



NL financial investments

2015 Annual Report

Adopted by the board on 14th of April 2016

This is a translation of the original text in Dutch. In case of divergences between the texts, the text of the Dutch version shall prevail.

1. Introduction

NLFI is a foundation under the law of the Netherlands (stichting) operating as a trust with its registered office in the Municipality of The Hague. Its full name given in the articles of association is: Stichting administratiekantoor beheer financiële instellingen. NLFI is a foundation with a statutory mandate, established to safeguard a transparent separation of interests, a credible exit strategy and commercial non-political governance of the holdings of the State of the Netherlands in a number of financial institutions

Throughout 2015, NLFI managed State Holdings in the companies ABN AMRO Group NV, a.s.r. Nederland NV, SRH NV (until 30 September 2015: SNS REAAL NV), Propertize BV, RFS Holdings BV and NLFI Financial Investments BV.

As of 30 September 2015, NLFI also manages the shares in SNS Holding BV (which holds the shares of SNS Bank NV).

The IPO of ABN AMRO Group NV took place on 20 November 2015. After exercise of the greenshoe option granted to the advising investment banks, NLFI still holds 77 percent of the shares in ABN AMRO Group NV.

NLFI

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2. NLFI activities in 2015

2.1. *General*

The purpose of NLFI is included in Article 3 of NLFI's articles of association. This provision begins as follows:

3.1. *The objectives of the foundation are:*

(a)

(i) to issue convertible depositary receipts for shares in exchange for acquiring and holding in trust in its own name shares in the companies which until then have been held by the State of the Netherlands;

(ii) to manage shares in the companies held in trust;

(iii) to exercise all rights attached to the shares, including voting rights;

(b)

(i) to advise the Minister on the strategy for the sale of shares by the State;

(ii) to execute on behalf of the State the strategy referred to in part 'b' under (i) and, to the extent authorised, to perform activities with a view to managing assets related to the shares and with a view to selling the shares;

(c)

(i) to assist the Minister in his contacts with the European Commission or national regulators concerning the management and sale of the shares;

(ii) to perform all actions pertaining to, arising from or being potentially conducive to the object described in this article.

3.2. In exercising the rights attached to the shares, the foundation will be guided primarily by the financial and economic interests of the holder of the certificates for shares issued by the foundation, taking into account the interests of the company, related undertakings and all the employees concerned. This entails, inter alia, that the foundation will ensure that the companies pursue a responsible corporate strategy in line with sound commercial business operations and the applicable rules of good corporate governance.

The foundation shall exercise the rights associated with the shares in such a manner that the companies can independently determine their commercial strategies and undertake daily operations without there being any question of coordination of commercial policy among the companies and no exchange of competition-sensitive information.

NLFI's engagement with the holdings can be described as similar to that of an involved shareholder comparable to an institutional investor that respects the roles of the management and supervisory boards as defined in the articles of association

As a shareholder of a number of financial institutions, NLFI wishes to exercise sustainable and accountable business practices. For this reason, NLFI has devoted the required attention to ensure corporate governance functions properly. To supplement the NLFI articles of association, NLFI has concluded further agreements with the various invested companies concerning the manner in which the stipulations contained in the articles shall be implemented.

In 2015 NLFI undertook specific measures regarding the various holdings as part of its task to advise the Minister on the sales strategy. In a number of cases, it has also executed out that strategy. The most important milestone for NLFI in 2015 are briefly discussed below.

Divestment of VIVAT Verzekeringen In line with the NLFI advisory report of 6 June 2014, the Minister granted authorisation to NLFI to collaborate with SNS REAAL NV (hereinafter: SNS REAAL) in commencing the process for divesting VIVAT Verzekeringen (hereinafter: VIVAT). The Minister also gave room to ASR Nederland (hereinafter: a.s.r.) to submit a bid for VIVAT.

Because NLFI involvement was as both the vendor and a possible bidder, internal measures were already taken in 2014 in order to prevent a conflict of interest or unfair competition. For this reason, NLFI worked in two separate teams.

In January 2015, a.s.r. *concluded* that the previously formulated strategic rationale for a potential acquisition of VIVAT could not be satisfied. The management and supervisory boards of a.s.r. therefore decided, after consultation with the a.s.r. team at NLFI and a consortium of possible investors, not to submit a binding bid for VIVAT.

On 15 February 2015, NLFI delivered a report to the Minister of Finance on the sale of VIVAT by SNS REAAL. In it, NLFI advised the Minister to grant conditional approval for SNS REAAL to enter into an agreement with Anbang Group Holdings Co. On 6 July 2015, NLFI advised the Minister on an amendment of the conditional agreement. On 23 July 2015, SNS REAAL shares in VIVAT were transferred to Anbang.

Restructuring of SNS

In connection with the sale of VIVAT by SNS REAAL, the Minister of Finance decided to transfer SNS Bank NV (hereinafter: SNS Bank) from a holding of SNS REAAL to a holding of the State via NLFI. For this reason, the State purchased the shares of both SNS Holding BV (hereinafter: SNS Holding) and SNS Bank from SNS REAAL on 30 September 2015. The State then transferred the shares in SNS Holding to NLFI in exchange for share certificates. Subsequently, the State transferred the shares in SNS Bank to SNS Holding. As of 30 September 2015, NLFI consequently holds all the shares in SNS Holding, which holds all the shares in SNS Bank.

Furthermore, the articles of association of SNS REAAL were amended on 30 September, as a result of which the name of the company was changed to SRH NV (hereinafter: SRH). SRH will be put in run off.

ABN AMRO IPO

NLFI issued an advisory report to the Minister of Finance in May 2015 on the possibility of selling ABN AMRO shares. (hereinafter: ABN AMRO). This report was tabled by the Minister of Finance in the Dutch House of Representatives on 22 November 2015, along with a letter to the House. Based on the discussion of this letter in the House, the Minister authorised NLFI to execute the sales strategy described in the letter¹.

This resulted in the successful IPO of ABN AMRO (see Section 2.2.) in which a total of 216.2 million share certificates representing an interest of 23% of share capital of ABN AMRO.

