



Circular for shareholders and depositary receipt holders

ABN AMRO Group N.V.

Relating to the proposed merger between ABN AMRO Group N.V. and ABN AMRO Bank N.V.

13 March 2019



LETTER TO SHAREHOLDERS AND DEPOSITARY RECEIPT HOLDERS

Dear shareholders and depositary receipt holders,

On 16 November 2019 (Investor Day) and on 13 February 2019 (publication of our fourth quarter 2018 results), we announced the intention to propose a simplification of ABN AMRO's group structure through a merger of ABN AMRO Group N.V. (**ABN AMRO Group**) and its subsidiary ABN AMRO Bank N.V. (**ABN AMRO Bank**), with ABN AMRO Bank as the surviving entity (the **Merger**). Further to these intentions we now propose that such Merger be implemented in the course of 2019.

Currently, an interpretation of the European Banking Authority (**EBA**) prevents the full inclusion by a holding company (in our case ABN AMRO Group) of instruments issued by a subsidiary (ABN AMRO Bank) at a consolidated level. This interpretation impacts the capital and leverage ratios of ABN AMRO Group and thus ABN AMRO Group's financial strength from a regulatory perspective. The reason for proposing the Merger is to remediate the impact of the EBA interpretation.

The proposed Merger will have no impact on the rights of holders of ordinary shares of ABN AMRO Group (**Shareholders**) or holders of depositary receipts of shares of ABN AMRO Group (**DR Holders**).

In this circular, we provide you with information regarding the proposed Merger and we explain why we consider the Merger to be in the best interest of ABN AMRO, the Shareholders, the DR Holders and other stakeholders. The Merger requires approval of the meeting of DR Holders (the **DR Holders Meeting**) and a resolution to effect the Merger of the general meeting of ABN AMRO Group (the **General Meeting**).

We advise you to read this circular and related documents for further information. As stated above, we believe this proposed Merger – in remediating the impact of the EBA interpretation – will bring considerable benefits to our organization, while it does not affect the rights of Shareholders and DR Holders. Therefore, the executive board and supervisory board unanimously support the Merger and recommend that you vote in favour of the Merger and related resolutions.

Stichting administratiekantoor beheer financiële instellingen (**NLFI**) supports, and intends to vote in favour of, the Merger. Stichting Administratiekantoor Continuïteit ABN AMRO Group (**STAK AAG**) will take the necessary steps to facilitate the decision-making required for the Merger.

You are strongly urged to provide a proxy for, or to attend the DR Holders Meeting(s) and the annual general meeting (AGM). Please register your vote or proxy for the DR Holders Meeting(s) and AGM by **5 April 2019** (First DR Holders Meeting) and by **18 April 2019** (Second DR Holders Meeting - if required - and AGM).

The AGM is an important opportunity for all Shareholders and DR Holders to express their views by asking questions. If you would like to be assured of the fullest possible response to a question asked in the AGM, it would be helpful if you could give us prior notice of your question. Of course, you are also invited to write to us at any time should you wish.

Yours sincerely,

Kees van Dijkhuizen

Tom de Swaan

CEO

Chairman Supervisory Board

For information and questions on the:

- Merger: www.abnamro.com/ir/merger, investorrelations@nl.abnamro.com
- Registration for the DR Holders Meeting and voting instructions: www.stakaag.org
- Registration for the AGM and voting instructions: www.abnamro.com/generalmeeting

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E: Tryptic (*drieluik*) proposed changes articles of association AAB

1 STRATEGIC RATIONALE FOR THE MERGER

1.1 Introduction

The purpose of the Merger is to remediate the impact of the EBA interpretation on ABN AMRO's Tier 1 total capital and leverage ratios. The Merger is expected to reduce the costs of capital. Additional, indirect costs savings are also expected to follow from the simplification of ABN AMRO's group structure. This may be beneficial for further dividend distributions.

The Merger will not have an impact on ABN AMRO's corporate governance and will not affect the financial or governance rights of Shareholders or DR Holders.

1.2 Remediation of inefficiencies in ABN AMRO's capital structure

In 2017, the EBA published an interpretation of certain capital regulations applicable to European banks.¹ This interpretation prevents the full inclusion by a holding company of instruments issued by a subsidiary at a consolidated level. The EBA interpretation has a particularly adverse impact on consolidated capital ratios of bank holding companies with a single subsidiary, such as ABN AMRO Group.

As a result of the interpretation, a portion of the 'surplus capital' of AT1 and T2 instruments issued by ABN AMRO Bank can no longer be included in full in respect of the 'consolidated own funds'. This impacts the consolidated Tier 1 total capital and leverage ratios of the group (the **CRR Impact**). Capital ratios of ABN AMRO Bank on a solo-basis are not impacted.

The table below shows the CRR Impact on the ABN AMRO Group consolidated level. The CRR Impact of in total EUR 5.4bn makes AT1 and T2 bank issued instruments inefficient at ABN AMRO Group level.

Q4 2018	Reported ABN AMRO Group	pro forma ABN AMRO Bank (after Merger)	Improvement following a Merger
Capital in EUR m			
CET1	19,346	19,346	0
AT1	950	1,982	+1,032
Tier 1	20,296	21,328	+1,032
Tier 2	3,090	7,446	+4,356
Total capital	23,386	28,774	+5,388
Capital ratios			
CET1	18.4%	18.4%	+0.0%
Tier 1	19.3%	20.2%	+1.0%
Total capital	22.4%	27.3%	+5.1%
Leverage	4.2%	4.4%	+0.2%

The Merger would entirely remediate the CRR Impact and capital inefficiencies caused by it, 'trapped' CET 1 equity is released and the AT1 and T2 inefficiency is resolved. In addition, the leverage ratio of ABN AMRO Bank would improve by +0.2%.

¹ EBA Single Rulebook Q&A, publication date final Q&A 03/11/2017, Question ID 2017_3329, legal act: Regulation (EU) No 575/2013 (CRR) as amended

Other side benefits of the Merger include a simplified and cost-efficient structure. For example, ABN AMRO Group and ABN AMRO Bank will no longer both have to prepare an annual report. As ABN AMRO Group will cease to exist as a result of the Merger, only ABN AMRO Bank will continue to prepare an annual report. The same applies to recurring regulatory reporting for resolution purposes. The simplification of the group structure also improves the resolvability of ABN AMRO.

If the Merger is not implemented, the CRR Impact will continue to negatively affect ABN AMRO's capital position.

The current corporate structure with ABN AMRO Group as top-holding company is a result of various legal mergers and acquisitions in the past. ABN AMRO Group was incorporated on 18 December 2009 to hold a subsidiary that was part of the former ABN AMRO group and a subsidiary that was part of the Fortis group, as acquired by the Dutch State at that time. These subsidiaries below ABN AMRO Group were merged with the new ABN AMRO Bank remaining as sole subsidiary of ABN AMRO Group. ABN AMRO Group remained as a pure holding company. The Merger has no impact on the daily operations of ABN AMRO Bank.

2 CONSEQUENCES OF THE MERGER

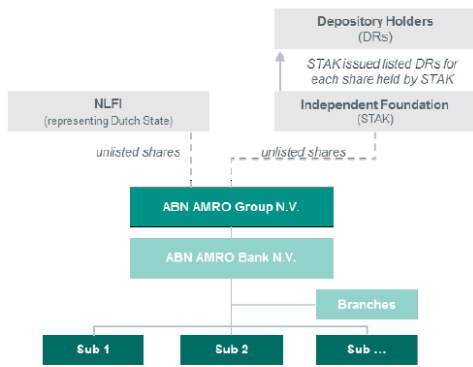
2.1 General

As set out above, the Merger seeks to remediate the CRR Impact. Other than the estimated cost-savings, the Merger will not have any impact on the operations of ABN AMRO and will not affect the rights of the Shareholders, DR Holders, creditors or other stakeholders of ABN AMRO.

