

Annual Report 2017

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



Introduction

After its incorporation in July 2015, 2017 was the second full year for Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG). A General Meeting of Depositary Receipt Holders and an Extraordinary General Meeting of Depositary Receipt Holders were held in 2017. In 2017, 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), transferred a tranche of shares in ABN AMRO to STAK AAG on three occasions. STAK AAG issued depositary receipts for these shares on each occasion.

On Thursday 20 April 2017, the Board was shocked by the sudden death of Board member Saskia J. Stuiveling. Saskia Stuiveling had been involved with STAK AAG since its incorporation in 2015. We experienced her as an outstandingly expert Board member and a pleasant colleague. She had an eye for detail without forgetting about the main features and the people and the world around her. We miss her broad experience as a Board member, her huge knowledge of cases and her creative thinking.

The structure of STAK AAG was developed further in 2017. The Board worked on better harmonisation between the Articles of Association and the Trust Conditions, made further preparations for exceptional circumstances and the possibility of engaging external advisers in such circumstances.

A procedure was also initiated for filling the vacancy arising from the death of Saskia Stuiveling in mid-2017. It was decided to recruit two Board members with complementary competences, Cilian Jansen Verplanke and Marc van Gelder. They have attended Board meetings as prospective Board members since 1 November, and were appointed in April 2018.

Supported by a small and close-knit team of advisers, STAK AAG has 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 2017.

Amsterdam, 10 April 2018

The board

Peter Ingelse, Chair

Inge Brakman, Vice-Chair

Cilian Jansen Verplanke, Secretary

Marc van Gelder, Finance

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General

1.1 Background

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 for these shares. STAK AAG safeguards the interests of the depositary receipt holders as far as possible and will resist influences that could threaten the independence, continuity or identity of ABN AMRO to the best of its ability. In the event of a threat to this independence, continuity or identity, the interests of ABN AMRO shall have first priority. STAK AAG moreover continually devotes attention to the interests of other stakeholders such as the customers, depositors, deposit holders, shareholders and employees of ABN AMRO and the public interest.

The shares of ABN AMRO have been held by the State since 2008 and have been managed by NL Financial Investments (NLFi) since 2011. The State made a start on the phased sale of the shares in ABN AMRO in November 2015. In consultation with the Minister of Finance and NLFi, ABN AMRO incorporated STAK AAG as a protective measure on 20 July 2015. The Articles of Association and the Trust Conditions set out the objects, powers, duties, rights and obligations of STAK AAG (see www.stakaag.org).

There has been no change to the Articles of Association since the incorporation of STAK AAG.

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 the holders of the depositary receipts to vote, or to limit or revoke powers of attorney previously granted. It will take this decision independently and without reference to ABN AMRO. As long as NLFi owns at least one third of the number of outstanding shares, a proposed decision to that effect has to be approved by NLFi in advance. If there are no grounds for the preparation or implementation of protective measures, STAK AAG will act cautiously in its role as shareholder. STAK AAG acts as a guardian, and will only implement protective measures at such time as in its opinion this is possible and necessary in accordance with the law, the Articles of Association and the Trust Conditions.

1.2 Independence

Within the limits of its objectives, STAK AAG is independent and its Board carries out its duties independently of ABN AMRO. This independence is established in the Articles of Association and is safeguarded among other things by means of independence criteria for appointment as a Board member and by means of the agreement on reimbursement of expenses between STAK AAG and ABN AMRO.

After the incorporation, ABN AMRO has no further involvement in the composition of the Board and 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 criteria in the Articles of Association state that a Board member no longer counts as independent if (among other things) they, their spouse, registered partner or other life partner, foster child or relative by blood or marriage up to the second degree:

- is or has been a director or supervisory director ABN AMRO in the past five years;
- is or has been employed at ABN AMRO in the past five years;
- is or has been a permanent adviser to ABN AMRO in the past three years;
- owns a block of shares or depositary receipts for shares in ABN AMRO of 10% or more (solely or collectively with one or more of the persons stated above);
- is a director or supervisory director of a legal entity other than STAK AAG that holds 10% or more of the shares in ABN AMRO.

In this context, the members of the Board have declared that they have abstained and will abstain from investing in ABN AMRO, meaning 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).

The composition of the Board of STAK AAG 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. The interpretation of this shall be at the Board's sole discretion. The Board also appoints new Board members at its sole discretion (see also paragraph 4.1).