Launching the sale of Propertize

NLFI issued an advisory report to the Minister of Finance in October 2015 about the possibility of selling the shares in Propertize NV (hereinafter: Propertize). This report was tabled by the Minister of Finance in the Dutch House of Representatives on 16 November 2015, along with a letter to the House. Based on the written deliberations on this letter with the Standing Finance Committee of the Netherlands House of Representatives, the Minister authorised NLFI to execute the sales strategy described in the letter². On 9 December 2015, an announcement was published in the Financial Times inviting interested parties to express their interest in Propertize. With the intended sale of Propertize, NLFI is striving to sell Propertize to a single buyer or a group of buyers who act as a single buyer.

A.s.r. advisory exit report

NLFI issued an advisory report to the Minister of Finance in November 2015 on the possibility of selling the shares in a.s.r. NLFI thereby recommended that priority be given to a successful execution of an IPO. This report was tabled by the Minister of Finance in the Dutch House of Representatives on 27 November 2015, along with a letter to the House. In his letter, the Minister asked NLFI and a.s.r. to start preparations for an IPO, so that it could occur as from the first half of 2016.

Based on the discussion of this letter in the House on 28 January 2016, the Minister authorised NLFI to execute the sales strategy described in the letter³.

To this end, NLFI started the process of selecting investment banks to assist NLFI in the proposed IPO for a.s.r. on 27 November 2015. The outcome of this selection was announced on 18 January 2016 and 22 February 2016.

2.1.1. Longlist of investment banks

NLFI selected a number (26) of investment banks in February 2015 with which to conclude a

¹ Decree of the Minister of Finance dated 14 August 2015 (Staatscourant (Government Gazette) 2015, 26343)).

² Decree of the Minister of Finance dated 9 December 2015 (Staatscourant (Government Gazette) 2015, 46524)).

³ Decree of the Minister of Finance dated 17 August 2016 (Staatscourant (Government Gazette) 2016, 10301)).

framework agreement for the brokerage of possible transactions involving the shares that NLF I holds for the State. Further selection from this longlist for a specific transaction may occur after the political decision-making on a possible transaction has transpired. The selection involves investment banks with knowledge and experience in the area of large share transactions (i.e. Equity Capital Market (ECM) transactions). It took place by means of an open procedure⁴. Throughout this process, NLF I implemented the basic principles of transparency, objectivity and non-discrimination.

NLF I signed a framework agreement with the selected service providers. In its selection for the framework agreement NLF I tested the banks on their experience and quality. Within this agreement, NLF I has distinguished three roles, namely global coordinator, bookrunner and co-lead manager. NLF I is authorised to add any service providers to the longlist of candidates if they meet the same conditions and criteria applied to the selection of service providers in February 2015. In August 2015 and February 2016, NLF I published an update to the long list, with some additional service providers added to the list. The added service providers meet the same conditions and criteria as the service providers selected in February 2015 for the respective role. The names of the selected service providers have been published on the NLF I website.

From this longlist, NLF I made a selection in 2015 of the investment banks that assisted in the IPO of ABN AMRO (see Section 2.2.4). Investment banks to assist NLF I in the proposed IPO of a.s.r. were also chosen from this longlist in January and February 2016.

In selecting the investment banks, NLF I was assisted by the procurement consulting company Significant.

2.1.2. Objectives for 2016

NLF I attaches great importance to an informative shareholders meeting and an effective dialogue with the management and supervisory boards prior to and during the shareholder meeting. For several years, NLF I has been sending its largest holdings annual focus letters. The purpose of these letters is to highlight a number of priorities that, according to NLF I, require additional attention from these holdings. NLF I will further pursue the subjects mentioned in the letters by devoting special attention to them in the ongoing dialogue and, where necessary, at shareholder meetings.

The objectives that NLF I has formulated for ABN AMRO, a.s.r. Holding and SNS⁵ Holding for 2016 related to integrated reporting and culture change⁶. They are explained in greater detail below.

Objective 1: Integrated reporting

The International Integrated Reporting Council provides a framework for sharpening the focus of financial and non-financial reporting. In this way, users of financial statements obtain better understanding about the long-term value creation of a company. The Netherlands Financial Markets Authority (Stichting Autoriteit Financiële Markten, hereinafter AFM) additionally emphasises the fact that the risks described in non-financial information and the manner in which these risks are controlled have a major impact on the financial information. Both types of information should therefore be considered in conjunction. NLF I mentioned this point in the 2015 focus letter and the holdings are aware for the steps already taken towards the realisation of an integrated annual report. NLF I encourages ABN AMRO, a.s.r. and SNS Holding to take these developments further while requesting for special attention to be paid to the risks and opportunities that sustainable development and its funding might present financial institutions.

UNEP has published a report on how the financial sector can take the lead in facing the large challenges involved in sustainable development. This includes the financing of sustainable solutions for energy issues. Focusing on sustainable development could also mean that certain activities will be funded less or not at all. NLF I requests its holdings to be more transparent with regard to the already established policy on sustainability concerning the risks and opportunities posed by sustainable development and provide more detailed reporting about the progress towards the targets set for this topic.

⁴ NLF I started the selection process on 19 December 2014 with a publication on the NLF I website and an advertisement in the Financial Times.

⁵ The parent company of SNS Bank.

⁶ Since the sales process for Propertize BV started on 9 December 2015, NLF I did not send a focus letter to Propertize. A focus letter was also not sent to SRH NV, given its objective is to divest itself of activities relating to its history as a holder of shares in financial institutions.

The UNEP report also notes that a large number of people have no or only limited access to financial services. In the Netherlands, this is the case, for example, for non-status residents and sole proprietors. This is a risk but potentially also an opportunity for Dutch banks. NLFI appeals to ABN AMRO and SNS to (i) prioritise tackling the theme of inclusive financing; (ii) formulate the attendant policy and ambitious targets; and (iii) be transparent about progress in this theme.

For a.s.r., an insurance company, NLFI wishes to draw particular attention to the potential impact of climate change. The Bank of England has published a comprehensive study on the impact of climate change on the insurance industry.⁷ With reference to this research by the Bank of England, NLFI requests a.s.r. to be transparent about its exposure to climate-related risks in its annual report and to indicate the measures a.s.r. has taken or intends to take to mitigate the risks where necessary.

Objective 2: Cultural change

On presentation of its 2014 annual report in April 2015, the AFM found that banks, insurers and consultants have made insufficient progress regarding the shift of focus to the customer and the restoration of consumer confidence. According to the AFM, the progress was also too much the result of pressure from political, regulatory and the community.