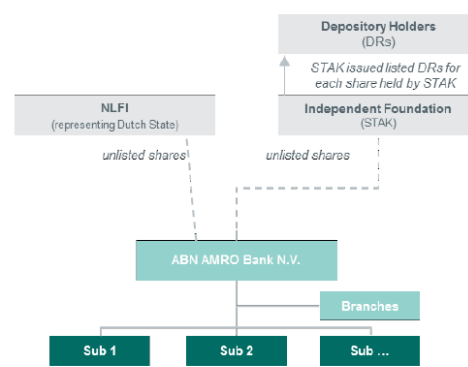
As a result of the Merger, ABN AMRO Group will cease to exist. All its assets, liabilities and other legal relationships will be acquired by ABN AMRO Bank by operation of law. In the Merger all issued shares in the share capital of ABN AMRO Group will be cancelled, and one ABN AMRO Bank ordinary share will be allotted for each ABN AMRO Group ordinary share issued and outstanding before the Merger.

The depositary receipts (**DRs**) will not be cancelled as a consequence of the Merger. They will remain outstanding and after the Merger each DR, previously representing one ordinary share in the share capital of ABN AMRO Group, will represent one ordinary share in the share capital of ABN AMRO Bank. The DRs will continue to have the same International Securities Identification Number (*ISIN Code*). The Merger will have no consequences for the indexes in which the DRs are included.

Current structure



Structure after Merger



2.2 Consequences from a corporate governance perspective

The Merger will not bring any changes to the corporate governance of ABN AMRO, other than directly relating to the simplification of its group structure. The corporate governance of ABN AMRO Bank post-Merger will be fully aligned with the current corporate governance of ABN AMRO Group, which in particular means that:

- after the Merger, the articles of association of ABN AMRO Bank will largely mirror the current articles of association of ABN AMRO Group; differences are of a technical nature and have no impact on the governance or the rights of Shareholders and DR Holders (see also Annex E);
- all policies currently applicable to ABN AMRO Group will apply to ABN AMRO Bank;
- the supervisory board and executive board of ABN AMRO Bank remain composed as the respective boards of ABN AMRO Group prior to the Merger, whereby the same rotation schedule will apply;
- the composition and functioning of the executive committee remains unchanged at the level of ABN AMRO Bank;
- a personal union through cross-membership of the supervisory boards, the executive boards and the committees of ABN AMRO Group and ABN AMRO Bank no longer applies; references to a personal union in constitutional documents will be deleted;
- the executive board of ABN AMRO Bank will be authorized to issue shares, exclude pre-emptive rights and repurchase shares subject to the same limitations as apply to the executive board of ABN AMRO Group prior to the Merger (see also paragraph 5.4); and
- the role of STAK AAG as defence foundation remains unaffected but will relate to ABN AMRO Bank instead of ABN AMRO Group.

ABN AMRO Group is currently subject to the large company regime (*structuurregime*). After the Merger, ABN AMRO Bank will meet the requirements for the large company regime as well, but application of the large company regime will only become mandatory under Dutch law after observance of a statutory waiting period. Since the Merger is not intended to

result in any changes to the corporate governance, the large company regime will be applied immediately following the Merger, initially on a voluntary basis.

Most of the resolutions required to align the post-Merger governance of ABN AMRO Bank with the pre-Merger governance of ABN AMRO Group can be adopted by ABN AMRO Bank, or by ABN AMRO Group in its capacity of sole shareholder of ABN AMRO Bank. However, pursuant to clause 7.3.6 of the articles of association of ABN AMRO Group, the approval of the General Meeting is required for a resolution of the executive board of ABN AMRO Group to cast a vote on the shares that ABN AMRO Group holds in ABN AMRO Bank regarding a resolution to authorize the executive board of ABN AMRO Bank to issue shares and grant rights to subscribe for shares. Therefore, the resolution proposed under item 9(a) of the agenda for the AGM to authorize the executive board of ABN AMRO Group to issue shares, includes the proposal to approve that the same authorization will be granted to the executive board of ABN AMRO Bank, subject to the Merger becoming effective. This is further described in paragraph 5.4.

2.3 Tax consequences

The Merger is a tax neutral event under the applicable tax legislation. The tax position of the ABN AMRO group after the Merger will not be less favourable from a Dutch tax perspective, nor will the Merger as such bring Shareholders and DR Holders in a less favourable perspective from the viewpoint of ABN AMRO group.

Any (deemed) result at the level of ABN AMRO Group as a consequence of it ceasing to exist under the Merger will be rolled over to ABN AMRO Bank under the applicable roll-over regime in the corporate income tax act. ABN AMRO Bank will form a new fiscal unity. The relevant provisions in the Dutch dividend withholding tax to make distributions free of Dutch dividend withholding tax remain similarly available for ABN AMRO Bank as they are for ABN AMRO Group prior to the Merger. This is confirmed by the Dutch tax authorities.

2.4 Consequences for the position of NLF1

At the occasion of its initial public offering (IPO), ABN AMRO Group entered into a relationship agreement with NLF1. As a consequence of the Merger, ABN AMRO Group's rights and obligations under the relationship agreement will be assumed by ABN AMRO Bank. The relationship agreement will be amended to reflect the changed structure of the ABN AMRO group. No other changes to the relationship agreement will be made.

3 REGULATORY CONSIDERATIONS

The European Central Bank (**ECB**) and the Dutch Central Bank (*De Nederlandsche bank* or **DNB**) are the home state regulatory authorities for ABN AMRO Bank. ECB and DNB must grant a declaration of no objection (**DNO**) to ABN AMRO Bank in relation to the Merger. The Merger constitutes a merger within the meaning of Section 3:96(1)(d) of the Dutch financial supervision act (*Wet op het financieel toezicht*, or **FSMA**). Subsidiaries of ABN AMRO Bank that hold a banking license do not need to apply for a DNO since they are not materially affected by the Merger.

Furthermore, NLFI and STAK AAG will require separate DNO's within the meaning of Section 3:95 of the FSMA. Pursuant to the "*Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector*" an assessment is required if there is a change in the nature of a qualifying holding so that an indirect qualifying holding becomes a directly held qualifying holding. This will be the case for NLFI and STAK AAG as a result of the Merger.

On 20 February 2019 ABN AMRO Bank, NLFI and STAK AAG applied for the aforementioned DNO's. The Merger will only be implemented after the required DNO's have been obtained.

The Merger will trigger regulatory notification requirements in the jurisdictions where ABN AMRO has a regulated presence (through branches, subsidiaries or representative offices). ABN AMRO will closely liaise with the relevant regulatory authorities to best align the potential impact on ongoing regulatory processes and content requirements for all regulatory notifications.

4 WORKS COUNCIL

ABN AMRO Bank's employees are represented by works councils within its group and as a collective (*Raad van Medewerkers*, the **Works Council**). The Works Council has been informed on the potential Merger in an early stage. The Works Council granted its positive advice on the Merger.

5 OVERVIEW OF MEETINGS AND VOTING ITEMS

5.1 The DR Holders Meeting

5.1.1 General

At the DR Holders Meeting two resolutions will be put to a vote. The DR Holders Meeting is requested to approve the resolution of the board of STAK AAG to amend the articles of association of STAK AAG (the **STAK AAG Articles**) and to amend the terms and conditions governing the receipt and holding in trust of the ABN AMRO Group shares (the **Trust Conditions**).

Both resolutions require a two-thirds majority of the votes cast in a DR Holders Meeting where at least two-thirds of the DRs are represented. If no resolution can be adopted at the first DR Holders Meeting (the **First DR Holders Meeting**), a second DR Holders Meeting will be convened ultimately on the day following the First DR Holders Meeting (the **Second DR Holders Meeting**) in which both resolutions can be adopted by a two-thirds majority of the votes cast, irrespective of the number of DRs represented at that Second DR Holders Meeting. This is further described in paragraph 5.2.

In order to provide for a clear and quick overview of the aforementioned amendments to the STAK AAG Articles and Trust Conditions, we have annexed tryptics (*drieluiken*) of the proposed amendments made and explanatory notes thereto (Annex A and Annex B to this

Circular). These annexes are made in due consultation with and with the consent of STAK AAG.

5.1.2 Amendment of the STAK AAG Articles

The purpose of amending the STAK AAG Articles is two-fold. In the first place, changes are proposed to align the STAK AAG Articles with the post-Merger situation. This essentially entails replacing all references to ABN AMRO Group by references to ABN AMRO Bank, including in the name of STAK AAG.