Independence is further ensured by means of the contractual stipulation that STAK AAG shall itself decide the costs it must incur in the exercise of its duties, such as the engagement of independent advisers, and that ABN AMRO shall be obliged to pay these costs at all times. This is established in the Articles of Association and further elaborated in an Agreement for the Reimbursement of Expenses.

Depositary receipts

2.1 Depositary receipt holders

The position of the depositary receipt holders is established in the Articles of Association and the Trust Conditions of STAK AAG (see www.stakaag.org), in which the voting rights and distribution on depositary receipts are established, among other matters..

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 depositary receipt holders a power of attorney to exercise the voting right associated with a share on each occasion. Depositary receipt holders are entitled to attend the General Meeting of Shareholders of ABN AMRO and may exercise their voting right at their discretion. Depositary 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 of activities of shareholders that are or could be materially in conflict with the interests of ABN AMRO. In such extraordinary circumstances, the Board of STAK AAG – independently of ABN AMRO – 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 follow the voting instructions given. In such cases STAK AAG will exercise the voting rights itself. This limitation, exclusion or revocation of the power of attorney and non-observance of voting instructions shall not last for more than two years on each occasion. STAK AAG will in such circumstances act primarily in the interests of ABN AMRO. It will also continually devote attention to the interests of other stakeholders such as the customers, depositors, deposit holders, shareholders and employees of ABN AMRO and the public interest.

As long as NLF1 holds at least one third of the number of outstanding shares, STAK AAG will only limit or exclude powers of attorney issued or revoke the powers of attorney already granted and not follow voting instructions with the prior approval of NLF1.

Distributions on shares and depositary receipts

Depositary receipt holders have the same economic rights as shareholders. Distributions on shares for which depositary receipts have been issued will be received by STAK AAG and paid directly to the depositary receipt holders without withholding of charges or commission.

The proposed final dividend for 2016 of € 414 million (€ 0.44 per share) was approved at the General Meeting of Shareholders of ABN AMRO on 30 May 2017. The payment date of the final dividend was set at 23 June 2017. In accordance with the provision in the Trust Conditions (article 3.3.1), STAK AAG paid this final dividend directly to the depositary receipt holders without charges or commission. ABN AMRO also offers a dividend reinvestment programme whereby depositary receipt holders may reinvest their net cash dividend in depositary receipts in ABN AMRO.

Together with the interim dividend of € 376 million paid in September 2016, the total gross dividend for 2016 is € 790 million (€ 0.84 per share). An interim dividend of € 0.65 per share has been paid for 2017. The table below shows the gross 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	not yet available	not yet available

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

2.2 Meeting of depositary receipt holders

A meeting of depositary receipt holders shall be held at least once a year. This shall take place not later than two weeks prior to a meeting of shareholders of ABN AMRO. The meeting of depositary receipt holders shall be convened by STAK AAG and held in Amsterdam. In addition, STAK AAG may convene a meeting of depositary receipt holders when there is reason to do so in its opinion, for example to measure the views of the depositary receipt holders. A meeting of depositary receipt holders will also be convened at the request of one or more depositary receipt holders that 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.

Every depositary receipt holder is entitled to attend the meeting of depositary receipt holders. They must register their intention to do so in advance in good time and in writing. The members of the Board of STAK AAG, the members of the Managing Board and the Supervisory Board of ABN AMRO are also entitled to attend the meeting. The Chair of STAK AAG shall decide regarding the presence of (other) third parties at the meeting.

General Meeting of Depositary Receipt Holders

The General Meeting of Depositary Receipt Holders (GMDRH) of STAK AAG took place on Tuesday 16 May 2017 in Amsterdam. The issues discussed and explained by the Board at this meeting included the following:

- the agenda for the General Meeting of Shareholders of ABN AMRO on 30 May 2017
- the 2016 Annual Report of STAK AAG
- amendments to the Articles of Association and the Trust Conditions
- the vacancy on the Board of STAK AAG

Regarding the proposals to amend the Articles of Association and the Trust Conditions, the Chair explained that this would lead to a change in the tasks or authorisations of the Trust Office or the Board.

The amendments were solely to clarify both documents and make them more mutually consistent so that the tasks and authorisations are described in the same way as intended when STAK AAG was incorporated.

