

Annual Report 2016

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



Introduction

After its incorporation in July 2015, 2016 was the first full year for Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG). The first General Meeting of Depositary Receipt Holders took place in 2016. An Extraordinary General Meeting of Depositary Receipt Holders was held in August. In November, NL Financial Investments (NLF), 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 the second tranche of shares in ABN AMRO to STAK AAG. STAK AAG has issued depositary receipts for these shares. This was the second issue of depositary receipts by STAK AAG after the first tranche in 2015.

Further shape was also given to the structure of STAK AAG in 2016. The Board formulated a Profile Description for Board members and carried out its first self-assessment. The Board also presented its interpretation of its duties at the first General Meeting of Depositary Receipt Holders. Supported by a small and close-knit team of advisers, STAK AAG has carried out its activities in constructive consultation with ABN AMRO, NLF 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 2016.

Amsterdam, 29 March 2017

The Board

Peter Ingelse, Chair

Inge Brakman, Vice-Chair / Finance

Saskia J. Stuiveling, Vice-Chair / Secretary

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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, 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 duty is to protect the interests of the holders of the depositary receipts and take account of the interests of ABN AMRO and other stakeholders, as well as the public interest. Under normal circumstances, STAK AAG automatically grants a power of attorney to depositary receipt holders 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 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 autonomously and independently of ABN AMRO. As long as NLFI owns at least one third of the number of outstanding shares, a contemplated 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 exercise restraint in its role as shareholder. STAK AAG acts, as it were, 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 the agreement between STAK AAG and ABN AMRO on the basis of which ABN AMRO is obliged to reimburse the expenses of STAK AAG.

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 in ABN AMRO of 10% or more (solely or together with one or more of the above-mentioned persons);
- 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.

Moreover, the composition of the Board of STAK AAG must 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.

Depository receipts

2.1 Depository receipt holders

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

Under certain circumstances as described in the Trust Conditions, the independence, continuity or identity of ABN AMRO may be at issue, for instance, in the event of a hostile takeover bid 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. 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, 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 depository receipts

Depository receipt holders have the same economic rights as shareholders. Distributions on shares for which depository receipts have been issued will be received by STAK AAG and paid directly to the depository receipt holders without fees or commission.

The first distribution on depository receipts took place after the market introduction in 2016. The proposed final dividend for 2015 of € 414 million (€ 0.44 per share, for all shareholders) was approved at the General Meeting of Shareholders of ABN AMRO on 18 May 2016. The payment date of the final dividend was set at 14 June 2016. In accordance with the provision in the Trust Conditions (article 3.3.1), STAK AAG paid this final dividend directly to the depository receipt holders without fees or commission. ABN also offers a dividend reinvestment programme whereby depository receipt holders may reinvest their net cash dividend in depository receipts in ABN AMRO.

The total dividend for 2015 amounted to € 764 million, consisting of the final dividend (€ 414 million) and the interim dividend of € 350 million distributed in August 2015. ABN AMRO made an interim dividend for 2016 of € 73,508,000 (€ 0.34 per share) available for payment on 13 September 2016 (see paragraph 7.3.1).

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 stating 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 first General Meeting of Depositary Receipt Holders (GMDRH) of STAK AAG took place on Tuesday 26 April 2016 in Amsterdam. The issues discussed and explained by the Chair and the Board at this meeting included the following:

- a general introduction to STAK AAG
- the agenda for the General Meeting of Shareholders of ABN AMRO on 18 May 2016
- the 2015 Annual Report of STAK AAG
- the remuneration policy for Board members
- the Board of STAK AAG's interpretation of its duties

The meeting expressed its satisfaction with the issues discussed and the answers given by the Board. 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

The first Extraordinary General Meeting of Depositary Receipt Holders (EGMDRH) of STAK AAG also took place on Friday 22 July 2016 in Amsterdam. The issues discussed at this meeting were:

- the agenda for the Extraordinary General Meeting of Shareholders of ABN AMRO on 12 August 2016

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 decided to grant power of attorney to all depositary receipt holders of ABN AMRO with the exception of STAK AAG to exercise the voting rights associated with the shares in the capital of ABN AMRO at both the General Meeting of Shareholders of ABN AMRO on 18 May 2016 and the Extraordinary General Meeting of Shareholders of ABN AMRO on 12 August 2016, without prejudice to the powers of 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 on the registration date.