In the second place, it is proposed to include a number of transitional provisions in the STAK AAG Articles. These transitional provisions will lapse when the Merger becomes effective. The transitional provisions facilitate the Merger. They confirm that the Merger will not affect the relationship between the DR Holders and STAK AAG. Each DR will remain outstanding and will represent a share in ABN AMRO Bank after the Merger. Furthermore it is confirmed that, while STAK AAG may in principle not dispose of the ABN AMRO Group shares it holds in trust, it may cooperate with the Merger pursuant to which the ABN AMRO Group shares will be exchanged for ABN AMRO Bank shares.

If the amendment of the STAK AAG Articles is not approved by the DR Holders Meeting, the Merger will not be implemented.

Annex A contains a more detailed overview of the proposed changes to the STAK AAG Articles.

5.1.3 Amendment of the Trust Conditions

Also with regard to the Trust Conditions, it is proposed to align them with the situation post-Merger by replacing references to ABN AMRO Group by references to ABN AMRO Bank. In addition, certain changes are proposed in order to align the Trust Conditions with the updated Euronext Rules (Rulebook II).

The proposed Trust Conditions also contain a number of transitional provisions that provide that the Merger will not affect the relationship between the DR Holders and the Trust Office. These transitional provisions will lapse when the Merger becomes effective.

If the amendment of the Trust Conditions is not approved by the DR Holders Meeting, the Merger will not be implemented.

Annex B contains a more detailed overview of the proposed changes to the Trust Conditions.

5.2 The Second DR Holders Meeting

At the First DR Holders Meeting, resolutions can only be adopted if at least two-thirds of the DRs are present or represented. If no resolution can be adopted at the First DR Holders Meeting, the Second DR Holders Meeting will be convened ultimately on the day

following the First DR Holders Meeting, in which the resolutions to amend the STAK AAG Articles and Trust Conditions can be adopted by a two-thirds majority of the votes cast, irrespective of the number of DRs represented at that Second DR Holders Meeting. The Second DR Holders Meeting will be held in the morning on the same day of, and directly prior to, the AGM.

At the Second DR Holders Meeting no other voting items will be included on the agenda than the amendment of the STAK AAG Articles and the amendment of the Trust Conditions in accordance with the drafts also provided for the First DR Holders Meeting. Agenda item 3 (*Report of activities of STAK AAG, explanation and opportunity to exchange views*) and item 4 (*Agenda and notice convening the annual general meeting of ABN AMRO Group of 24 April 2019 (AGM)*) will only be included on the agenda of the First DR Holders Meeting.

Since 21 December 2017, NLF1 holds approximately 6.4% of ABN AMRO Group's share capital in the form of DRs. NLF1 has waived, in its capacity of holders of DRs only, any meeting and voting rights attached to the DRs other than the right to vote in the shareholders meeting of ABN AMRO Group. NLF1 will therefore not cast a vote at the First DR Holders Meeting or the Second DR Holders Meeting.

5.3 The General Meeting

The resolution to enter into the Merger is to be adopted at the AGM. Both Shareholders and DR Holders are entitled to vote on the Merger. The resolution on the Merger will only be put to a vote if the resolutions regarding the amendment of the STAK AAG Articles and the Trust Conditions have been adopted at either the First DR Holders Meeting or the Second DR Holders Meeting.

The resolution of the General Meeting requires a two-thirds majority of the votes cast representing more than half of the issued share capital.

Further information on the Merger is included in the documents mentioned in paragraph 6.

5.4 Alignment post-Merger governance ABN AMRO Bank

Resolutions at the level of ABN AMRO Bank will be required to align the post-Merger governance of ABN AMRO Bank with the current governance of ABN AMRO Group with effect as per the Merger.

Resolutions by the general meeting of ABN AMRO Bank will mirror the resolutions that will be adopted at the AGM of ABN AMRO Group. For example, the general meeting of ABN AMRO Bank will prior to the Merger becoming effective adopt a resolution to:

- subject to the approval of the AGM, delegate *mutatis mutandis* the same authority to issue shares to the executive board of ABN AMRO Bank (as included in section 9 (a) of the agenda of the AGM);
- subject to a corresponding, *mutatis mutandis*, delegation being granted by the AGM for ABN AMRO Group, grant the authority to restrict or exclude the pre-emptive rights

- accruing to Shareholders in connection with ordinary share issuances to the executive board of ABN AMRO Bank (as included in section 9 (b) of the agenda of the AGM);
- subject to a corresponding, *mutatis mutandis*, delegation being granted by the AGM for ABN AMRO Group, grant the authority to acquire fully paid up ordinary shares in ABN AMRO Bank's own share capital *mutatis mutandis* to the executive board of ABN AMRO Bank for a period of 18 months (as included in section 9 (c) of the agenda of the AGM);
 - subject to a corresponding resolution being adopted by the AGM, to resolve to cancel all or part of the fully paid up ordinary shares in ABN AMRO Bank's own share capital (excluding, for the avoidance of doubt, ordinary shares B) or DRs, held by ABN AMRO Bank as a result of acquisitions on the stock exchange or by other means under the authority provided to the executive board *mutatis mutandis* section 10 of the agenda of the AGM;
 - adopt the remuneration policy of the executive board, which will mirror the current remuneration policy of the executive board of ABN AMRO Group.

6 OVERVIEW OF RELEVANT DOCUMENTATION

This circular should be read in conjunction with the other documents made available to the Shareholders and DR Holders. These documents are listed below.

1. The convocation notice for the AGM and proxy form. The convocation notice is a document of ABN AMRO Group. The convocation notice for the AGM provides for the convocation of the AGM. The convocation notice of STAK AAG provides for the convocation of the DR Holders Meeting.

The convocation notices and the proxy form are made available on our website (www.abnamro.com), respectively the website of STAK AAG (www.stakaag.org).

2. Merger documentation. The proposed Merger is further described in the merger proposal (the **Merger Proposal**) and explanatory notes thereto (the **Explanatory Notes**).

Annex C contains the Merger Proposal

Annex D contains the Explanatory Notes

Annex E contains a tryptic setting out the differences between the current articles of association of ABN AMRO Group and the proposed articles of association of ABN AMRO Bank

3. Additional materials for the DR Holders Meeting. At the DR Holders Meeting proposals to amend the STAK AAG Articles and the Trust Conditions will be put to a vote.

Annex A contains a tryptic setting out the proposed changes to the STAK AAG Articles

Annex B contains a tryptic setting out the proposed changes to the Trust Conditions

Reference is made to paragraph 5.1.2 and 5.1.3 for further information on the proposed changes.

7 ACTION TO BE TAKEN BY SHAREHOLDERS AND DR HOLDERS

The Merger is conditional upon, among other conditions, the adoption of the following resolutions:

- The resolutions of the DR Holders Meeting to approve:
 - the amendment of the STAK AAG Articles; and
 - the amendment of the Trust Conditions.
- The resolution of the General Meeting to enter into the Merger.

DR Holders are strongly urged to provide a proxy for, or to attend these meetings.

Reference is made to the convocation notice available at the website of STAK AAG (www.stakaag.org) for further information on voting by proxy or in person at these meeting.

8 TIMETABLE OF PRINCIPLE EVENTS

Principal Events	Date
Record date for First DR Holders Meeting	27 March 2019, 17:30 (CEST)
Record date for Second DR Holders Meeting (if applicable) ²	27 March 2019, 17:30 (CEST)
Record date for General Meeting	27 March 2019, 17:30 (CEST)
Registration date for receipt of proxy forms for the First DR Holders Meeting	5 April 2019, 14:00 (CEST)
First DR Holders Meeting	8 April 2019, 11:00 (CEST)
Convocation of the Second DR Holders Meeting	Ultimately by 9 April 2019
Registration date for receipt of proxy forms for the General Meeting and the Second DR Holders Meeting (if applicable)	18 April 2019, 17.30 (CEST)
Second DR Holders Meeting (if applicable)	24 April 2019, 11:30 (CEST)
AGM	24 April 2019, 14:00 (CEST)
DNO ABN AMRO Bank, NLF1 and STAK AAG	To be announced
Merger Effective Date	To be announced

² This is further explained in paragraph 6.2 of this circular.