ABN AMRO Group and NLF1 had granted the necessary approval for the amendment of the Articles of Association. For the amendment of the Trust Conditions, the approval of ABN AMRO Group, NLF1, Euronext and the depositary receipt holders is required. ABN AMRO Group and Euronext had already approved the

amendments of the Trust Conditions prior to the GMDRH. At the time of the GMDRH, NLF I had not (yet) given its approval to one part of the amendment of the Trust Conditions. Since a quorum of depositary receipt holders was not present, a vote on the proposals could not be taken at the GMDRH and these were held over to a subsequent meeting.

No votes were cast at the GMDRH. Detailed minutes of the GMDRH are available at www.stakaag.org.

Extraordinary General Meeting of Depositary Receipt Holders

An Extraordinary General Meeting of Depositary Receipt Holders (EGMDRH) of STAK AAG was held on 17 July 2017 in Amsterdam. The issues discussed at this meeting were:

- the agenda for the Extraordinary General Meeting of Shareholders of ABN AMRO of 8 August 2017

No votes were cast at the EGMDRH. The minutes of the EGMDRH are available at www.stakaag.org.

Power of attorney

In accordance with article 3.2.2 of the Trust Conditions of STAK AAG, the Board has granted power of attorney to all depositary receipt holders of ABN AMRO to exercise the voting rights with the exception of STAK AAG associated with the shares in the capital of ABN AMRO at the General Meeting of Shareholders of ABN AMRO on 30 May 2017, 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 may exercise the voting rights at both these meetings for the number of shares that corresponds 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 GMS and therefore did not vote at this meeting.

The Board did not grant a power of attorney for the Extraordinary General Meeting of Shareholders in ABN AMRO (EGMS) of 8 August 2017, since there were no items for voting on the agenda of this EGMS.

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

NLF I transferred shares in ABN AMRO to STAK AAG in three tranches in 2017. STAK AAG has issued depositary receipts in exchange for these shares. The total transfer in 2017 involved over 20%:

- June 2017 (third tranche) 6.9%
- September 2017 (fourth tranche) 6.9%
- December 2017 (fifth tranche) 6.4%

After the first two tranches in 2015 and 2016, the proportion of the total share capital of ABN AMRO for which STAK AAG has issued depositary receipts rose in 2017 from approximately 29.9% to approximately 50.1% at 31 December 2017, corresponding to 470,940,001 depositary receipts. These depositary receipts can be traded on the stock exchange of Euronext Amsterdam.

The table below gives an overview of the issuance of depositary receipts from November 2015 until 31 December 2017.

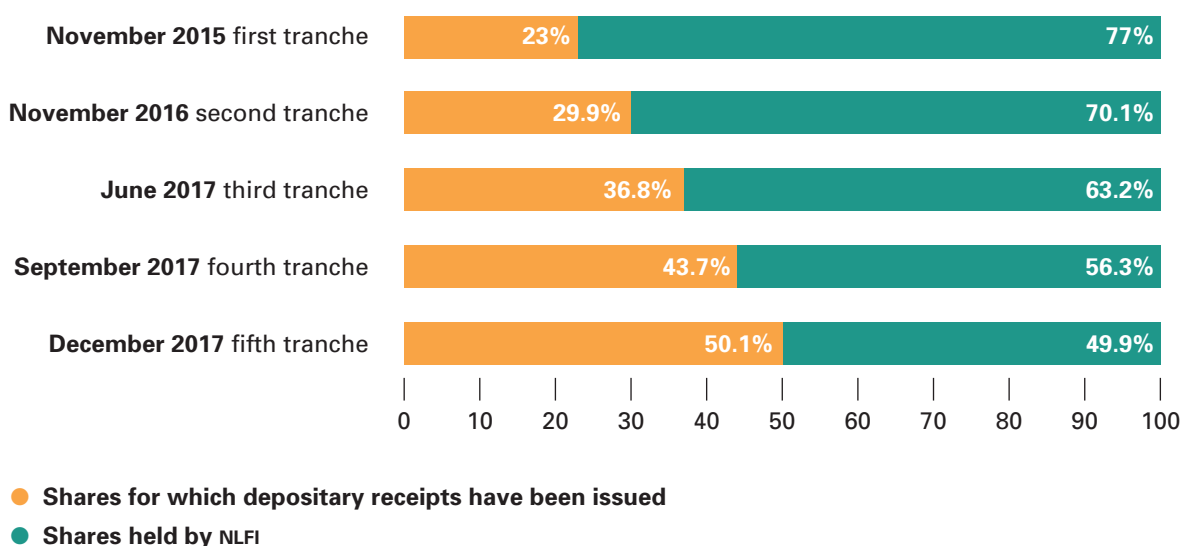
Tranche	Year	Month	Number	Percentage	Cumulative
1	2015	November	216,200,000	23.0 %	23.0 %
2	2016	November	65,000,000	6.9 %	29.9 %
3	2017	June	65,000,000	6.9 %	36.8 %
4	2017	September	65,000,000	6.9 %	43.7 %
5	2017	December	59,740,001	6.4 %	50.1 %

The third and fourth tranches, each comprising 65,000,000 depositary receipts, were sold by means of an accelerated book building offering to institutional investors by NLFI.