The Board of STAK AAG did not receive voting instructions from depositary receipt holders for either the GMS or the EGMS and therefore did not vote at these meetings.

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

NLFI transferred a second tranche of ABN AMRO shares in November 2016. The transfer concerned 65 million shares (7%). STAK AAG has issued depositary receipts in exchange for these shares. This second tranche of 65,000,000 depositary receipts was sold by NLFI to institutional investors by means of what is known as an accelerated book building offering.

By this second tranche the proportion of the total share capital of ABN AMRO for which STAK AAG has issued depositary receipts has increased from 23% to 30%. The first tranche of depositary receipts for shares in ABN AMRO was brought to the market in November 2015. This corresponded to 23% of the total number of shares issued by ABN AMRO, or 216,200,000 depositary receipts.

As at 31 December 2016, STAK AAG had 281,200,000 ABN AMRO shares in administration, against which it had issued 281,200,000 depositary receipts. These depositary receipts can be traded on the stock exchange of Euronext Amsterdam.

2.4 Outstanding shares in relation to shares held by NLFI

At 31 December 2016 ABN AMRO had two shareholders, NLFI and STAK AAG, for which the distribution of a total of 940,000,001 shares was as follows:

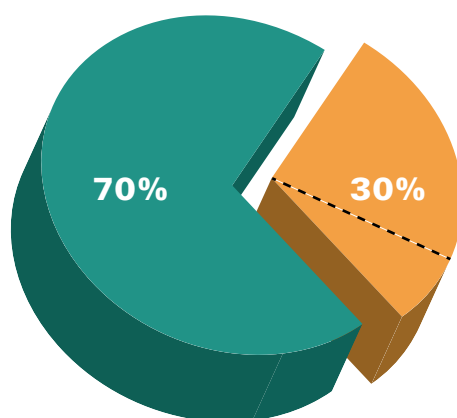


Figure 1:
Distribution of shares between the shareholders at year-end 2016: 70% NLFI and 30% STAK AAG
(Distribution of shares between the shareholders at year-end 2015: 77% NLFI and 23% STAK AAG)

Activities

< 3.1 Board meeting

The Board of STAK AAG met on nine occasions in 2016. Matters discussed at these meetings include the following:

- Translation of the Articles of Association and the Trust Conditions into actual activities
- Harmonisation of the Articles of Association and Trust Conditions
- Preparations for exceptional circumstances
- Corporate governance
- Formulation of profile descriptions for the Board and interpretation of the duties of the Board
- Information position
- Communication, including website, representation, texts and Q&A
- Preparation for discussions with the Managing Board and Supervisory Board of ABN AMRO
- Preparation for discussions with various stakeholders
- Preparation for discussions with NLF1
- Preparation for the meeting of depositary receipt holders on 26 April 2016
- Preparation for GMS AAG
- Preparation for the extraordinary meeting of depositary receipt holders on 22 July 2016.
- Preparation for EGMS AAG
- Preparatory work for second tranche of shares/depositary receipts
- Various discussions with experienced directors of other protective foundations
- Annual report 2015, finances in 2016 and budget for 2017
- Agenda for 2017

< 3.2 Contact with ABN AMRO and NLF1

The Board met on several occasions with the Managing Board and Supervisory Board of ABN AMRO in 2016. The issues discussed included the following.