Annex A

Tryptic STAK AAG Articles (*unofficial English translation*)

Current	Proposed	Explanation
<p>Article 1.1.1 The name of the foundation is: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u>.</p>	<p>Article 1.1.1 The name of the foundation is: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Bank</u>.</p>	Replacing reference to ABN AMRO Group by reference to ABN AMRO Bank.
<p>Article 1.2.1 (a) “(…) to acquire for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Group</u> N.V. (…)”</p>	<p>Article 1.2.1 (a) “(…) to acquire for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Bank</u> N.V. (…)”</p>	Replacing reference to ABN AMRO Group by reference to ABN AMRO Bank.
<p>Article 3.5.2 (h) “is a managing director or supervisory director or other representative of a legal entity, other than Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u>, that holds at least ten per cent (10%) of the Company's issued capital;”</p>	<p>Article 3.5.2 (h) “is a managing director or supervisory director or other representative of a legal entity, other than Stichting Administratiekantoor Continuïteit ABN AMRO <u>Bank</u>, that holds at least ten per cent (10%) of the Company's issued capital;”</p>	Replacing reference to ABN AMRO Group by reference to ABN AMRO Bank.
<p>Transitional provision (new)</p>		
<p><u>Until the legal merger pursuant to which ABN AMRO Group N.V. (as disappearing company) merges with ABN AMRO Bank N.V. (as acquiring company) (the “Merger”) becoming effective (the “Effective Date”):</u></p>		<p>This transitional provision will lapse when the Merger becomes effective.</p> <p>The transitional provision facilitates the Merger and establishes that the current name of the foundation and holding of shares in ABN AMRO Group N.V. remains in the articles of association until the Merger becomes effective.</p> <p>Furthermore it is confirmed that, while STAK AAG may in principle not dispose of the ABN AMRO Group shares it holds in trust, it may cooperate with the Merger pursuant to which the ABN AMRO Group shares will be exchanged for ABN AMRO Bank shares</p>
<p>(i) <u>article 1.1.1 will read as follows:</u> <u>The name of the foundation is: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u>.</u></p>		
<p>(ii) <u>article 1.2.1 under (a) will read as follows:</u> <u>(a) to acquire (i) for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Group</u> N.V., a limited liability company, with seat in Amsterdam (the “Company”) in exchange for registered depositary receipts (“Depositary Receipts”), and to exercise all rights attached to the Shares, including the voting rights and the right to receive distributions on the Shares subject to the obligation to pay these out on the Depositary Receipts, and (ii) shares in the share capital of ABN AMRO <u>Bank</u> N.V., a limited liability company, with seat in Amsterdam, allotted in exchange for Shares in a legal merger, in which case an already assigned Depositary Receipt will be considered to be assigned for a share in the share capital of ABN AMRO <u>Bank</u> N.V. as of the effectiveness of such merger:</u></p>		
<p>(iii) <u>article 2.1.3 will read as follows:</u> <u>The foundation may not dispose of or encumber the Shares except by revoking them or by transferring its administration of the Shares to a successor designated by the Company. The foundation may vote in favour of the Merger, with due observance of article 3.2 of the Trust Conditions.</u></p>		
<p>(iv) <u>article 3.5.2 under (h) will read as follows:</u> <u>is a managing director or supervisory director or other representative of a legal entity, other than Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u>, that holds at least ten per cent (10%) of the Company's issued capital:</u></p>		
<p><u>This Transitional Provision and its heading will lapse on the Effective Date.</u></p>		

Annex B

Tryptic Trust Conditions (*unofficial English translation*)

Current	Proposed amendment	Explanation
<p>Article 1 Company: ABN AMRO <u>Group</u> N.V.</p> <p>Trust Office: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u></p>	<p>Article 1 Company: ABN AMRO <u>Bank</u> N.V.</p> <p>Trust Office: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Bank</u></p>	<p>Replacing all references to ABN AMRO Group by references to ABN AMRO Bank.</p> <p>Replacing all references to ABN AMRO Group by references to ABN AMRO Bank.</p>
<p>Article 2.1.1 “(…) to acquire for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Group</u> N.V. (…)”</p>	<p>Article 2.1.1 “(…) to acquire for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Bank</u> N.V. (…)”</p>	<p>Replacing all references to ABN AMRO Group by references to ABN AMRO Bank.</p>
<p>Article 2.1.3 “(…) The entry in the shareholders’ register is made in the name of the Trust Office along with a note that that entry may only be amended on the <u>joint instructions</u> of the Trust Office <u>and the third party referred to in Article 2.1.5</u>”</p>	<p>Article 2.1.3 “(…) The entry in the shareholders’ register is made in the name of the Trust Office along with a note that that entry may only be amended on the instruction of the Trust Office.”</p>	<p>Change proposed in order to align the Trust Conditions with the updated Euronext Rules (Rulebook II).</p>
<p>Article 2.1.5 “The civil-law notaries (<i>notarissen</i>) affiliated to De Brauw Blackstone Westbroek N.V. are designated as third parties within the meaning of Rulebook II of the General Rules for the Euronext Amsterdam Stock Market (<i>Annex II bij het Algemeen Reglement Euronext Amsterdam Stock Market</i>). In consultation with the Company, the Trust Office may designate one or more other parties as third parties. The Trust Office will notify the Depositary Receipt holders of any designation of a third party.”</p>	<p>Article 2.1.5 Deleted</p>	<p>Change proposed in order to align the Trust Conditions with the updated Euronext Rules (Rulebook II).</p>
<p>Article 4.1.2 “One or more Depositary Receipt holders who hold at least <u>ten</u> per cent (10%) of the total number of Depositary Receipts may, (…)”</p>	<p>Article 4.1.2 “One or more Depositary Receipt holders who hold at least <u>three</u> per cent (3%) of the total number of Depositary Receipts may, (…)”</p>	<p>Change proposed in order to align the Trust Conditions with the updated Euronext Rules (Rulebook II).</p>
<p>Article 10.3.1 “The legal relationship between the Depositary Receipt holders or former Depositary Receipt holders <u>on the one hand</u> and the Trust Office <u>and/or the third party referred to in Article 2.1.5</u> is governed by Dutch law.”</p>	<p>Article 10.3.1 “The legal relationship between the Depositary Receipt holders or former Depositary Receipt holders and the Trust Office is governed by Dutch law.”</p>	<p>Change proposed in order to align the Trust Conditions with the updated Euronext Rules (Rulebook II).</p>
<p>Transitional provision (new)</p>		
<p><u>Until the legal merger pursuant to which ABN AMRO Group N.V. (as disappearing company) merges with ABN AMRO Bank N.V. (as acquiring company) becoming effective (the “Effective Date”):</u></p> <p>(i) <u>the definition of Company included in Article 1.1 will read as follows:</u> Company: ABN AMRO <u>Group</u> N.V.;</p> <p>(ii) <u>the definition of Share included in Article 1.1 will read as follows:</u> Share: <u>until the effectiveness of the merger between the Company and ABN AMRO Bank N.V., a share in the share capital of the Company, and after this merger, a share in the share capital of ABN AMRO Bank N.V.;</u></p> <p>(iii) <u>the definition of Trust Office included in Article 1.1 will read as follows:</u> Trust Office: Stichting Administratiekantoor Continuïteit ABN AMRO <u>Group</u>;</p> <p>(iv) <u>the text of the quote of article 1.2.1(a) as included in article 2.1.1 will read as follows:</u> (a) <u>to acquire (i) for the purpose of administration (<i>ten titel van beheer</i>) and administer shares (“Shares”) in the capital of ABN AMRO <u>Group</u> N.V., a limited liability company, with seat in Amsterdam (the “Company”) in exchange for registered depositary receipts (“Depositary Receipts”), and to exercise all rights attached to the Shares, including the voting rights and the right to receive distributions on the Shares subject to the obligation to pay these out on the <u>Depositary Receipts</u>, and (ii) shares in the share capital of ABN AMRO <u>Bank</u> N.V., a limited liability company, with seat in Amsterdam, allotted in exchange for</u></p>		<p>This transitional provision will lapse when the Merger becomes effective.</p> <p>The transitional provision facilitates the Merger. It confirms that the Merger will not affect the relationship between the DR Holders and STAK AAG. Each DR will remain outstanding and will represent a share in ABN AMRO Bank after the Merger.</p> <p>Furthermore it is confirmed that, while STAK AAG may in principle not dispose of the ABN AMRO Group shares it holds in trust, it may cooperate with the</p>

Shares in a legal merger, in which case an already assigned Depositary Receipt will be considered to be assigned for a share in the share capital of ABN AMRO Bank N.V. as of the effectiveness of such merger;

(v)

Article 2.2.1 will read as follows:

The Trust Office assigns one (1) Depositary Receipt for each Share taken into trust. At the effectiveness of the merger between the Company and ABN AMRO Bank N.V., already assigned Depositary Receipts will be considered to be assigned for shares in the share capital of ABN AMRO Bank N.V.