The Dutch Central Bank (De Nederlandsche Bank, hereinafter DNB) also attaches a great deal of value to the supervision of conduct and culture. DNB furthermore assesses if decision-making, leadership and communications contribute to a sound and controlled business operation and reduced exposure to risk. In part due to the attention that regulators are paying to cultural change, NLFI will enter into talks with ABN AMRO, a.s.r. and SNS Holding in order to reach agreements on clear reporting of measurable objectives and milestones in terms of customer focus, speed of adjustment, integrity and service to the community.

2.2. ABN AMRO Bank NV

2.2.1 Shares

NLFI has trusteeship of ordinary shares in the capital of ABN AMRO. At the beginning of 2015, this amounted to 940,000,001 shares, each with a nominal value of one euro. In exchange, NLFI has provided the State with certificates for the same nominal value. These shares represented a 100% interest in the share capital of ABN AMRO.

On 20 November 2015, NLFI transferred 216.2 million shares in conjunction with the IPO of ABN AMRO, (including 28.2 million shares for the greenshoe option). At the end of 2015, NLFI still held therefore 723,800,001 shares in ABN AMRO. These shares represented a 77% interest in the share capital in ABN AMRO.

2.2.3 Performance of duties and pursued policy

NLFI has held discussions with ABN AMRO about the strategy established by the management board, in which the company made choices about their national and international activities for a horizon extending to 2017. Important priorities for the strategy are:

- stronger focus on customer interests;
- investing in the future;
- strong commitment to a moderate risk profile;
- continued selective international growth;
- improvement of profitability.

⁷Bank of England, The Impact of Climate Change on the UK Insurance Sector, September 2015.

This shows that the insurance industry is exposed to the effects of climate change in various ways: (i) increase in physical risks: more extreme weather leads to higher costs of damage; (ii) transition risks: large part of the reserves is invested in carbon. Given the political decision to limit global warming to two degrees Celsius, a large part of the fossil energy reserves are not recoverable, which would lead to a massive write-off in the value of the extractive sector⁷; (iii) Third party liability risks: the current models are based on a low risk of liability of the insured for damage caused by climate change. Previous low probability risks were asbestos, tobacco and pollution, all of which ultimately led to huge costs.

NLFI issued an advisory report for the Minister of Finance in May 2015 on the possibility of selling the shares in ABN AMRO. This report was tabled by the Minister of Finance in the Dutch House of Representatives on 22 November 2015, along with a letter to the House. Based on the discussion of this letter in the House, the Minister authorised NLFI to execute the sales strategy described in the letter⁸.

This resulted in the successful IPO of ABN AMRO (see Section 2.2.) in which a total of 216.2 million share certificates representing an interest of 23% of share capital of ABN AMRO.

A final dividend for ordinary shares in the amount of EUR 275 million was declared for 2014; this in addition to an interim dividend for 2014 of EUR 125 million that was distributed in 2014.

In August 2015, when NLFI still held 100% of the shares, an interim dividend was paid for the current year in the amount of EUR 350 million. The dividends continued to be paid to NLFI (after withholding of dividend tax), which in turn pays them to the State, the certificate holder.

In presenting annual figures for 2015, ABN proposed that a final dividend of EUR 0.44 per share be declared for 2015. Of this amount, 77% can be paid to NLFI, which amounts to EUR 318.472 million. A resolution in this regard was adopted by the annual general meeting of shareholders (hereinafter AGM) on ratification of the financial statements for 2015.

2.2.4 Activities

In 2015, NLFI focussed on the IPO of ABN AMRO. In the first months of 2015, the emphasis was on advisory exit report to the Minister of Finance issued in May 2015. The focus was subsequently shifted to the preparation of the IPO of ABN AMRO. *Underwriters and advisors during the IPO*

Based on the previously established list of candidates (see Section 2.1.1) NLFI selected a total of eleven investment banks in 2015 to act as underwriters for the IPO of ABN AMRO. ABN AMRO Bank NV, Deutsche Bank AG, London Branch and Morgan Stanley & Co. International plc acted as joint global coordinators and, together with Barclays Bank PLC, Citigroup Global Markets Limited, Cooperative Centrale Raiffeisen-Boerenleenbank BA, ING Bank NV, J.P. Morgan Securities plc and Merrill Lynch International, as joint bookrunners. RBC Europe Limited (acting as RBC Capital Markets) and Stifel Nicolaus Europe Limited (acting as Keefe Bruyette & Woods) assumed the roles of co-lead managers. In addition, N M Rothschild & Sons Limited, Allen & Overy and Citigate First Financial functioned as respectively financial and legal communications advisors for NLFI. NLFI imposed high requirement on the quality of the global coordinators, bookrunners and co-lead managers. This involved, for example, demanding requirements with regard to knowledge and experience in the area of large share transactions (i.e. Equity Capital Market (ECM) transactions). High demands were also imposed on the research skills of the analysts. As part of the selection process, the investment banks also confirmed that they are in possession of the required permits, they have a compensation policy that meets European standards, they comply with international social standards and they unconditionally comply with the contracts drawn up by NLFI.

The preparations for the IPO intensified after the appointment of the joint global coordinators on 24 July 2015. Selection of the bookrunners and co-lead managers was completed on 26 August 2015.

NLFI intensively participated in the various work groups that prepared the IPO, under the leadership by the joint global coordinators. On 27 October 2015, NLFI and ABN AMRO announced the plans for the IPO and listing of ABN AMRO on Euronext Amsterdam (the intention to float). On 10 November 2015, NLFI and ABN AMRO announced the subscription period for the IPO and the publication of the prospectus. On 20 November 2015, NLFI and ABN AMRO announced that the price of the certificates was set at EUR 17.75 and would trade on Euronext Amsterdam on an "if-and-when-delivered" basis starting on Friday, 20 November 2015. The IPO-related press releases are available on the websites of NLFI and ABN AMRO.