- The role and cooperation of STAK AAG in the international public offering
- Reciprocal information position
- Organisational structure and funding of STAK AAG
- Harmonisation of operational implementation
- 2015 annual report of STAK AAG
- Controlled remuneration policy for the Board of STAK AAG
- Finances in 2016 and budget for 2017

The Board also attended the GMS and the EGMS of ABN AMRO.

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

Discussions were held with the board of NLF1 in 2016. The matters discussed included the international public offering planned for this period and mutual expectations with respect to interpretation of duties and roles, the reciprocal information position and (mutual) communication.

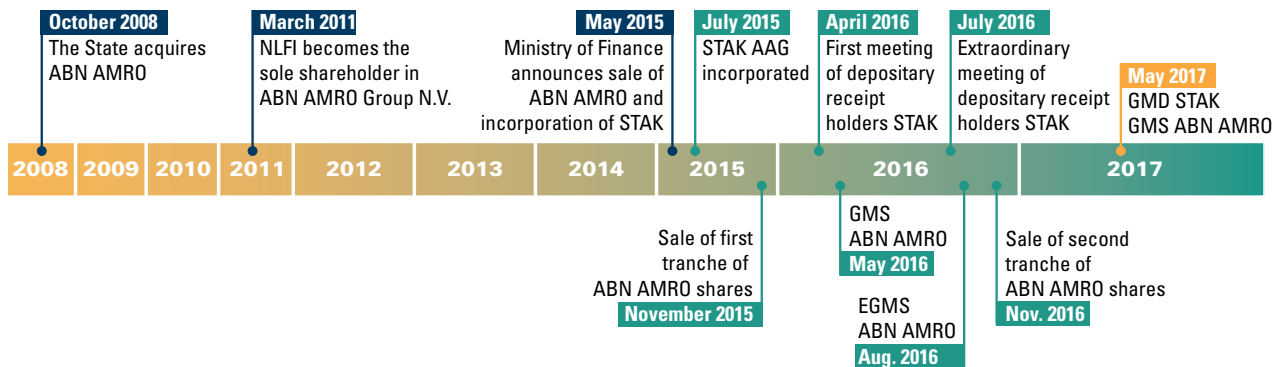


Figure 2: Timeline

3.3 Outlook for 2017

A meeting of depositary receipt holders will be held in Amsterdam on Tuesday 16 May 2017, two weeks before the general meeting of shareholders of ABN AMRO scheduled for Tuesday 30 May 2017. The activities of the Board in the first two quarters of 2017 will mainly concern preparations for the meeting of depositary receipt holders and the appropriate relationship management with depositary receipt holders and NLFI, the general meeting of shareholders of ABN AMRO and the related activities. The annual report for 2016, consisting of the report of the Board and the financial statements, will also be prepared and adopted in the first quarter.

Plans for the third and fourth quarters of 2017 include in any case the further development of the relevant rules for good governance for STAK AAG, partly based on the Revised Corporate Governance Code published at the beginning of December 2016, preparations for exceptional circumstances and a budget for 2018.

The remuneration policy for 2017 has been established in line with the policy in 2015 and 2016.

The change in the consumer price index (CPI 2017: +0.3) and the slightly higher maximum permitted remuneration (2017: € 181,000) in accordance with the Executives' Pay (Standards) Act (the 'WNT') give no cause for making changes.

The budget for 2017 is set at € 441,214, generally in line with the actual figure for 2016. ABN AMRO will cover the costs on the basis of the reimbursement of expenses agreement concluded between STAK AAG and ABN AMRO.

The Management

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.

The Board has decided not to step down during the first term of four years. A retirement rota will be drawn up for the second term of appointment before the reappointments come up for consideration in mid-2019. To ensure the continuity of the STAK AAG Board, this will be based on a rota in which retirements and succession overlap. This rota will be made available to the general meeting of depositary receipt holders in due course.

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.