This Transitional Provision and its heading will lapse on the Effective Date.

Merger pursuant to which the ABN AMRO Group shares will be exchanged for ABN AMRO Bank shares

Annex C

Merger Proposal

excluding Dutch translation and annexes, which can be found at www.abnamro.com/ir/merger

VOORSTEL TOT FUSIE

MERGER PROPOSAL

ABN AMRO GROUP N.V.

ABN AMRO BANK N.V.

13 MAART 2019 / 13 MARCH 2019

MERGER PROPOSAL (UNOFFICIAL ENGLISH TRANSLATION)

MERGER PROPOSAL ABN AMRO GROUP N.V. AND ABN AMRO BANK N.V.

THE UNDERSIGNED:

The supervisory directors and the members of the Executive Boards of:

1. **ABN AMRO Group N.V.**, a public limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, address at Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam, the Netherlands and registered with the Dutch Trade Register of the Chamber of Commerce under number 34370515 ("**AAG**"); and
2. **ABN AMRO Bank N.V.**, a public limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, address at Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam, the Netherlands and registered with the Dutch Trade Register of the Chamber of Commerce under number 34334259 ("**AAB**").

WHEREAS:

Merger Proposal

- (A) This Merger Proposal has been prepared by the Executive Boards and approved by the Supervisory Boards in order to effectuate a legal merger within the meaning of sections 2:309 and 2:324 DCC. As a result of such legal merger (i) AAB will acquire all the assets and liabilities and legal relationships of AAG under universal succession of title, (ii) AAG will cease to exist, and (iii) AAB will allot AAB Shares to the holders of AAG Shares in accordance with the Exchange Ratio.

Background and purpose

- (B) On 3 November 2017, the European Banking Authority published a Q&A (Question ID: 2017_3329) providing for an interpretation of Regulation (EU) No. 575/2013 (CRR). Pursuant to this interpretation, the 'surplus capital' portion of AT1 and T2 instruments issued by AAB can no longer be included in the 'consolidated own funds' of AAG. This impacts the Tier 1 total capital and leverage ratios of AAG (the "**CRR Impact**").
- (C) The Merger would remediate the CRR Impact.

DRs issued by the ABN AMRO Trust Office

- (D) On the date of this Merger Proposal, part of the AAG Shares is held by the ABN AMRO Trust Office. The ABN AMRO Trust Office has issued depositary receipts ("**DRs**") for the AAG Shares it holds on the basis of one DR for each AAG Share. The DRs are admitted to listing and trading on Euronext in Amsterdam.
- (E) Upon the Merger Effective Time, the AAG Shares will be cancelled and AAB Shares will be allotted in exchange. The Merger will not affect the DRs, other than that as per the Merger Effective Time a DR will represent an interest in an AAB Share instead of an AAG Share.
- (F) The International Securities Identification Number (*ISIN Code*) for the DRs will remain the same. The Merger will have no consequences for the indexes in which the DRs are included.

Corporate governance of AAB upon the Merger Effective Time

- (G) Upon the Merger Effective Time, the governance of AAB will be aligned with the current governance of AAG, subject to deviations that follow from the changed structure of the ABN AMRO group. In this connection, among other amendments to the governance of AAB, the AAB Articles of Association will be amended (see section 4 of the Merger Proposal). A more detailed description of the proposed governance of AAB upon the Merger Effective Time is included in the explanatory notes to the agenda of the AAG AGM.

Considerations concerning this Merger Proposal

- (H) None of the Merging Companies has been dissolved, is in a state of bankruptcy or applied for a suspension of payments.
- (I) All AAG Shares have been fully paid up.

Availability of relevant materials

- (J) This Merger Proposal will be filed with the Dutch Trade Register of the Chamber of Commerce together with the relevant documentation as required under the laws of the Netherlands. This Merger Proposal will be made available on the corporate website of ABN AMRO (www.abnamro.com) and will also, together with such documents as required under the laws of the Netherlands, be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do. An announcement of the aforementioned filings will be published in a Dutch nationwide daily distributed newspaper.

THE EXECUTIVE BOARDS HEREBY MAKE THE FOLLOWING MERGER PROPOSAL:

1 Definitions and construction

1.1 In this Merger Proposal, capitalised terms have the meaning as set out in **Schedule 1**.

1.2 Schedule 1 and Annexes A through D form part of the Merger Proposal.

2 The Merger

Subject to the terms and conditions of the Merger Proposal, the Executive Boards propose that AAG will merge with AAB within the meaning of sections 2:309 and 2:324 DCC, whereby (i) AAB will acquire all the assets and liabilities and legal relationships of AAG under universal succession of title, (ii) AAG will cease to exist and (iii) AAB will allot AAB Shares to holders of AAG Shares in accordance with the Exchange Ratio.

3 Legal form, name, corporate seat and address of the Merging Companies

3.1 The legal form, name, corporate seat and address of AAG are as follows:

- (e) Legal form: public limited liability company incorporated under the laws of the Netherlands.
- (f) Name: ABN AMRO Group N.V.
- (g) Corporate seat: Amsterdam, the Netherlands.
- (h) Address: Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam.

3.2 The legal form, name, corporate seat and address of AAB are as follows:

- (a) Legal form: public limited liability company incorporated under the laws of the Netherlands.
- (b) Name: ABN AMRO Bank N.V.
- (c) Corporate seat: Amsterdam, the Netherlands.
- (d) Address: Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam.

4 AAB Articles of Association

4.1 The AAB Articles of Association are attached to this Merger Proposal as **Annex A** and an unofficial English translation thereof is attached as **Annex B**.

4.2 As a consequence of the Merger, the articles of association of AAB will be amended. A draft of the articles of association of AAB as they will read as per the Merger Effective Time is attached to this Merger Proposal as **Annex C** and an unofficial English translation thereof is attached as **Annex D**.

5 Intended composition of the Executive Board, executive committee and supervisory board of AAB

No changes are intended in the composition of the Executive Board, executive committee or the supervisory board of AAB.

6 Special rights

There are no persons who have special rights *vis-à-vis* AAG, other than those in the capacity of shareholders within the meaning of section 2:320 in conjunction with section 2:312(2)(c) DCC.

7 Benefits

Neither any member of the Executive Boards or the supervisory boards of AAB and AAG nor any other person involved in the Merger will obtain any benefit in connection with the Merger.

8 Financial information

The financial information of AAG will be accounted for in the annual accounts of AAB as from 1 January 2019.

9 Continuation of activities

It is the intention that AAB will continue the activities of AAG in the same manner.

10 Resolutions to merge

AAG shareholder resolution

- 10.1** According to section 11.1.2 the AAG Articles of Association in conjunction with section 2:317(3) DCC, the resolution of the general meeting of AAG on the Merger requires a two-thirds majority of the votes cast representing more than half of the issued share capital.

AAB shareholder resolution

- 10.2** The resolution of the general meeting of AAB on the Merger requires a simple majority of the votes cast.

11 Goodwill and distributable reserves

The Merger has no impact on the amount of goodwill of AAB. The distributable reserves of AAB will be increased with the amount of equity capital of AAG, decreased with the aggregate nominal value of the AAB Shares that will be allotted at the Merger and increased with the aggregate nominal value of the AAB Shares that will be cancelled at the Merger.