Meetings with the chairpersons of the supervisory and management boards of ABN AMRO also took place on a regular basis in 2015. Talks were also held on an ad hoc basis with members of the supervisory board, management board and management of ABN AMRO. A regular component was the discussion of quarterly figures within a few weeks following their publication by ABN AMRO (at so-called road shows). Furthermore, NLFI conducted an evaluation of the supervisory board. Many topics

⁸ Decree of the Minister of Finance dated 14 August 2015 (Staatscourant (Government Gazette) 2015, 26343)).

were discussed during this consultation, including strategy, risk management, IPO, governance and sustainability. Contact was also maintained with ABN AMRO in view of the principle that neither ABN AMRO nor NLF I shall surprise the other, and they will promptly and accurately inform each other about relevant issues.

Due to the IPO, NLF I is no longer the only shareholder in ABN AMRO Group NV. Still retaining a 77% stake, NLF I certainly remains a major shareholder. NLF I and ABN AMRO have therefore entered into a relationship agreement that replaces the previously signed memorandum of understanding. The relationship agreement is intended to provide a clear framework for the relationship between NLF I and ABN AMRO. The relationship agreement shall cover such issues as the information to be shared, the matters that require the explicit approval of NLF I and the information obligations and contact requirements. This relationship agreement is published in its entirety on the websites of NLF I and ABN AMRO, and thus accessible to the public. With this annual report and, in particular, this section of it, NLF I provides an explanation of the relationship agreement.

An initial regular meeting between NLF I and both the management and supervisory boards of ABN AMRO under the terms of the relationship agreement took place on 3 December 2015. Such meeting is part of the meaningful dialogue between the shareholder and the company. The IPO of ABN AMRO was furthermore reviewed, and the risk plan for 2016 (risk appetite) was discussed. There was also a look ahead to the shareholders meeting of 2016, the meeting of certificate holders of the Stichting administratiekantoor continuïteit ABN AMRO Group. Finally, the responsibility for the functioning of the relationship agreement was also discussed.

2.2.5 Shareholder meetings and shareholder resolutions

NLF I attended the AGM of ABN AMRO Group NV on 2 April 2015. NLF I agreed to the following proposals:

- To adopt the abbreviated ABN AMRO NV financial statements for 2014.
- To declare a dividend for the financial year of ABN AMRO Group NV in 2014 amounting to EUR 400 million in cash. An interim dividend of EUR 125 million had already been paid in 2014. The final dividend for 2014 therefore amounted to EUR 275 million in cash.
- To discharge the members of the ABN AMRO Group NV management board, who were in office during the financial year 2014 with regard to the policy implemented by them in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders.
- To discharge the members of the ABN AMRO Group NV supervisory board, who were in office during the financial year 2014 with regard to their supervision in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders.
- Amendment of the policy on reserves and dividends.
- To re-appoint Mr. HP de Haan as supervisory board member for a period of one year, with the understanding that Mr De Haan will leave office at the AGM in 2016.
- To appoint KPMG as auditor of the financial statements of ABN AMRO Group NV and its subsidiaries for 2015.
- To appoint EY accountants as auditor of the financial statements of ABN AMRO Group NV and its subsidiaries for the 2016, 2017 and 2018.

Additionally, a number of resolutions outside shareholder meeting were adopted on 6 November 2015, by means of which NLF I:

- gave ABN AMRO Bank NV approval to proceed with purchasing share certificates of ABN AMRO Group NV
- approved the amendment of the articles of association of ABN AMRO Bank NV in accordance with the articles of association.

- decided to grant authorisation to the management board of ABN AMRO Group NV for a period of eighteen (18) months commencing on the settlement date of the IPO as the company body that, subject to prior approval by the supervisory board, is authorised to issue regular shares or certificates, or rights to the acquisition of regular shares and limitation or exclusion of the pre-emption right of the shareholders in the event of the issue of regular shares in the company, with the proviso that this authority is annually limited to 10% of the capital.
- decided to authorise the management board of ABN AMRO Group NV for a period of eighteen (18) months commencing on the settlement date of the IPO and subject to prior approval by the supervisory board, to acquire treasury shares or depositary receipts for shares up to the price at which the certificates were listed on the preceding day on Euronext Amsterdam. This authorisation is limited to 5% of the issued share capital held by persons other than NLFI.
- approved the management board of ABN AMRO Bank NV to issue the information related to the general shareholders' meeting in digital form.
- approved the amendments to the internal regulations of the supervisory board of ABN AMRO Bank NV

The percentage of the votes cast by NLFI for all proposals was 100%. An explanation of the voting decisions can be found on the website of NLFI.

2.2.6 Outlook for 2016

The activities regarding ABN AMRO are being continued in 2016. The objectives formulated in Section 2.1.1 will be discussed at the AGM or during the preparations for this meeting. The regular meetings between NLFI and both the management and supervisory boards of ABN AMRO under the terms of the relationship agreement will also be continued. Such meeting is part of the meaningful dialogue between the shareholder and the company.

In 2016, NLFI will furthermore assess whether a further sale of shares of ABN AMRO is desirable and, if necessary, advise the Minister of Finance. It is also important that, with regard to the IPO, NLFI and ABN AMRO agreed to a lock-up period of 180 days from the settlement date of 24 November 2015, with certain exceptions.

2.3. ASR Nederland N.V.

2.3.1 Shares

2.3.1 Shares NLFI has trusteeship of all the shares (which is to say 200,000 shares, each with a nominal value of five hundred euros) in the capital of a.s.r. In exchange, NLFI has provided the State with certificates for the same nominal value.

The transferred shares represent a 100% interest in the share capital of a.s.r. 2.3.2 *Performance of duties and pursued policy*

NLFI issued an advisory report to the Minister of Finance in November 2015 on the possibility of selling the shares in a.s.r. NLFI thereby recommended that priority be given to a successful execution of an IPO in the near future. This report was tabled by the Minister of Finance in the Dutch House of Representatives on 27 November 2015, along with a letter to the House.

In his letter, the Minister asked NLFI and a.s.r. to start preparations for an IPO, so that it could occur as from the first half of 2016.

Based on the discussion of this letter in the House on 28 January 2016, the Minister authorised NLFI to execute the sales strategy described in the letter.⁹

To this end, NLFI started the process of selecting investment banks to assist NLFI in the proposed IPO for a.s.r. on 27 November 2015. The outcome of this selection was announced on 18 January 2016 and 22 February 2016.

A dividend of EUR138.9 million was declared for 2014. With a withholding for dividend tax, the dividend was received by NLFI in 2015 and forwarded to the State as the certificate holder.