The following competences are also important:

- the ability to conduct an open relationship and constructive dialogue with ABN AMRO and all stakeholders while retaining independence;
- the ability to assess the soundness and continuity of ABN AMRO in the long term adequately and quickly;
- a good understanding of social relationships and signals from the public;
- strong analytical skills and a constructive but critical attitude;
- perseverance, vigour and decisiveness;
- good communicative skills.

The current Board has three members. The composition of the Board of STAK AAG is such that it is able to perform the duties and responsibilities as described in the Articles of Association and the Trust Conditions. The members were requested by the Minister of Finance, NLF and ABN AMRO to accept a position on the Board on the basis of an established profile (www.stakaag.org) for a term of four years and collectively have extensive experience of the legal system and in the financial and public sectors.

The Board consists 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

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.

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 have not taken and 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.

4.2 Governance

The Board had no opportunity to discuss its own governance on the basis of the revised version of the Corporate Governance Code in 2016. The revised version, published on 8 December 2016, appeared too late in the year for this. We expect this matter to be addressed in the second half of 2017.

The Board has however undertaken a number of activities relating to governance, including the discussion of a retirement rota and making agreements in this respect (see paragraph 4.1). The Board also carried its first self-assessment, which devoted attention to the activities of the Board since the incorporation in mid-2015 and the use of external advisers and the auditor.

Within the Board, there is an open culture and mutual trust. The general design and structure of STAK AAG has now been determined. Meetings and issues in relation to design and structure still to be discussed can be spread conveniently over the year. Under normal circumstances, this will allow the use of external advisers to be reduced.

In addition, the Board will intensively gather knowledge regarding developments in the (European) banking sector and its supervision. The Board will also let itself be guided by the experiences of fellow directors at other organisations.

4.3 Risk paragraph

The Board is expected to be able to act quickly and effectively if exceptional circumstances appear or arise. The Board strives to limit risks as far as possible. 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, and also – for an indeterminate period – the board of NLF and the Minister and Ministry of Finance. The Board is engaged in making information arrangements with these partners in relation to both normal circumstances and exceptional circumstances that may arise.

The Board will strive to confirm these arrangements in the coming year. In the meantime, the Board has to act as it sees fit. 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 impact of these risks is considered to be significant. Accordingly, the chain risks especially in connection with these two operational tasks will be identified in 2017 and the controls will be improved where necessary.

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 2016, albeit to a slightly lesser degree than expected. For this additional remuneration, a working week rate has been calculated based on the remuneration framework in the WNT.

This led to the following remuneration in 2016:

Board member	Permanent	Additional	Expences	VAT	Total
Ingelse, Chair	€ 20,000	€ 15,000	€ 1,200	€ 7,602	€ 43,802
Brakman, member	€ 20,000	€ 7,500	€ 1,479	€ 6,085	€ 35,064
Stuiveling, member	€ 20,000	€ 7,500	€ 1,652	€ -	€ 29,152

An arrangement has moreover been established for reimbursement of minor office expenses at home and a travel allowance. To the extent that Board members are obliged to pay VAT on the reimbursements received, these will also be paid by STAK AAG. In addition to the payments stated above, a total sum of € 18,018 in reimbursement of expenses (€ 4,331) and compensation for VAT due (€ 13,687) was charged to STAK AAG in 2016.

4.5 Costs and liquidity

The costs of the activities performed by STAK AAG are shown in the financial statements which are included in this annual report. The costs in 2016 were to some extent still related to the incorporation and formation of STAK AAG, since the trust office only completed its first year of existence in mid-2016. Various actions and activities were therefore undertaken for the first time in the first half of 2016, such as the preparation of an annual report and the first meeting of depositary receipt holders.

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 € 532,175 were charged in full to ABN AMRO. In addition to Board expenses amounting to € 108,018, the expenses in 2016 consisted mainly of management support and legal and other advice to the Board. In the first half of 2016, these expenses related to the start-up phase which STAK AAG was going through during the period under review. The total expenses incurred for 2016 were approximately € 188,000 higher than the budgeted figure.

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 2016.