NLFI will hold the depositary receipts transferred to it in the fifth tranche in its own portfolio until it decides to effect a sale. 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 are listed on Euronext N.V.

With the fifth tranche, the interest of STAK AAG in the issued capital of ABN AMRO Group N.V. has risen to approximately 50.1%, see figure 1. The statements of no objection and other similar approvals granted to STAK AAG by the relevant supervisors, such as De Nederlandsche Bank, to acquire shares in ABN AMRO also apply to the future transfer of shares, subject to more than half of the shares being transferred by NLFI to STAK AAG before the end of 2017. This condition was met on the occasion of the fifth tranche.

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 2017, ABN AMRO has two shareholders, NLFI and STAK AAG. NLFI owns approximately 49.9% of the shares and STAK AAG own approximately 50.1%. The total economic interest of NLFI in ABN AMRO Group N.V. at 31 December 2017 amounted to approximately 56.3%, consisting of approximately 49.9% in ordinary shares and approximately 6.4% in depositary receipts, see figure 2.

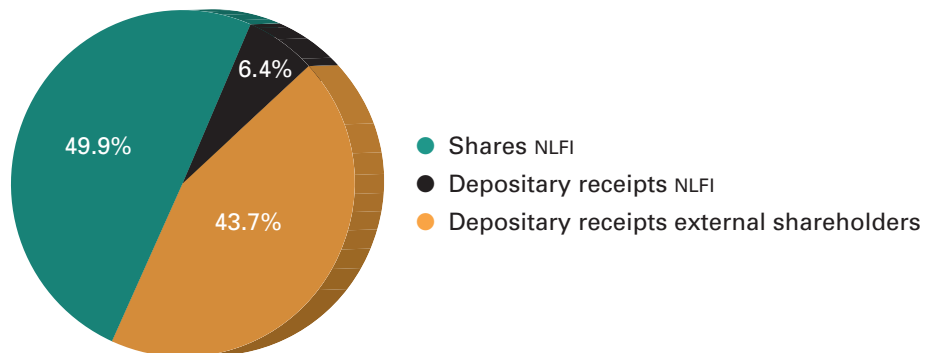


Figure 2:
Division of shares and depositary receipts between economically entitled parties at 31 December 2017

Operations

3.1 Board meeting

The Board of STAK AAG met on six occasions in 2017. Various items were discussed at these meetings. The main items discussed are summarised below.

The preparation for and reporting of the GMDRH on 16 May 2017 and of the EGMDRH on 17 July 2017, as well as the planning for an EGMDRH in early 2018. Preparation for and attendance at the GMS of ABN AMRO on 30 May 2017 and the EGMS on 8 August 2017. The issue of the third, fourth and fifth tranches of depositary receipts. In addition, attention was devoted to Corporate Governance, a scenario for exceptional circumstances, the amendment of the Articles of Association and the Trust Conditions and the vacancy on the Board. Furthermore, the annual report, consisting of the Board report and the financial statements for 2016, was adopted and the budget and annual plan for 2018 were formulated.

3.2 Contact with ABN AMRO and NLF

The Board of STAK AAG met on several occasions with the Managing Board and Supervisory Board of ABN AMRO in 2017. The items discussed included the following: the recruitment of new Board members following the death of Saskia Stuiveling; the obtaining of a statement of no objection with respect to the issuance of depositary receipts for shares in subsequent tranches; subsequent transactions; the reciprocal position with respect to information; the amendment of the Articles of Association and the Trust Conditions; and the annual report of STAK AAG for 2016 and the financial position in 2017. The Board also attended the GMS and the EGMS of ABN AMRO.

There were also discussions with the Works Council of ABN AMRO in 2017 which covered issues including the interests of the employees and the reciprocal information position.