⁹ Decree of the Minister of Finance dated 17 August 2016 (Staatscourant (Government Gazette) 2016, 10301)).

In presenting annual figures for 2015 and in consideration of the operational result for this period, a.s.r. proposed that a dividend of EUR 170 million be declared for 2015. A resolution in this regard was adopted by the annual general meeting of shareholders (hereinafter AGM) on ratification of the financial statements for 2015.

2.3.3 Activities

Meetings with the chairpersons of the supervisory and management boards of a.s.r. also took place on a regular basis in 2015. Talks were also held on an ad hoc basis with members of the management board and senior management of a.s.r. A regular component was the discussion of quarterly figures within a few weeks following their adoption. A constructive dialogue also took place concerning topics such as risk appetite, budget, capital and funding plan and the issuance of hybrid capital instruments. NLFI also held an evaluation meeting with the supervisory board and participated in the annual joint meeting with the management board, supervisory board and central works council. For the rest, contact was maintained with a.s.r. in view of the principle that neither a.s.r. nor NLFI shall surprise the other, and they will promptly and accurately inform each other about relevant issues.

a.s.r. investigated the desirability of submitting a bid for VIVAT. The a.s.r. team at NLFI maintained close contact with a.s.r. in order to fulfil the duties of NLFI as a shareholder of a.s.r. in the event that an acquisition occurred. To formalise reciprocal expectations and responsibilities, a transaction protocol was drawn up jointly with a.s.r. as well as an information protocol with the Ministry of Finance.

In this connection, NLFI was advised by a financial advisor (Lazard) and a valuation consultant (Duff & Phelps) engaged by NLFI examined the financial-economic rationale. The a.s.r. team at NLFI also worked with a.s.r. on the conditional financing for a possible acquisition of VIVAT by a.s.r. and consented to this contingent funding. Based on the findings from the conducted investigation, a.s.r. concluded in early January 2015 that the previous conditions and criteria for a possible acquisition of VIVAT could not be satisfied. The management and supervisory boards of a.s.r. therefore decided, after consultation with the a.s.r. team at NLFI and a consortium of possible investors, not to submit a binding bid for VIVAT.

Subsequently, NLFI and a.s.r. together with their respective advisers, undertook to investigate a possible sale of a.s.r. executed. NLFI issued an advisory report to the Minister of Finance in November 2015 on the possibility of selling the shares in a.s.r. in which various options were considered. This revealed that, with respect to the strategic development of a.s.r. and the risk / return profile of the State as shareholder, an IPO is the most attractive option.

2.3.4 Shareholder meetings and shareholder resolutions

NLFI attended the AGM of a.s.r. Nederland NV on 16 April 2015. NLFI agreed to the following proposals:

- to adopt the abbreviated financial statements of a.s.r. Nederland NV for 2014;
- to declare a dividend on the ordinary shares of a.s.r. Nederland NV for financial year 2014 amounting to EUR 138.9 million in cash;
- to discharge the members of the ASR Nederland NV management board, who were in office during the financial year 2014 with regard to the policy implemented by them in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders.
- to discharge the members of the ASR Nederland NV supervisory board, who were in office during the financial year 2014 with regard to their supervision in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders.
- to appoint KPMG as auditor for the financial statements of ASR Nederland NV in 2015;
- to appoint EY as auditor for the financial statements of ASR Nederland NV in 2016;
- the reappointment of Mr. C.H. van de Bos as a member of the ASR Netherlands NV supervisory board for a period of four years, so that Mr Van den Bos will retire at the general meeting of shareholders to be held four years after his reappointment.

Additionally, a number of resolutions outside shareholder meeting were adopted:

- NLFI also adopted a shareholder resolution outside meeting on 15 January 2015. This related to the reappointment of Ms. A.P. Aris as a member of the a.s.r. Nederland NV supervisory board for a period of four years retroactive to 7 December 2014;
- On 28 May 2015, NLFI adopted a shareholder resolution outside the shareholder meeting. This concerned the approval for the acquisition of all issued and outstanding shares of Axent Verzekeringen BV by ASR Levensverzekering NV, provided that the implementation of the acquisition takes place in line with the proposal of the management board and the supervisory board.
- NLFI also adopted a shareholder resolution outside the shareholder meeting on 29 February 2015. This related to the appointment of Mr. Ch. Hintzen as member of the supervisory board of ASR Nederland NV as of 1 January 2016 for a four-year period.

The percentage of votes submitted by NLFI was consistently 100 per cent.. An explanation of the voting decisions can be found on the website of NLFI.

2.3.5 Outlook for 2016

The activities regarding a.s.r. will be continued in 2016. The objectives formulated in subsection 2.1.1 will be discussed at the general meeting of shareholders.

NLFI is carrying out the necessary preparations to enable the planned IPO of a.s.r.

In January 2016, NLFI selected three investment banks for the role of joint global coordinator, namely (in alphabetic order): ABN AMRO Bank NV, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch.

In February 2016, the selection of the joint bookrunners and co-lead managers was completed. The joint bookrunners are (in alphabetic order): Barclays Bank plc., Coöperatieve Rabobank U.A., HSBC Bank plc. and ING Bank N.V.

As co-lead manager, Joh. Berenberg, Gossler & Co. KG was selected. NLFI appointed NM Rothschild & Sons Limited as financial advisor with a focus on the planned IPO of a.s.r. Lazard B.V. acts as NLFI's general financial advisor in relation to a.s.r. Clifford Chance is fulfilling the role of legal advisor for NLFI in its relationship with a.s.r. and Citigate First Financial was appointed as communications advisor in 2016 regarding the planned IPO of a.s.r.

In March 2016, NLFI agreed to a decision to reduce the issued capital of a.s.r. The reduction in the issued capital is without repayment and without exemption from the obligation to pay.

2.4. SRH NV (formerly SNS REAAL NV)

2.4.1 Shares

NLFI has had trusteeship of all the shares in the capital of SNS REAAL NV (hereinafter SNS REAAL) since 31 December 2013. This amounts to 287,619,873 shares, each with a nominal value of one euro and sixty-three eurocents.

In exchange, NLFI has provided the State with certificates for the same nominal value. These shares represent a 100% interest in the issued share capital of this company.