Further details of the financial position of STAK AAG are shown in the 2016 financial statements.

4.6 External advice

The Board was assisted in 2016 by Intertrust (management and secretariat), Lemstra Van der Korst N.V., (legal advice), Finnius (financial and legal advice), ABN AMRO (listing agent) and Marco Zoon (communications advice). Mazars Paardekooper Hoffman Accountants N.V. was appointed as the external auditor of STAK AAG. The cooperation with all the above will continue in 2017.

The Board of STAK AAG may decide to engage additional specialist advisers. The costs of this additional support will be borne by ABN AMRO in accordance with the agreement for reimbursement of expenses.

Amsterdam, 29 March 2017

The Board
Peter Ingelse, Chair
Inge Brakman, Vice-Chair / Finance
Saskia J. Stuiveling, Vice-Chair / Secretary



FINANCIAL STATEMENTS

Financial statements 2016

5. Statement of financial position at 31 December 2016 (before profit appropriation)

	2016	2015
	€	€
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		
Accounts receivable, accrued income and prepaid expenses (7.3.2)	0	57,765
Cash and cash equivalents (7.3.3)	136,556	112,216
		136,556
		169,981
Current liabilities and accruals and deferred income (7.3.4)		
		136,556
		169,981
Assets less current liabilities		
		0
		0
Non-current liabilities		
Depository receipts issued (7.3.1)	p.m.	p.m.
		p.m.
		p.m.
Equity (7.3.5)		
		0
		0
		0
		0

6. Statement of income and expense

	Actual 2016 1 Jan. to 31 Dec.	Budget 2016 1 Jan. to 31 Dec.	Actual 2015 20 July to 31 Dec.
	€	€	€
INCOME			
Payment of expenses for implementing objective (7.4.1)	532,175	343,785	307,765
Total income	<u>532,175</u>	<u>343,785</u>	<u>307,765</u>
EXPENSES			
Board expenses (7.4.2)	108,018	123,390	85,211
Board support (7.4.3)	357,956	154,275	201,379
Management expenses (7.4.4)	66,201	66,120	21,175
Total expenses	<u>532,175</u>	<u>343,785</u>	<u>307,765</u>
Balance of income and expense	<u>0</u>	<u>0</u>	<u>0</u>

Note

7.1 General

Stichting Administratiekantoor Continuïteit ABN AMRO Group (STAK AAG) was incorporated on 20 July 2015. STAK AAG's first financial year ends on 31 December 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 shares ('Shares') against the allocation of registered depositary receipts ('Depositary Receipts') in the capital of the limited liability company with registered office 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 Depositary Receipt holders of the Company and of the enterprises maintained by the Company and the companies affiliated to it in a group are optimally safeguarded. STAK AAG shall deter any influence that could affect the independence, continuity or identity of the Company and those enterprises in conflict with the interests of the Company and 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 savers 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, and elsewhere.

7.2 Accounting policies

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

Estimates and assumptions

The preparation of the annual financial statements in accordance with Guideline 640 requires management 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 irrecoverability of assets where necessary.

Shares in 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 of Guideline 640 and following.

< 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 2016, 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:

- Since 24 November 2015 STAK AAG holds 216,200,000 ordinary shares in ABN AMRO with a nominal value of € 17.75, for which it has issued the same number of depositary receipts for shares also with a nominal value of € 17.75. The shares held by STAK AAG represent 23% of the total outstanding shares of ABN AMRO as at 31 December 2015.
- On 21 November 2016, Stichting Administratiekantoor Beheer Financiële Instellingen (NLFI) transferred 65,000,000 ordinary shares in ABN AMRO to STAK AAG. In return, STAK AAG sold the same number of depositary receipts to institutional investors by means of an accelerated book building offering.
- This second tranche means that the proportion of the total share capital of ABN AMRO for which STAK AAG has issued depositary receipts has increased from 23% to 30%. At year-end 2016, the total number of depositary receipts issued stood at 281,200,000.
- 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 preference right, unless this right is limited in accordance with the provisions of the articles of association of ABN AMRO.
- A sum of € 95,128,000 (€ 0.44 per share) was made available for payment on 14 June 2016 as final dividend for 2015 on the shares in ABN AMRO held by STAK AAG. This sum was made available for payment to the depositary receipt holders by STAK AAG on the same date. ABN AMRO made an interim dividend for 2016 of € 73,508,000 (€ 0.34 per share) available for payment on 13 September 2016. The total amount of the interim dividend for 2016 was made available for payment on the shares in ABN AMRO held by STAK AAG to the depositary receipt holders on the same date.
- 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, 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 NLF, as long as Stichting Administratiekantoor Beheer Financiële Instellingen ('NLF') 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.
- No dividend was distributed on the shares in ABN AMRO held by STAK AAG during the period under review. STAK AAG has accordingly not distributed any dividend on the depositary receipts.

Events after closing date

No noteworthy events have occurred since the closing date.

7.3.2 Accounts receivable, accrued income and prepaid expenses

The analysis of this item is as follows:

	2016	2015
	€	€
Receivable from ABN AMRO under the agreement to reimburse expenses	0	57,765
	0	57,765

7.3.3 Cash and cash equivalents

Cash and cash equivalents is at the free disposal of STAK AAG and the analysis of this item is as follows:

	2016	2015
	€	€
ABN AMRO current account	136,556	112,216
	136,556	112,216

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.

7.3.4 Current liabilities and accruals and deferred income

The analysis of this item is as follows:

	2016	2015
	€	€
Board expenses	52,958	85,211
Legal expenses	9,841	42,888
Corporate service expenses	12,568	17,319
Auditor's fees	15,000	21,175
Consultancy costs	7,155	3,388
Prepaid reimbursement	39,034	0
	<u>136,556</u>	<u>169,981</u>

7.3.5 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.

7.4 Notes to the statement of income and expense

7.4.1 Reimbursement of expenses for implementing objective

	Actual 1 Jan. to 31 Dec. 2016	Budget 1 Jan. to 31 Dec. 2016	Actual 20 July to 31 Dec. 2015
	€	€	€
Reimbursement from ABN AMRO paid	628,974	343,785	250,000
Reimbursement due	0	0	57,765
Prepaid reimbursement	<u>- 96,799</u>		
Reimbursement from ABN AMRO	<u>532,175</u>	<u>343,785</u>	<u>307,765</u>

STAK AAG has concluded an agreement for reimbursement of expenses with ABN AMRO. 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 € 532,175 were charged in full to ABN AMRO. In addition to Board expenses amounting to € 108,018, the expenses in 2016 consisted mainly of management support and legal and other advice to the Board. In the first half of 2016, these expenses related to the start-up phase which STAK AAG was going through during the period under review. The scale of the administrative work in the start-up phase was moreover difficult to estimate. The total expenses incurred for 2016 were approximately € 188,390 higher than the budgeted figure.

7.4.2 Board expenses

The Board consisted of three persons including the Chair during the period under review. The total amount paid to the members of the Board in 2016 was €108,018. The analysis of this item is as follows:

Board member	Permanent	Additional	Expenses	VAT	Total
Ingelse	20,000	15,000	1,200	7,602	43,802
Brakman	20,000	7,500	1,479	6,085	35,064
Stuiveling	20,000	7,500	1,652	–	29,152
	<u>60,000</u>	<u>30,000</u>	<u>4,331</u>	<u>13,687</u>	<u>108,018</u>

7.4.3 Board support

	Actual 1 Jan. to 31 Dec. 2016	Budget 1 Jan. to 31 Dec. 2016	Actual 20 July to 31 Dec. 2015
	€	€	€
Corporate service expenses	191,357	48,400	78,343
Corporate secretary expenses	7,054	6,050	1,409
Consultancy costs	61,855	33,275	21,780
Other expenses	7,558	18,150	5,030
Legal advice	90,132	48,400	94,817
	<u>357,956</u>	<u>154,275</u>	<u>201,379</u>