Discussions were held with the board of NLF in 2017. The matters discussed included the international public offering planned for this period and the mutual expectations with respect to interpretation of duties and roles, amendments of the Articles of Association, the reciprocal information position and (mutual) communication.

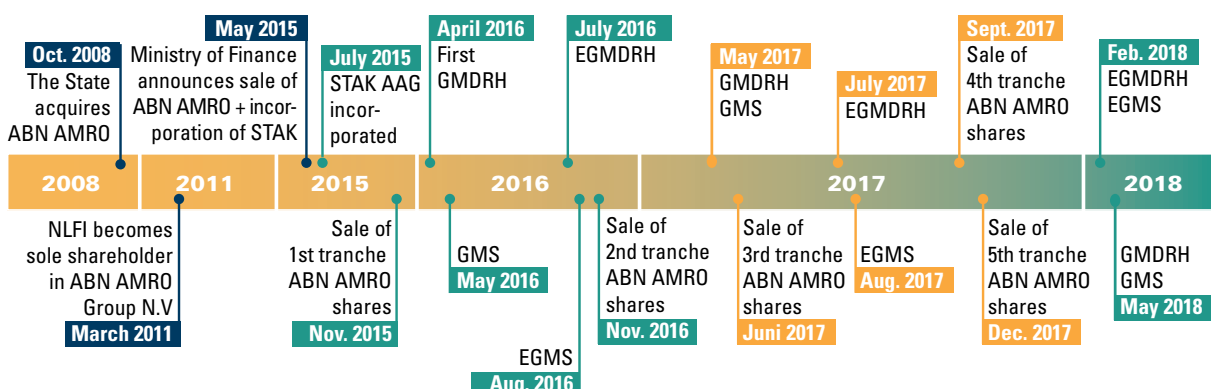


Figure 3: Timeline

3.3 Outlook for 2018

A meeting of depositary receipt holders will be held on Thursday 3 May 2018 in Amsterdam before the general meeting of shareholders of ABN AMRO on Tuesday 29 May 2018, as prescribed in the Trust Conditions (Art. 4.1). The activities of the Board in the first two quarters of 2018 will mainly concern preparations for the meeting of depositary receipt holders and the appropriate relationship management with depositary receipt holders and NLF, the general meeting of shareholders of ABN AMRO and the related activities. The annual report for 2017, consisting of the report of the Board and the financial statements, has also been prepared and adopted in the first quarter. The appointment and familiarisation of the two new Board members will also take place in the first half of 2018. The agenda for the third and fourth quarters of 2018 will in any case include preparation for exceptional circumstances and a budget for 2019.

The budget for 2018 is set at € 483,040, generally in line with the actual figure for 2017. ABN AMRO will cover the costs on the basis of the reimbursement of expenses agreement concluded between STAK AAG and ABN AMRO. The remuneration policy for 2018 has been 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 (see paragraph 1.2). The first Board of STAK AAG was appointed on its incorporation. Thereafter, the Board appoints its own members without the need for approval or cooperation from ABN AMRO.

In case of vacancies, any depositary receipt holder may nominate persons for appointment. In principle, Board members of STAK AAG are appointed for a term of four years. They may be reappointed for up to two additional terms. Relevant issues in relation to the Board, such as composition, appointment, independence and meetings, are established in the Articles of Association.

A vacancy on the Board has arisen due to the death of Saskia Stuiveling. The Board has made every effort to fill this vacancy as quickly as possible so that the Board again consists of the minimum number of three members as established in the Articles of Association. The profile description for the Board was the starting point for this exercise. The Board gave the depositary receipt holders the opportunity to recommend persons for appointment pursuant to Article 3.2.1 of the Articles of Association. There were no responses received. The Board held interviews with potential candidates in the second half of 2017 that led to the selection of two candidates, Cilian Jansen Verplanke and Marc van Gelder. The addition of these two Board members will make the desired competences available to the Board, firstly by filling the vacancy that arose and secondly fulfilling the intention of expanding the expertise available to the Board. They have attended Board meetings as prospective Board members since 1 November, and were appointed in April 2018.

The terms of appointment of the Board members who have been on the Board since the incorporation of STAK AAG and the new Board members will be phased over time so that the retirement roster will coincide with the natural retirement dates.

The Articles of Association state that the Board of STAK AAG consists of three to five natural persons. The Board has formulated a profile description for the Board in addition to the Articles of Association. Among other things, this states the criteria for 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 the Board members.