Furthermore, the articles of association of SNS REAAL were amended on 30 September 2015, as a result of which the name of the company was changed to SRH NV

2.4.2 Performance of duties and pursued policy

On 15 February 2015, NLFI issued an advisory report to the Minister of Finance. In it, NLFI advised the Minister to grant conditional approval for SNS REAAL to enter into an agreement with Anbang Group Holdings Co. Limited and Anbang Life Insurance Co.

Later negotiations led to a change in the sales agreement. NLFI advised the Minister about the changes on 6 July 2015.

The sale price for the VIVAT shares plus tax receivables is set at EUR 85 million. It was agreed that SNS REAAL simultaneously transferred the tax receivables of VIVAT for the years 2013 and 2014

along with the VIVAT shares to Anbang. According to the most conservative estimates, the claims by SNS REAAL against VIVAT amounted to approximately EUR 85 million. After deduction of the tax receivables, the net sale price was therefore approximately 1 euro.

On approval of the Minister of Finance, SNS REAAL transferred all the shares in REAAL NV to Anbang Group Holdings Co. Ltd. on 26 July 2015. As agreed, Anbang also made a capital injection in VIVAT of 1.35 billion within 90 days thereafter.

On 30 September 2015, SNS REAAL transferred all the shares in both SNS Holding BV and SNS Bank NV to the Dutch State. Subsequently, the State transferred the shares in SNS Bank NV to SNS Holding.

On the same day, the name of SNS REAAL was changed to SRH. SRH will be put in run off.

No dividend was paid for financial year 2014. SRH has not yet published its annual figures, so no proposal has been announced concerning a dividend for 2015.

2.4.3 Activities

In early 2015, negotiations between SNS REAAL and Anbang resulted in an agreement on price and terms, as stipulated in the conditional purchase agreement between SNS REAAL and Anbang NLF I requested valuation consultant Macquarie to carry out an independent valuation on the basis of information that was also available to potential buyers of VIVAT.

In February 2015, NLF I informed the Minister of Finance of its opinion that the process of divesting VIVAT met the corresponding requirements set by the European Commission, in particular the requirement of an open and transparent sales process. Taking everything into account, NLF I was of the opinion that this conditional purchase agreement with Anbang was the most economically advantageous outcome of the sales process, considering (i) the criteria in the assessment framework from the Minister of Finance, (ii) the interests of SNS REAAL and VIVAT, and (iii) the financial and economic interests of the State. In 2015, NLF I requested the Minister for final approval for closing *the* transaction between SNS REAAL and Anbang if and when all conditions for the transaction were met and the supervising authorities had granted their approval for the closing of the transaction.

In the months subsequent to the signing of the original sales agreement, facts and circumstances arose that had a material impact on the finalisation of the transaction. They subsequently led to an amended sales agreement dated 30 June 2015. NLF I advised the Minister about the changes on 6 July 2015.

NLF I was assisted in this sale process of VIVAT by BNP Paribas as financial adviser and Linklaters as legal advisor. Macquarie acted as the valuation advisors for NLF I.

Meetings with the chairpersons of the management and supervisory boards of SRH / SNS REAAL also took place on a regular basis in 2015. Talks were also held on an ad hoc basis with members of the company's management board and senior management. A regular component was the discussion of quarterly figures within a few weeks following their adoption. A constructive dialogue also took place concerning topics such as risk appetite, budget, capital and funding plan. NLF I also held an evaluation meeting with the supervisory board and participated in the annual joint meeting with the management and supervisory boards. For the rest, contact was maintained with the company in view of the principle that neither the company nor NLF I shall surprise the other, and they will promptly and accurately inform each other about relevant issues.

In a petition of 6 November 2014 Vereniging VEB NCVB and several former shareholders of SNS REAAL NV (jointly: de VEB et al.) requested the Enterprise Section of the Amsterdam Court to order an investigation of the policy and state of affairs at SNS Bank NV and Propertize BV. The petition names NLF I as an implicated party due to its role as the shareholder of these companies, and NLF I has also conducted a defence against the petition in this capacity. The Enterprise Section has determined that, providing the petition of VEB et al is admissible, it will only consider the first question, since the applicant is now no longer a shareholder in the mentioned companies. The Enterprise Section ruled by decision dated 8 July 2015 that the petition of VEB et al was only

admissible with regard to SNS REAAL NV and inadmissible in relation to Propertize BV and stayed the decision on the admissibility in respect of SNS Bank NV. SNS REAAL, the State of the Netherlands and NLF I have appealed this decision to the Supreme Court. The Supreme Court has not issued a ruling on this issue. NLF I is represented in this case by NautaDutilh and during the appeal process by Pels Rijcken & Drooglever Fortuijn.

2.4.4 Shareholder meetings and shareholder resolutions

NLF I attended the SNS REAAL NV general meeting of shareholders on 28 May 2015. NLF I agreed to the following proposals:

- to adopt the financial statements of SNS REAAL NV for 2014;
- to declare no dividend for the financial year of SNS REAAL in 2014, whereby no dividend was distributed for the year;
- discharging the members of the management board of SNS Bank NV, who were in office during 2014, with regard to their management supervisory responsibilities for the year 2014, as reflected in the annual report, the annual accounts and disclosures at the annual general meeting of shareholders.
- discharging the members of the SNS Bank NV supervisory board, who were in office during 2014, with regard to their management supervisory responsibilities for the year 2014, as reflected in the annual report, the annual accounts and disclosures at the AGM.

Additionally, a number of resolutions outside shareholder meeting were adopted:

- On 7 May 2015, NLF I adopted a shareholder resolution outside the shareholder meeting. This concerned the approval for the exercise of voting rights associated with REAAL NV shares and the manner in which said voting rights were exercised with regard to:
 - a) adopting the financial statements of REAAL NV for 2014;
 - b) discharging the members of the REAAL NV management board holding office in 2014 with regard to their management responsibilities for the financial year, as reflected in the Annual Report, financial statements and disclosures at the AGM of REAAL NV;
 - c) discharging the members of the REAAL NV supervisory board holding office in 2014 with regard to their supervisory responsibilities for the financial year, as reflected in the Annual Report, financial statements and disclosures at the AGM of REAAL NV.