12 Exchange Ratio

The share exchange ratio for the Merger is one (1) AAB Share for one (1) AAG Share (the "**Exchange Ratio**").

13 Measures in connection with the shareholding in AAG

Cancellation of AAG Shares

- 13.1** The Merger will result in all AAG Shares being cancelled by operation of law at the Merger Effective Time.

Cancellation of AAB Shares

- 13.2** On the occasion of the Merger, all AAB Shares held by AAG will be cancelled pursuant to section 2:325(3) DCC.

Allotment of AAG Shares

- 13.3** At the Merger Effective Time, in exchange for the AAG Shares, AAB will allot such number of AAB Shares as follows from applying the Exchange Ratio.

Non-applicability of section 2:326 paragraphs (d) through (f) DCC

- 13.4** Neither AAG nor AAB has shares without voting rights or shares without distribution rights, and therefore section 2:326 paragraphs (d) through (f) DCC do not apply.

14 Entitlement to profits

- 14.1** The holders of AAG Shares will be fully entitled to share in the profits of AAB, commencing per the Merger Effective Time.

- 14.2** The Merger will have no consequences for the entitlement of holders of DRs to the profits distributed on the shares represented by the DRs. As of the Merger Effective Time, each DR will represent one (1) AAB Share.

15 Report of the Executive Boards

- 15.1** The Executive Boards prepared a joint report in accordance with sections 2:313(1) and 2:327 DCC explaining among other things the legal, social and economic aspects of the Merger as well as the method for determining the Exchange Ratio (the "**Explanation to the Merger Proposal**").

- 15.2** The Explanation to the Merger Proposal will be made available on the corporate website of ABN AMRO (www.abnamro.com) and will be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do.

16 INDEPENDENT EXPERT REPORTS

- 16.1** At the request of AAG, Mazars N.V. has prepared the declarations in accordance with section 2:328(1) DCC. At the request of AAB, KPMG Accountants N.V. has prepared the aforementioned declarations. These declarations will be filed with the Dutch Trade Register of the Chamber of Commerce as required under the laws of the Netherlands, and will be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do.
- 16.2** Mazars N.V. and KPMG Accountants N.V. have also been appointed to issue reports to the Merging Companies pursuant to section 2:328(2) DCC. Such reports are attached to the Explanation to the Merger Proposal.

17 Employee Council

ABN AMRO's employees are represented by works councils within the ABN AMRO group and by the employee council (*centrale ondernemingsraad* or *Raad van Medewerkers*) (the "**Employee Council**"). The written advice of the Employee Council received by the Merging companies will be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do.

18 Effectuation of the Merger

According to section 2:318 DCC, the deed of Merger must be executed within six (6) months after the announcement of the publication of the Merger Proposal in a Dutch nationwide daily distributed newspaper or, if at the end of this six (6) months' period the implementation of the Merger would not be allowed due to a filed creditor opposition, within one month after such opposition has been withdrawn or lifted by an enforceable court order by the relevant court of the Netherlands. If this period lapses without the deed of Merger being executed, the Merging Companies can opt to publish a new merger proposal in accordance with applicable laws and procedures.

19 Miscellaneous

- 19.1** This Merger Proposal is prepared in the Dutch and the English language. In case of discrepancies between these two (2) versions, the Dutch version prevails.
- 19.2** This Merger Proposal is governed by, and interpreted in accordance with, the laws of the Netherlands.
- 19.3** Any dispute as to the validity, interpretation or performance of the Merger Proposal will be submitted to the exclusive jurisdiction of the Dutch courts.

SCHEDULE 1 – LIST OF DEFINED TERMS (ENGLISH VERSION)

Unless otherwise specified or if the context otherwise requires:

"**AAB**" has the meaning given to it in the recitals of the Merger Proposal.

"**AAB Articles of Association**" refers to the articles of association of AAB.

"**AAB Share**" means an ordinary share in the share capital of AAB.

"**AAG**" has the meaning given to it in the recitals of the Merger Proposal.

"**AAG Articles of Association**" refers to the articles of association of AAG.

"**AAG AGM**" means the general meeting of shareholders of AAG in which the Merger will be put to a vote, which is scheduled for 24 April 2019.

"**AAG Share**" means an ordinary share in the share capital of AAG.

"**ABN AMRO Trust Office**" means Stichting Administratiekantoor Continuïteit ABN AMRO Group.

"**CRR Impact**" has the meaning given to it in recital (B) of the Merger Proposal.

"**DCC**" refers to the Dutch Civil Code.

"**DR**" has the meaning given to it in recital (D) of the Merger Proposal.

"**Employee Council**" has the meaning given to in in clause 17 of the Merger Proposal

"**Euronext in Amsterdam**" refers to the regulated market operated by Euronext Amsterdam N.V.

"**Exchange Ratio**" has the meaning given to it in clause 12 of the Merger Proposal.

"**Executive Boards**" refers to the executive boards of AAB and AAG jointly.

"**Explanation to the Merger Proposal**" has the meaning given to it in clause 15.1 of the Merger Proposal.

"**Merger**" refers to the legal merger between AAB (as acquiring company) and AAG (as disappearing company).

"**Merger Effective Time**" refers to 00.00 a.m. Central European Time following the date on which a Dutch notarial deed to effect the Merger is executed.

"Merger Proposal" refers to this merger proposal.

"Merging Companies" refers to AAG and AAB jointly.

Annex D

Explanatory Notes

excluding Dutch translation, which can be found at
www.abnamro.com/ir/merger

TOELICHTING OP HET VOORSTEL TOT FUSIE

EXPLANATION TO THE MERGER PROPOSAL

ABN AMRO Group N.V.

ABN AMRO Bank N.V.

13 MAART 2019 / 13 MARCH 2019

EXPLANATION TO THE MERGER PROPOSAL

EXPLANATION TO THE MERGER PROPOSAL ABN AMRO GROUP N.V. AND ABN AMRO BANK N.V.

THE UNDERSIGNED:

The members of the Executive Boards of:

1. **ABN AMRO Group N.V.**, a public limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, address at Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam, the Netherlands and registered with the Dutch Trade Register of the Chamber of Commerce under number 34370515 ("**AAG**"); and
2. **ABN AMRO Bank N.V.**, a public limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, address at Gustav Mahlerlaan 10, HQ 1210, 1082 PP Amsterdam, the Netherlands and registered with the Dutch Trade Register of the Chamber of Commerce under number 34334259 ("**AAB**")

WHEREAS:

Explanation to the Merger Proposal

- (A) This Explanation to the Merger Proposal has been prepared by the Executive Boards pursuant to sections 2:313 and 2:327 DCC as explanation to the Merger Proposal in order to effectuate a legal merger within the meaning of sections 2:309 and 2:324 DCC. As a result of such legal merger (i) AAB will acquire all the assets and liabilities and legal relationships of AAG under universal succession of title, (ii) AAG will cease to exist, and (iii) AAB will allot AAB Shares to the holders of AAG Shares in accordance with the Exchange Ratio.

Availability of relevant materials

- (B) This Explanation to the Merger Proposal will be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do. This Explanation to the Merger Proposal will also be made available on the corporate website of ABN AMRO (www.abnamro.com). An announcement regarding the availability of this Explanation to the Merger Proposal and the other documents as required by section 2:314 DCC will be published in a Dutch nationwide daily distributed newspaper.

THE EXECUTIVE BOARDS HEREBY PROVIDE THE FOLLOWING EXPLANATION TO THE MERGER PROPOSAL:

1 Definitions and construction

In this Explanation to the Merger Proposal, capitalised terms have the meaning as set out in Schedule 1 to the Merger Proposal, unless defined herein.

2 Reasons for the Merger

2.1 On 3 November 2017, the European Banking Authority published a Q&A (Question ID: 2017_3329) providing for an interpretation of Regulation (EU) No 575/2013 (CRR). Pursuant to this interpretation, the 'surplus capital' portion of AT1 and T2 instruments issued by AAB can no longer be included in the 'consolidated own funds' of AAG. This impacts the Tier 1 total capital and leverage ratio's of AAG (the "**CRR Impact**").