In view of the mandate of STAK AAG, the Board collectively must possess at least:

- legal expertise;
- understanding of national and international banking and the relevant supervisory framework;
- social engagement and sensitivity;
- expertise to provide voting advice in appropriate circumstances.

It is also important that Board members possess the following competences: the ability to maintain an open relationship and constructive dialogue with ABN AMRO and all stakeholders, while maintaining their own independence; the ability to quickly and adequately assess the well-being and continuity of ABN AMRO in the long term; a good understanding of social relationships and signals from society; and strong analytical ability and a constructively critical attitude. A Board member must also be unwavering, resolute and decisive and possess good communication skills.

In 2017 the Board consisted of:

- Peter Ingelse, Chair, appointed on 20 July 2015
- Inge Brakman, Vice-Chair/finance, appointed on 20 July 2015
- Saskia J. Stuiveling, Vice-Chair/Secretary, appointed on 3 September 2015, until 20 April 2017

The current Board consists of four members: Peter Ingelse (Chair) and Inge Brakman (Vice-Chair), Cilian Jansen Verplanke (Secretary) and Marc van Gelder (Finance). The members Ingelse and Brakman were requested to take seats on the Board by the Minister of Finance, NLFI and ABN AMRO on the incorporation of STAK AAG in 2015 for a term of four years on the basis of a formulated profile (www.stakaag.org).

The members Jansen Verplanke and Van Gelder were appointed by the existing Board members in 2018, also for terms of four years. The CVs of the Board members are available on the website www.stakaag.org. The Board members meet the personal requirements with respect to independence (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 corporate governance code as published in December 2016. In its 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, there is a profile description for Board members and a head hunter has been appointed for the recruitment of Board members. With the recent appointment of two new Board members, the appointment terms of the Board members will be phased so that the retirement roster coincides with the 'natural' retirement dates.

No evaluation of the Board was held due to the death of Saskia Stuiveling. The two remaining Board members have however evaluated the operation of the foundation and its advisers. The remuneration policy for the Board is disclosed in the annual report. The additional activities of the Board members are listed in an appendix to this annual report.

The Board is aware of the fact that the objective of the foundation is not in line with the corporate governance code, since the Trust Office can withdraw the power of attorney to vote of the depositary receipt holders as a protective measure. The explanatory notes of this have to be provided by ABN AMRO, which has included these explanatory notes in its annual report. The Board of STAK AAG has followed the provisions for the appointment of board members of a STAK, including the instructions for the content of the 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, an up-to-date and adequate information position is essential for the Board. The main direct information partners are the Managing Board, the Supervisory Board and the Works Council of ABN AMRO. Also – for an indeterminate period – the board of NLFI and the 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 in order to function in normal circumstances. If exceptional circumstances arise, the Board considers that it will need to be able to call on specialist expertise. The Board will further consider the possibilities in the coming year.

The Board is completely dependent on the services of others 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 respect lie with the executive institutions, but since final 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. The Board has consulted with the Listing Agent in order to obtain more insight into the processes it takes and the potential risks that may arise. During the evaluation interviews with the Listing Agent, the tasks were reviewed and a flow schedule was formulated. The Board established that no further measures were needed in order to mitigate risks.

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

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

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 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 for the State. On incorporation, the fixed remuneration was set at € 20,000 per year, with annual increases limited to the increase in the Statistics Netherlands consumer price index. This is based on an estimated time requirement of approximately 50 hours a year. The Board has decided that any additional remuneration will only be considered if the actual time requirement exceeds the threshold of 75 hours a year.

This was again the case in 2017, albeit to a much lesser degree than in previous years.

For this additional remuneration, a rate has been calculated based on the remuneration framework in the WNT. An arrangement has moreover 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 the Board members and prospective Board members in 2017 amounted to € 76,832 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.

Based on the agreement for reimbursement of expenses concluded by STAK AAG with ABN AMRO, the total expenses for the first full financial year of STAK AAG amounting to € 516,044 were charged in full to ABN AMRO. In addition to Board expenses amounting to € 76,832, the expenses in 2017 consisted mainly of costs for the meetings of depositary receipt holders, management support and legal and other advice to the Board. The total expenses incurred for 2017 were € 74,830 higher than the budgeted figure. The higher costs were due, among other things, to higher legal expenses.

The activities of STAK AAG are funded fully by ABN AMRO. The conditions on which this is based are also established 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 2017.

Further details of the financial position of STAK AAG are shown in the 2017 financial statements.

