470,940</u>	<u>476,631</u>
Balance of income and expenditure	<u><u>0</u></u>	<u><u>59,060</u></u>	<u><u>0</u></u>

Notes

7.1 General

Stichting Administratiekantoor Continuïteit ABN AMRO Bank ('STAK AAB') was incorporated on 20 July 2015. The Foundation's first financial year ended on 31 December 2015. The Articles of Association established on incorporation were amended on 24 April 2019. STAK AAB has its registered office in the municipality of Amsterdam, the Netherlands, at Gustav Mahlerlaan 10, 1082 PP Amsterdam, and is entered in the Chamber of Commerce register under number 63774356.

Article 1.2 of the Articles of Association states the following:

The objects of STAK AAB are:

- a) to acquire for the purpose of administration (ten titel van beheer) and administer shares ('Shares') in the capital of ABN AMRO Bank N.V. a limited liability company with seat in Amsterdam (the 'Company' or 'ABN AMRO'), in exchange for registered depositary receipts ('Depositary Receipts'), 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 hand;
- 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 which are incidental or may be conducive to all of the foregoing.

STAK AAB shall exercise the rights attached to the Shares in such a way as 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 AAB 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 AAB shall at all times take into account the legitimate interests of the customers, 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 AAB has undertaken to be bound by Trust Conditions. These Trust Conditions were re-established on 24 April 2019, and may be consulted at www.stakaab.org and elsewhere.

7.2 Accounting policies

The financial statements of STAK AAB 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 as set out in 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 AAB 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 Bank N.V. held and depositary receipts issued

Any future economic benefits associated with the shares in ABN AMRO held by STAK AAB will not accrue to STAK AAB, but to the holders of the depositary receipts issued by STAK AAB. The shares in ABN AMRO held by STAK AAB are thus not recognised as assets of STAK AAB 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 AAB, since STAK AAB 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 Bank 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 Dutch Annual Reporting Guideline 640.

7.3 Notes to the statement of financial position

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

To the extent applicable to the situation at 31 December 2019, the following applies with respect to the shares in ABN AMRO Bank N.V. held by STAK AAB 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 and 2019 NLFI did not transfer any further shares to STAK AAB and STAK AAB did not issue any further depositary receipts for shares.

At 31 December 2018 STAK AAB 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 2019.

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 2019 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 %
			470,940,001		

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 of ABN AMRO.

The proposed final dividend for 2018 of €752 million (€0.80 per share) was approved at the General Meeting of Shareholders of ABN AMRO Bank N.V. on 24 April 2019. The payment date of the final dividend was set at 18 May 2019. In accordance with the provision in the Trust Conditions (article 3.3.1), STAK AAB 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 2018, the total gross dividend for 2018 amounted to €1,363 billion (€1.45 per share). An interim dividend of €0.65 per share has already been paid for 2019. 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	€ 0.65	€ 0.80	€ 1.45
2018	€ 0.65	€ 0.80	€ 1.45
2019	€ 0.60	not yet available	not yet available

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

The full conditions for the issuance of depositary receipts are set out in the Trust Conditions of STAK AAB. These conditions may be consulted at www.stakaab.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 AAB and may be analysed as follows:

	2019	2018
	€	€
ABN AMRO current account	391,905	255,450
	391,905	255,450

In accordance with the agreement for reimbursement of expenses between STAK AAB and ABN AMRO and the supplemental agreement made with ABN AMRO in June 2019, STAK AAB will at all times maintain a buffer of € 300,000.

7.3.3 Current liabilities and accruals and deferred income

The analysis of this item is as follows:

	2019	2018
	€	€
Board expenses	34,243	42,003
Legal expenses	1,629	1,042
Corporate service expenses	7,290	5,052
Audit fees	15,125	11,250
Consultancy fees	5,713	1,694
Intermediary fees	0	0
Prepaid reimbursement	327,905	194,409
	391,905	255,450

7.3.4 Equity

No changes to the equity of STAK AAB 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. 2019	Budget 1 Jan. to 31 Dec. 2019	Actual 1 Jan. to 31 Dec. 2018
	€	€	€
Reimbursement from ABN AMRO Bank paid	417,735	530,000	580,057
Reimbursement due	0	0	0
Received in advance	- 133,496	0	- 103,426
Reimbursement from ABN AMRO	284,239	530,000	476,631

STAK AAB 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 AAB on written request. Based on the agreement on reimbursement of expenses concluded by STAK AAB with ABN AMRO, the total expenses for the past financial year of STAK AAB, amounting to €284,239, were charged in full to ABN AMRO.

In addition to Board expenses amounting to €105,372, the expenses in 2019 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 2019 were €245,761 lower than the budgeted figure. These lower expenses are explained among other things by the fact that no supervisory costs were charged and that the legal expenses turned out lower.

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 2019 amounted to €105,372. This amount can be analysed as follows:

Board member	Fixed	Supplementary	Expenses	VAT	Subtotal
Brakman, Chair	€ 20,000	€ –	€ 1,210	€ 4,454	€ 25,664
Ingelse, Vice-Chair	€ 20,000	€ 2,100	€ 1,200	€ 4,893	€ 28,193
Van Gelder, member	€ 20,000	€ –	€ 1,375	€ 4,489	€ 25,864
Jansen Verplanke, member	€ 20,000	€ –	€ 1,200	€ 4,452	€ 25,652
				Totaal	€ 105,372

7.4.3 Board support

	Actual 1 Jan. to 31 Dec. 2019	Budget 1 Jan. to 31 Dec. 2019	Actual 1 Jan. to 31 Dec. 2018
	€	€	€
Corporate service expenses	2,450	0	94,664
Corporate secretarial expenses	76,503	70,000	4,950
Consultancy fees	36,559	35,000	63,112
Other expenses	31,619	100,000	3,732
Legal advice	0	13,000	188,736
	147,131	218,000	355,194

7.4.4 General administrative expenses

	Actual 1 Jan. to 31 Dec. 2019	Budget 1 Jan. to 31 Dec. 2019	Actual 1 Jan. to 31 Dec. 2018
	€	€	€
Audit fees	19,000	22,000	8,350
Supervisory expenses	0	60,000	0
Contingency	5,760	50,000	0
Other expenses	<u>6,976</u>	<u>4,040</u>	<u>0</u>
	<u>31,736</u>	<u>76,040</u>	<u>8,350</u>

7.4.5 Appropriation of the result

There was no appropriation of the result of STAK AAB for the year under review, since the balance of income and expenses in 2019 was nil.

Amsterdam, 10 March 2020

The Board

Inge Brakman, Chair

Peter Ingelse, Vice-Chair

Cilian Jansen Verplanke, Secretary

Marc van Gelder, Treasurer

Auditor's report

Independent audit report

To the Board of Stichting Administratiekantoor Continuïteit ABN AMRO Bank

< Statement regarding the 2019 financial statements included in the Annual Report

Our opinion

We have audited the 2019 financial statements of Stichting Administratiekantoor Continuïteit ABN AMRO Bank, 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 Bank at 31 December 2019 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 2019;
2. the statement of income and expenses for 2019; and
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 Bank 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 Board Report prepared by the Board.

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

We have read the Board Report and, on the basis of our knowledge and understanding obtained from the audit or otherwise, we have considered whether the Board 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 Board Report in accordance with Dutch Annual Reporting Guideline 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.
- Determining 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 audit 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 audit 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, 10 March 2020

Mazars Accountants N.V.

Original signed by C.A. Harteveld RA



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