2.2 The Merger would remediate the CRR Impact.

3 Anticipated consequences of the Merger for the activities of the Merging Companies

It is anticipated that the Merger will have no consequences for the activities of the Merging Companies, as all of the activities of AAG will be continued by AAB in the same manner.

4 Consequences of the Merger from a legal point of view

4.1 From a legal point of view, upon the Merger taking effect (i) AAB will acquire the assets and liabilities and legal relationships of AAG under universal succession of title, (ii) AAG will cease to exist, and (iii) AAB will allot AAB Shares to the holders of AAG Shares in accordance with the Merger Exchange Ratio.

4.2 The legal aspects of the Merger are further described in the Merger Proposal.

5 Consequences of the Merger from a governance point of view

5.1 Upon the Merger Effective Time, the governance of AAB will be aligned with the current governance of AAG, subject to deviations that follow from the changed structure of the ABN AMRO group. In this connection the AAB Articles of Association will be amended (see section 4 of the Merger Proposal). A more detailed description of the proposed governance of AAB upon the Merger Effective Time is included in the explanatory notes to the agenda of the AAG AGM.

5.2 As a result of the Merger, the large company regime (*structuurregime*) as currently applicable to AAG, will apply to AAB on a voluntarily basis. Reference is made to the Annexes C and D of the Merger Proposal.

6 Consequences of the Merger from an economic point of view

6.1 The Merger will result in AAB becoming the ultimate parent company of the ABN AMRO group.

6.2 The Merger will entirely remediate the CRR Impact.

7 Consequences of the Merger from a social point of view

From a social point of view, the Merger will have no consequences, as all the employees of AAB at the Merger Effective Time will remain employed by AAB, while retaining all their rights. AAG has no employees.

8 Explanation to the Merger Exchange Ratio

8.1 As a result of the Merger, all holders of AAG Shares will become a shareholder of AAB, and AAB will have no other shareholders other than the former holders of AAG Shares. As the Exchange Ratio will apply to all (holders of) AAG Shares, from an economic perspective it is irrelevant what the Exchange Ratio is. Irrespective of the Exchange Ratio, each holder of AAG Shares will receive at the Merger Effective Time a number of AAB shares that represents the same pro-rata interest in the parent company of the ABN AMRO group that such holders of AAG Shares held before the Merger Effective Time.

8.2 For practical purposes the Exchange Ratio has been set at one (1) AAB Share for one (1) AAG Share. The Exchange Ratio prevents fractional entitlements to AAB shares from arising. Furthermore, the Exchange Ratio ensures that each DR will continue to represent one share without the need to split or consolidate DRs.

8.3 For the abovementioned reasons, the Executive Boards consider the Exchange Ratio appropriate and fair to all holders of AAG Shares, the holders of DRs and to AAG as sole holder of AAB Shares.

8.4 The valuation that follows from the abovementioned reasoning is that one AAG Share prior to the Merger Effective Time has the same value as one AAB Share after the Merger Effective Time and the aggregate number of AAG Shares prior to the Merger Effective Time will have the same value as the aggregate number of AAB Shares after the Merger Effective Time.

8.5 No other methods than the abovementioned method have been used to determine the Merger Exchange Ratio. Therefore the relative weight of other possible methods is not addressed in this Explanation to the Merger Proposal.

8.6 There have been no particular difficulties in preparing the valuation or with the determination of the Merger Exchange Ratio.

9 Independent expert report

At the request of AAG, Mazars N.V. has issued a report in accordance with section 2:328(2) DCC. This report is attached to this Explanation to the Dutch Merger Proposal as **Annex A**. At the request of AAB, KPMG Accountants N.V. has issued a report in accordance with section 2:328(2) DCC. This report is attached to this Explanation to the Merger Proposal as **Annex B**. These reports will be made available on the corporate website of ABN AMRO (www.abnamro.com) and will be made available for inspection at the offices of the Merging Companies for the persons that the laws of the Netherlands enable so to do.

10 Miscellaneous

- 10.1** This Explanation to the Merger Proposal is prepared in the Dutch and the English language. In case of discrepancies between these two (2) versions, the Dutch version prevails.
- 10.2** This Explanation to the Merger Proposal is governed by, and interpreted in accordance with, the laws of the Netherlands.
- 10.3** Any dispute as to the validity, interpretation or performance of this Explanation to the Merger Proposal will be submitted to the exclusive jurisdiction of the Dutch courts.

AUDITOR'S REPORT MAZARS N.V. (ENGLISH VERSION)

ASSURANCE REPORT OF THE INDEPENDENT ACCOUNTANT PURSUANT TO SECTION 2:328, SUBSECTION 2 OF THE DUTCH CIVIL CODE

To the executive board of ABN AMRO Group N.V.

ASSIGNMENT AND RESPONSIBILITIES

We have examined whether the statements with respect to the share exchange ratio included in the explanation to the proposal for legal merger dated 13 March 2019 of the following companies:

1. ABN AMRO Group N.V. based in Amsterdam ('the company ceasing to exist'); and
2. ABN AMRO Bank N.V. based in Amsterdam ('the acquiring company')

meet the requirements of Section 2:327 of the Dutch Civil Code.

The companies' managements are responsible for the preparation of the explanation to the proposal for legal merger including the aforementioned statements. Our responsibility is to issue an assurance report on these statements as referred to in Section 2:328, subsection 2 of the Dutch Civil Code.

SCOPE

We have conducted our examination in accordance with Dutch law, including the Dutch standard 3000A, Assurance engagements other than audits or reviews of historical financial information (attestation engagements). This requires that we plan and perform the examination to obtain reasonable assurance about whether the statements meet the requirements of Section 2:327 of the Dutch Civil Code. An assurance engagement includes examining appropriate evidence on a test basis.

We are independent of ABN AMRO Group N.V. and ABN AMRO Bank N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We apply the 'Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA)' (regulations for professional accountants practices on assurance engagements) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

OPINION

In our opinion the statements included in the explanation to the proposal for legal merger meet the requirements of Section 2:327 of the Dutch Civil Code.

RESTRICTION ON USE

This assurance report is solely issued in connection with the aforementioned proposal for legal merger and therefore cannot be used for other purposes.

Rotterdam, 13 March 2019

MAZARS N.V.

***Signature available with the Dutch trade registry and at the
ABN AMRO office address***

drs. J.J.W. Galas RA

AUDITOR'S REPORT KPMG ACCOUNTANTS N.V (ENGLISH VERSION)



Assurance report of the independent accountant pursuant to Section 2:328 subsection 2 of the Dutch Civil Code

To: the executive board of ABN AMRO Bank N.V.

Engagement and responsibilities

We have examined whether the statements with respect to the share exchange ratio included in the explanation to the proposal for legal merger dated 13 March 2019 of the following companies:

- 1 ABN AMRO Group N.V. based in Amsterdam ('the company ceasing to exist'); and
- 2 ABN AMRO Bank N.V. based in Amsterdam ('the acquiring company');

meet the requirements of Section 2:327 of the Dutch Civil Code.

The companies' managements are responsible for the preparation of the explanation to the proposal for legal merger including the aforementioned statements. Our responsibility is to issue an assurance report on these statements as referred to in Section 2:328 subsection 2 of the Dutch Civil Code.

Scope

We conducted our examination in accordance with Dutch law, including the Dutch standard 3000A, 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This requires that we plan and perform the examination to obtain reasonable assurance about whether the statements meet the requirements of Section 2:327 of the Dutch Civil Code. An assurance engagement includes examining appropriate evidence on a test basis.

We are independent of ABN AMRO Group N.V. and ABN AMRO Bank N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We apply the Nadere voorschriften kwaliteitssystemen (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Opinion

In our opinion the statements with respect to the share exchange ratio included in the explanation to the proposal for legal merger meet the requirements of Section 2:327 of the Dutch Civil Code.



Restriction on use

This assurance report is solely issued in connection with the aforementioned mentioned proposal for legal merger and therefore cannot be used for other purposes.

Amstelveen, 13 March 2019

KPMG Accountants N.V.