4.6 External advice

The Board was assisted in 2017 by a permanent and independent team of advisers for management and secretarial services, legal advice, financial-legal advice, communication advice and a Listing Agent. Mazars Paardekooper Hoffman Accountants N.V. acted as the external auditor of STAK AAG.

Under certain circumstances, the independence, continuity or identity of ABN AMRO may be at issue. The Board of STAK AAG may decide to engage additional specialist advisers if these exceptional circumstances arise. The costs of this additional support will be borne by ABN AMRO in accordance with the agreement for reimbursement of expenses.

Amsterdam, 10 April 2018

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/arbiter at Reuling Schutte
- Member of the Advisory Board of ZIFO (Zuidas Instituut voor Financieel Recht en Ondernemingsrecht)
- Member of the Advisory Board of International Business Law (IBL), Master programme of the VU University.
- Chair of the Advisory Board of the Dutch Mediators' Association

Inge Brakman

- Chair of the Dutch Red Cross
- Chair of SKO (Stichting Kijkers Onderzoek)
- Supervisory director of DSM Nederland
- Supervisory director of Shell Nederland
- Supervisory director of Accenture Nederland
- Coach at Quist leading humans

Cilian Jansen Verplanke

- Partner/co-founder of investment fund Karmijn Kapitaal, Amsterdam
- Governor of the 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.
- Chair of the Supervisory Board of Diabetes Fonds
- Board member Nederland-America Foundation
- Member of the Supervisory Board of Koninklijk Paleis het Loo
- Member of the Supervisory Board of the Helen Dowling Institute

An abstract graphic on the left side of the page. It features a large teal circle partially overlapping a smaller black circle. Two thick orange lines cross each other in an 'X' shape, with one line extending from the top right towards the bottom left, and the other from the bottom right towards the top left. The background is a solid grey color.

FINANCIAL STATEMENTS

Financial statement 2017

5. Statement of financial position at 31 December 2017 (before profit appropriation)

	2017	2016
	€	€
NON-CURRENT ASSETS		
Financial non-current assets		
Shares in ABN AMRO Group 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)	209,064	136,556
	209,064	136,556
Current liabilities and accruals and deferred income (7.3.3)		
	209,064	136,556
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 2017 1 Jan. to 31 Dec.	Budget 2017 1 Jan. to 31 Dec.	Actual 2016 1 Jan. to 31 Dec.
	€	€	€
INCOME			
Reimbursement of expenses			
Payment of expenses for implementing objective (7.4.1)	516,044	441,214	532,175
Total income	516,044	441,214	532,175
EXPENSES			
Board expenses (7.4.2)	76,832	118,000	108,018
Board support (7.4.3)	376,782	247,714	357,956
General management exp. (7.4.4)	62,430	75,500	66,201
Total expenses	516,044	441,214	532,175
Balance of income and expense	0	0	0

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 against 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 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 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 will always 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 AAG has undertaken to be bound by Trust Conditions. These Trust Conditions were established on 24 November 2015 and can be consulted at www.stakaag.org, among other places.

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 the

reported value 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 of 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 included 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 entered 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 further no longer included 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 included 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 moreover 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 included on a net basis.

General accounting policies

Assets and liabilities are valued at nominal value, unless otherwise stated. Assets and liabilities in foreign currencies are converted 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 from transactions in foreign currencies are converted at the exchange rates 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 obligations 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 2017, the following applies with respect to the shares in ABN AMRO Group N.V. held by STAK AAG and the depositary receipts issued for these shares: After the first two tranches in 2015 and 2016, the proportion of the total share capital of ABN AMRO for which STAK AAG has issued depositary receipts rose in 2017 from approximately 29.9% to approximately 50.1% at 31 December 2017, corresponding to 470,940,001 depositary receipts. The total transfer in 2017 involved over 20%: 6.9% third tranche in June; 6.9% fourth tranche in September; 6.4% fifth tranche in December.

These depositary receipts can be traded on the stock exchange of Euronext Amsterdam. The table below gives an overview of the issuance of depositary receipts from November 2015 until 31 December 2017.

The third and fourth tranches of 65,000,000 depositary receipts each were sold by NLFI to institutional investors by means of what is known as an accelerated book building offering.

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 van ABN AMRO.