7.4.4 General administrative expenses

	Actual 1 Jan. to 31 Dec. 2016	Budget 1 Jan. to 31 Dec. 2016	Actual 20 July to 31 Dec. 2015
	€	€	€
Auditor's fees	25,527	14,520	21,175
Other expenses	40,674	51,600	0
	<u>66,201</u>	<u>66,120</u>	<u>21,175</u>

Amsterdam, 29 March 2017

The Board
Peter Ingelse, Chair
Inge Brakman, Vice-Chair / Finance
Saskia J. Stuiveling, Vice-Chair / Secretary

Other data

Result appropriation

There is no appropriation of the result of STAK AAG in the reporting year, since the balance of income and expenses in 2016 was nil.

Events after closing date

No noteworthy events have occurred since the closing date.

Independent auditor's report

The auditor's report is given on the following page.

Auditor's report

Independent auditor's report

To the Management of Stichting Administratiekantoor Continuïteit ABN AMRO Group

Statement regarding the 2016 financial statements included in the annual report

Our opinion

We have audited the 2016 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 2016 and of the result for 2016 in accordance with Dutch Annual Reporting Guideline 640 'Not for Profit Organisations' (RJ 640).

The financial statements consist of:

1. the statement of financial position at 31 December 2016;
2. the statement of income for 2016;
3. the disclosures with an overview of the accounting policies used for financial reporting and the other notes.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities pursuant to these standards are described in more detail in the section entitled 'Our responsibilities for the audit of the financial statements'.

We are independent of Stichting Administratiekantoor Continuïteit ABN AMRO Group as required in the Regulation on the Independence of Auditors in 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 moreover complied with the Dutch Rules of Conduct in the Accounting Profession (Verordening gedrags- en beroepsregels accountants, or 'VGBA').

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

The annual report includes other information in addition to the financial statements and our audit opinion, consisting of:

- the report of the Management Board;
- the other data.

Based on the following procedures, we are of the opinion that the other information:

- is consistent with the financial statements and does not contain any material misstatements;
- contains all the information required pursuant to RJ 640.

We have read the other information and on the basis of our knowledge and understanding obtained through our audit of the financial statements or otherwise we have considered whether the other information contains material misstatements.

With our procedures, we have complied with the requirements of RJ 640 and the Dutch Standard 720. These procedures are not of equivalent depth to the audit procedures for the financial statements.

The management is responsible for the compilation of the other information, including the report of the Board and the other data in accordance with RJ 640.

Description of responsibilities with respect to the financial statements

Responsibilities of the management for the financial statements

The management is responsible for the preparation of and presentation of a true and fair view in the financial statements in accordance with RJ 640. In this context, the management is also responsible for the internal controls it considers necessary for the preparation of financial statements that are free from material misstatement as a result of fraud or error.

When preparing the financial statements, the management 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 management must prepare the financial statements on the basis of the going concern assumption unless the management is proposing to liquidate the foundation or discontinue its activities or if termination is the only realistic alternative.

The management 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 is performed with a high but not absolute degree of certainty, meaning that it is possible that we have not identified all material instances of error or fraud during our audit.

Misstatements may exist as a result of fraud or error and are material if, either individually or collectively, it can reasonably be expected that they may affect the economic decisions taken by users on the basis of these financial statements. Materiality affects the nature, timing and scope of our activities and the evaluation of the effect of recognized misstatements on our opinion.

A full description of our responsibilities is available at:

www.nba.nl/standaardteksten-controleverklaring

Rotterdam, 29 March 2017

Mazars Paardekooper Hoffman Accountants N.V.

Original signed by C.A. Harteveld RA



**Stichting Administratiekantoor
Continuïteit ABN AMRO Group**

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