On 28 May 2015, NLF I adopted a shareholder resolution outside the shareholder meeting. This concerned the approval for the exercise of voting rights associated with SNS Bank NV shares and the manner in which said voting rights were exercised with regard to:

- a) adopting the financial statements of SNS Bank NV for 2014;
- b) discharging the members of the management board of SNS Bank NV holding office in 2014 with regard to their management responsibilities for the financial year, as reflected in the Annual Report, financial statements and disclosures at the AGM of SNS Bank NV;
- c) discharging the members of the supervisory board of SNS Bank NV holding office in 2014 with regard to their management supervisory responsibilities for the financial year, as reflected in the Annual Report, the financial statements and disclosures at AGM of SNS Bank NV.

On 17 September 2015, NLF I adopted the following shareholder resolutions outside meeting:

- NLF I approved the decision of the board of SNS REAAL NV to transfer (i) the shares of SNS Holding BV to the State and (ii) the shares of SNS Bank NV to the State.
- NLF I decided to amend the articles of association of SNS REAAL NV, in which the name of the

company was changed to SRH NV.

- NLFI decided to make a change in personnel (with respect to dismissal, appointment and remuneration). As of 30 September 2015, NLFI granted (a) an honourable discharge to Mr M.B.G.M. Oostendorp as director and (b) appointed Mr J.M. Leopold and Mr M.B.G.M. Oostendorp to the supervisory board of SRH NV, while Mr J.M. Leopold was concurrently appointed chairman of the supervisory board of SRH NV. They have been appointed until the end of the AGM of SRH NV, in which the adoption of the financial statements for 2015 is discussed.

On 30 September 2015, NLFI furthermore appointed Mr H. M. de Mol van Otterloo as a member of the management board of SRH NV and chairman of said board. He has been appointed until the end of the AGM of SRH NV in which the adoption of the financial statements for 2015 is discussed.

NLFI also adopted a shareholder resolution outside the shareholder meeting on 17 December 2015. This regarded the approval to appoint EY accountants as auditors for the financial statements of 2016 of SRH NV.

The percentage of the votes cast by NLFI for all proposals was 100%. An explanation of the voting decisions can be found on the website of NLFI.

2.4.5 Outlook for 2016

The activities regarding SRH are being continued in 2016. Given a number of ongoing legal proceedings, run off can still take some time.

2.5. SNS Holding B.V.

2.5.1 Shares

As of 30 September 2015 NLFI holds 100% of the share capital of SNS Holding BV (hereinafter: SNS Holding) in trust. This involves one share with a nominal value of one euro. NLFI acquired this share from the Dutch State in exchange for a share certificate.

2.5.2 Performance of duties and pursued policy

The Minister of Finance announced in his letter to the House of Representatives dated 16 February 2015 that SNS Bank would be converted from a subsidiary of SNS REAAL to a State-owned subsidiary, and the shares of SNS Bank would be transferred to NLFI.

This was accomplished on 30 September 2015. SNS REAAL transferred the shares in both SNS Holding BV and SNS Bank NV to the Dutch State. Subsequently, the State transferred the shares in SNS Bank NV to SNS Holding.

SNS Bank is the fourth largest bank in the Netherlands with, in addition to basic banking services, a large mortgage portfolio. Before reaching a decision about the future of SNS Bank, the Minister of Finance considers it important that the bank acquires a strong independent position within the Dutch banking landscape. With a view to this end, the Minister first asked NLFI to provide an advisory report on the future of SNS Bank in mid 2016.

No dividend was declared for 2014. In presenting annual figures for 2015, SNS Holding proposed that a dividend of EUR 100 million should be declared for 2015. A resolution in this regard was adopted by the annual general meeting of shareholders (hereinafter AGM) on ratification of the financial statements for 2015.

2.5.3 Activities

Meetings with the chairpersons of the supervisory and management boards of Propertize took place on a regular basis in 2015. Talks were also held on an ad hoc basis with members of the management board and senior management of SNS. A constructive dialogue also took place concerning topics such as risk appetite, budget, capital and funding plan. NLFI also held an evaluation meeting with the supervisory board and participated in the annual joint meeting with the management and supervisory boards. For the rest, contact was maintained with SNS Holding in view of the principle that neither a.s.r. nor NLFI shall surprise the other, and they will promptly and accurately inform each other about

relevant issues.

NautaDutilh acted as the legal advisor for NLFI in the relationship with SNS Holding.

2.5.4 Shareholder meetings and shareholder resolutions

On 30 September 2015, NLFI adopted the following shareholder resolution outside meeting:

- On 30 September 2015 NLFI agreed to the appointment of Mr M.B.G.M. Oostendorp, Ms. A.T.J. van Melick, Mr V.A. Baas, Mr R.G.J. Langezaal and Mr L. Wissels as members of the management board of SNS Holding BV (this has created a personal union of the management board of SNS Holding BV and SNS Bank NV as of 30 September 2015). They have all been appointed for a four-year period, except Mr M. Wissels whose appointment will expire on 1 November 2016). The appointment period of Mr Oostendorp started on 17 August 2015 (for his appointment as chairman of SNS Bank NV) and the terms of the others started on 30 September 2015. In accordance with the corporate governance code, the appointments for an indefinite period of Mrs Van Melick, Mr Baas and Mr Langezaal as members of the Executive Board of SNS Bank NV as well as their appointments as members of the Executive Board of SNS Holding BV was changed to a four-year period.

The percentage of votes submitted by NLFI was 100 per cent.. An explanation of the voting decisions can be found on the website of NLFI.

2.5.5 Outlook for 2016

The activities regarding SNS Holding are being continued in 2016. NLFI expects to issue an advisory report on the future of the SNS Bank in mid 2016.

The objectives formulated in subsection 2.1.1 will be discussed at the general meeting of shareholders.

2.6. Propertize B.V.

2.6.1 Shares

NLFI has trusteeship of 50,003 shares in the capital of Propertize BV (each with a nominal value of fifty euros). In exchange, NLFI has provided the State with certificates for the same nominal value. These shares represent a 100% interest in the share capital of this company.

2.6.2 Performance of duties and pursued policy

Propertize has a property and property finance portfolio of approximately EUR 5.5 billion (gross value). Propertize aims to manage down the commercial mortgage and property portfolio before 2023 as cost-efficiently and profitably as possible. Based on an analysis of the market for commercial property loans, NLFI noted that market conditions have improved significantly since the start of Propertize. Partly based on research conducted by NLFI consultants, NLFI concluded that the various conditions for the possible sale of Propertize were met. In a letter of October 2015, NLFI therefore advised the Minister to start the sales process for Propertize.