The proposed final dividend for 2016 of € 414 million (€ 0.44 per share) was approved at the General Meeting of Shareholders of ABN AMRO on 30 May 2017. The payment date of the final dividend was set at 23 June 2017. In accordance with the 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 € 376 million paid in September 2016, the total gross dividend for 2016 is € 790 million (€ 0.84 per share). An interim dividend of € 0.65 per share has already been paid for 2017. 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	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 are available at 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 the analysis of this item is as follows:

	2017	2016
	€	€
ABN AMRO current account	209,064	136,556
	209,064	136,556

Under the agreement to reimburse expenses agreed 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:

	2017	2016
	€	€
Board expenses	31,596	52,958
Legal expenses	25,074	9,841
Corporate service expenses	13,861	12,568
Audit fees	15,000	15,000
Consultancy fees	5,929	7,155
Intermediary fee	26,620	0
Prepaid reimbursement	90,984	39,034
	209,064	136,556

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 noteworthy events 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	Budget	Actual
	1 Jan. to	1 Jan. to	1 Jan. to
	31 Dec. 2017	31 Dec. 2017	31 Dec. 2017
	€	€	€
Reimbursement from ABN AMRO paid	567,933	441,214	628,974
Reimbursement due	0	0	0
Income received in advance	- 51,949		- 96,799
Reimbursement from ABN AMRO	516,044	441,214	532,175

STAK AAG has concluded an agreement for reimbursement of expenses with ABN AMRO. In this agreement, ABN AMRO has undertaken to pay expenses incurred and to be incurred (in advance) by STAK AAG on written request. Based on the agreement for reimbursement of expenses concluded by STAK AAG with ABN AMRO, the total expenses for the first full financial year of STAK AAG amounting to € 516,044 were charged in full to ABN AMRO. In addition to Board expenses amounting to € 76,832, the expenses in 2017 consisted mainly of costs for the meetings of depositary receipt holders, management support and legal and other advice to the Board. The total expenses incurred for 2017 were € 74,830 higher than the budgeted figure. The higher costs were due, among other things, to higher legal expenses.

7.4.2 Board expenses

The Board consisted of three persons including the Chair during the period under review. The total remuneration paid to the members and prospective members of the Board in 2017 was € 76,832 including VAT, of which € 68,250 was paid to the sitting Board Members (including Saskia Stuiveling) and € 8,582 to the prospective Board members.

7.4.3 Board support

	Actual 1 Jan. to 31 Dec. 2017	Budget 1 Jan. to 31 Dec. 2017	Actual 1 Jan. to 31 Dec. 2017
	€	€	€
Corporate service expenses	135,636	110,000	191,357
Corporate secretary expenses	6,219	6,214	7,054
Consultancy fees	53,536	43,500	61,855
Other expenses	5,254	13,000	7,558
Legal advice	176,137	75,000	90,132
	376,782	247,714	357,956

7.4.4 General administrative expenses

	Actual 1 Jan. to 31 Dec. 2017	Budget 1 Jan. to 31 Dec. 2017	Actual 1 Jan. to 31 Dec. 2017
	€	€	€
Audit fees	15,125	22,000	25,527
Other expenses	47,305	53,500	40,674
	62,430	75,500	66,201

7.4.5 Appropriation of the result

There is no appropriation of the result of STAK AAG in the reporting year, since the balance of income and expenses in 2017 was nil.

Amsterdam, 10 April 2018

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 2017 financial statements included in the annual report

Our opinion

We have audited the 2017 financial statements of Stichting Administratiekantoor Continuïteit ABN AMRO Group of Amsterdam.

In our opinion, the annual financial statements give a true and fair view of the size and composition of the assets of Stichting Administratiekantoor Continuïteit ABN AMRO Group at 31 December 2017 and of the result for 2017 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 2017;
2. the statement of income and expenses for 2017; and
3. the explanatory 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 Board report.

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 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. Furthermore, the Board is responsible for such internal control as Board determines is necessary to enable the preparation of the 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 above-mentioned 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 events and circumstances that could reasonably cast doubt on the foundation's ability to continue its business activities in the financial statements.

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 judgment 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 of 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 override 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 evaluating and the reasonableness of accounting estimates and related explanatory 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 explanatory notes in the financial statements or, if such explanatory 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 explanatory 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 reasonably could affect our independence and the related measures designed to ensure our independence.

Rotterdam, 10 April 2018

Mazars Paardekooper Hoffman Accountants N.V.

Original signed by C.A. Harteveld RA



**Stichting Administratiekantoor
Continuïteit ABN AMRO Group**

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