***Signature available with the Dutch trade registry and
at the ABN AMRO's office address***

D. Korf RA

Annex E

Tryptic ABN AMRO Bank Articles of Association (unofficial English translation)

Current articles ABN AMRO Group	The proposed articles of ABN AMRO Bank after the Merger mirror the current articles of association of ABN AMRO Group except for the differences set out below	Explanation
<p>Article 1 company: ABN AMRO <u>Group</u> N.V.</p> <p>sector-related regulations: the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>) and other laws, regulations (whether or not generally binding), rules, directives and codes that apply to the company (whether or not on a "comply or explain" basis) as a holding company of an international group of companies active in the banking business, insurance sector and other financial services;</p>	<p>Article 1 company: ABN AMRO <u>Bank</u> N.V.</p> <p>sector-related regulations: the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>) and other laws, regulations (whether or not generally binding), rules, directives and codes that apply to the company (whether or not on a "comply or explain" basis) as <u>a bank and as</u> a holding company of an international group of companies active in the banking business, insurance sector and other financial services;</p>	<p>ABN AMRO Bank will maintain its current name.</p> <p>Sector-related regulations apply to ABN AMRO Bank as a bank and as a financial holding company</p>
<p>Article 2.1.1 The name of the company is: ABN AMRO <u>Group</u> N.V.</p>	<p>Article 2.1.1 The name of the company is: ABN AMRO <u>Bank</u> N.V.</p>	<p>ABN AMRO Bank will maintain its current name.</p>
<p>Article 2.1.3 The company is a financial holding company, within the meaning of section 1:1 of the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>). The sector-related regulations, including regulations in connection with the classification as a systemic bank and a public-interest entity, apply to the company.</p>	<p>Article 2.1.3 The company is a <u>bank and a</u> financial holding, <u>both</u> within the meaning of section 1:1 of the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>). The sector-related regulations, including regulations in connection with the classification as a systemic bank and a public-interest entity, apply to the company.</p>	<p>Currently ABN AMRO Group is a pure holding company. ABN AMRO Bank both a bank and a financial holding company.</p>
<p>Article 2.2 The company has the following objects:</p> <ol style="list-style-type: none"> <u>to cause the operation of the banking business;</u> <u>to finance third parties, provide security in any way or bind the company for obligations of third parties;</u> <u>to participate in, take any other interest in and manage other businesses of whatever nature, but in particular businesses and institutions which are active in the banking business, the insurance business and in other forms of other financial services, and</u> all other acts and activities which are related or may be conducive to these objects. 	<p>The company has the following objects:</p> <ol style="list-style-type: none"> <u>to be a credit institution, to render investment services and to engage in investment activities, to administer the assets of third parties, to act as trustee, administrator and executor of wills and as a member of the managing or supervisory boards or liquidator of companies or other organisations, to act as an intermediary in respect of insurances, as well as to engage in all transactions, activities and services which may relate or be conducive thereto, all in the widest sense;</u> <u>to participate in, co-operate with, finance, administer and manage financial and other enterprises and companies, to guarantee or otherwise support or furnish security for any indebtedness or performance of any contract or obligation of other enterprises and companies which are part of the group of the company, render services to and perform staff positions for any such enterprises and companies, as well as to engage in all transactions, activities and services which may relate or be conducive to the above;</u> <u>to foster the direct and indirect interests of all involved in the company, in whatever way, and to safeguard the continuity of the company and of the enterprise(s) associated therewith; and</u> all other acts and activities which are related or may be conducive to these objects. 	<p>The statutory object clause of ABN AMRO Bank after the merger will be based on the current objects of ABN AMRO Bank.</p>
<p>Article 7.3.6 The approval of the general meeting is required for resolutions of the managing board regarding a significant change in the identity or nature of</p>	<p>Article 7.3.6 The approval of the general meeting is required for resolutions of the managing board regarding a significant</p>	<p>Since ABN AMRO Bank will be the top-holding company of the ABN</p>

<p>the company or its business, including in any event:</p> <ol style="list-style-type: none"> the transfer of the business, or practically the entire business, to a third party; concluding or cancelling a long-lasting cooperation of the company or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of essential importance to the company; acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the sum of the company's equity, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts by the company or a subsidiary. <p><u>The approval of the general meeting is also required for resolutions of the managing board to cast a vote on shares that the company holds in the capital of the public limited company ABN AMRO Bank N.V. (or its legal successor by universal title) regarding a resolution:</u></p> <ol style="list-style-type: none"> <u>to amend the articles of association;</u> <u>to dissolve the company;</u> <u>to issue shares and grant rights to subscribe for shares or to authorise a corporate body to issue shares and grant rights to subscribe for shares; and</u> <u>to reduce the issued capital referred to in section 2:99 BW,</u> <p><u>and for a resolution to dispose of shares in the capital of ABN AMRO Bank N.V. (or its legal successor by universal title).</u></p>	<p>change in the identity or nature of the company or its business, including in any event:</p> <ol style="list-style-type: none"> the transfer of the business, or practically the entire business, to a third party; concluding or cancelling a long-lasting cooperation of the company or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of essential importance to the company; acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the sum of the company's equity, as shown in the consolidated balance sheet with explanatory notes according to the last adopted annual accounts by the company or a subsidiary. 	<p>AMRO group after the Merger, there will be no need for these reserved matters after the Merger.</p>
<p>Article 7.3.7 m.</p> <p>resolutions consenting with the cancellation of one or more depositary receipts issued with the company's cooperation or the termination or transfer by the foundation Stichting Administratiekantoor Continuïteit ABN AMRO Group of the administration of the shares.</p>	<p>Article 7.3.7 m.</p> <p>resolutions consenting with the cancellation of one or more depositary receipts issued with the company's cooperation or the termination or transfer by the foundation Stichting Administratiekantoor Continuïteit ABN AMRO Bank of the administration of the shares.</p>	<p>STAK AAG will amend its articles of association, pursuant to which, inter alia, its name will change.</p>
<p>Article 9.2.1</p> <p>The general meeting gives an assignment to a statutory auditor for a period of three (3) years to audit the annual accounts prepared by the managing board in accordance with section 2:393 paragraph 3 BW. Such assignment may be given to a firm in which statutory accountants work together. The supervisory board shall nominate an auditor for the assignment, on the basis of the advice of both the 'audit committee' as instituted by the supervisory board and the managing board.</p>	<p>Article 9.2.1</p> <p>The general meeting gives an assignment to a statutory auditor for a [maximum]³ period of three (3) years to audit the annual accounts prepared by the managing board in accordance with section 2:393 paragraph 3 BW. Such assignment may be given to a firm in which statutory accountants work together. The supervisory board shall nominate an auditor for the assignment, on the basis of the advice of both the 'audit committee' as instituted by the supervisory board and the managing board.</p>	<p>To allow for more flexibility in the assignment of the statutory auditor, it is proposed in the AGM of ABN AMRO Group to change the provision such that also assignments for shorter periods than three years (but no longer periods) will be possible.</p>
<p>Article 9.2.2</p> <p>If the general meeting fails to give an assignment to the auditor, the supervisory board is authorised to do so <u>or, if the supervisory board also fails to give an assignment, the managing board.</u></p>	<p>Article 9.2.2</p> <p>If the general meeting fails to give an assignment to the auditor, the supervisory board is authorised to do so.</p>	<p>This article will be aligned with section 2:393 paragraph 2 DCC.</p>
<p>Transitional provision I</p> <p><u>As soon as the company ceases to hold all shares in the capital of ABN AMRO Bank N.V. (or its legal successor by universal title) or holds other direct participating interests, the second sentence of article 7.3.6 and this transitional provision with its heading will lapse.</u></p>	<p><i>No corresponding clause will be included</i></p>	<p>Since ABN AMRO Bank will be the top-holding company of the ABN AMRO group after the Merger and therefore the second sentence of article 7.3.6. will be</p>

³ The wording between brackets will be included in the articles of association of ABN AMRO Bank if the AGM resolves to amend the articles of association of ABN AMRO Group in such way that the wording between brackets will be included in the articles of association of ABN AMRO Group

deleted, this transitional provision will not be relevant after the merger.