No dividend was declared for 2014, partly in view of the loss reported for that year. Propertize established dividend for 2015 of about 45.5 million euros. This dividend (after deduction of dividend tax) was received and transferred to the State as the holder of the depository receipts.

2.6.3 Activities

Meetings with the chairpersons of the supervisory and management boards of Propertize took place on a regular basis in 2015. Topics of discussion included the composition of the supervisory board and the progress in the downsizing plan. Furthermore, NLFI conducted an evaluation of the supervisory board. Talks were also held on an ad hoc basis with members of the management board and senior management of Propertize. Contact was also maintained with Propertize in view of the principle that neither Propertize nor NLFI shall surprise the other, and they will promptly and accurately inform each other about relevant issues.

During the preparation of the advisory report for the Minister of Finance on the sale of Propertize, Kempen & Co Corporate Finance acted as financial advisor to NLF I and NautaDutilh as legal advisor. Valuation advisor American Appraisal (Duff & Phelps) drew up an independent valuation of Propertize at the request of NLF I.

The advisory report from NLF I on the sale of Propertize was tabled by the Minister of Finance in the Dutch House of Representatives on 16 October 2015, along with a letter to the House. Based on the written deliberations on this letter with the Standing Finance Committee of the Netherlands House of Representatives, the Minister authorised NLF I to execute the sales strategy described in the letter¹⁰. On 9 December 2015, an announcement was published in the Financial Times inviting interested parties to express their interest in Propertize.

NLF I is striving for a transaction in which Propertize is sold to a single buyer or a group of buyers acting as a single buyer. The purpose of the sale is to achieve the highest value for Propertize and to execute the transaction in an effective and energetic manner, with minimal risk to the business, while taking the interests of all stakeholders into account.

Alvarez & Marsal is acting as the financial advisor for NLF I with regard to the planned sale of Propertize, and NautaDutilh is acting as legal advisor to NLF I in its relationship with Propertize.

2.6.4 Shareholder meetings and shareholder resolutions

The AGM of Propertize BV was held on 29 June 2015 and was continued on 2 July 2015.

NLF I agreed to the following proposals:

- to adopt the financial statements of Propertize BV for 2014;
- to declare no dividend for 2014;
- to discharge the current members of the management board of the company with regard to the policy implemented in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders;
- to discharge the members of the supervisory board of the company with regard to the policy implemented in 2014, as reflected in the Annual Report 2014 and its clarification at the general meeting of shareholders;
- to ratify the remuneration policy for the management board of Propertize BV.

Additionally, a number of resolutions outside shareholder meeting were adopted:

- NLF I also adopted a shareholder resolution outside the shareholder meeting on 19 February 2015. This related to the reappointment of Ms. S.M. Zijdeveld as a member of the supervisory board of Propertize BV for a period of four years, in other words until the AGM in 2019.
- NLF I also adopted a shareholder resolution outside the shareholder meeting on 5 March 2015. Approving, appointing and instructing EY accountants as auditor for the 2015 annual accounts of Propertize BV.

The percentage of votes submitted by NLF I was consistently 100 per cent.. An explanation of the voting decisions can be found on the website of NLF I.

2.6.5 Outlook for 2016

The competitive bidding process that started in late 2015 is being continued in 2016. A number of interested parties have now been admitted to the first phase of the process and have received a confidential information memorandum and detailed information (on the Propertize loan portfolio). These parties are invited to submit a non-binding offer based on this information. In the second stage,

¹⁰ Decree of the Minister of Finance dated 9 December 2015 (Staatscourant (Government Gazette) 2015, 46524)).

selected parties will be given the opportunity to conduct a due diligence investigation of Propertize, after which they are asked to make a binding offer.

NLFI will hold meetings with the chairpersons of the supervisory and management boards of Propertize on a regular basis in 2016. Talks will also be held on an ad hoc basis with members of the management board and senior management of Propertize. Discussions will concurrently be held regarding the proposed sale of Propertize and the progress of the divestment plan. Contact will also be maintained with the invested company in view of the principle that neither Propertize nor NLFI shall surprise the other, and they will promptly and accurately inform each other about relevant issues.

2.7 RFS Holdings B.V.

2.7.1 Shares

NLFI has trusteeship of all F shares (being 100 shares, each with a nominal value of one Euro cent) and 33.81% of the O shares (being 338,103 shares, each with a nominal value of one Euro cent, also called Z shares) in RFS Holdings BV (hereinafter: RFS) in trust. In exchange, NLFI has provided the State with certificates for the same nominal amount.

The F shares represent interest in the assets that are materially attributed to ABN AMRO. The O shares represent interest in the assets that are materially attributed to the State. The shares held by NLFI jointly represent approximately 1.25% of the total share capital of RFS.

2.7.2 Performance of duties and pursued policy

The Royal Bank of Scotland Group PLC (hereinafter: RBS) has been authorised by RFS shareholders to manage and sell the assets in RFS in an orderly manner.

In 2015, NLFI consented to the sale of operations in India.

The sale of interests in Saudi Hollandi Bank (SHB) could not be completed. This remains an aim of RFS.

No dividend has been established for 2015. Nor was there any repayment of capital.

2.7.3 Activities

The daily management of shared assets is performed by RBS NV.

The diamond and *jewellery business* in India was transferred from RFS to IndusInd Bank Limited in 2015. ABN AMRO was the economic owner of these operations. Because the activities were legally part of the N-share, this transfer required the permission of NLFI. This permission was granted by NLFI.

RFS has held talks with RBS, Santander and ABN AMRO concerning the steps that might be taken to bring about the sale of jointly-owned assets. It is also looking at the possibilities of selling SHB.

According to the standards of the European Capital Requirements Regulation (the *capital requirements regulation of CRD IV*)m a capital shortfall occurred in the course of 2015. On the basis of shareholder agreements (RCSA), NLFI agreed in 2015 to settle the capital shortage in the O shares (Z share) of the other shareholders. In connection with possible capital shortfalls regarding the Z share and N share, agreements were made with RBS about the possibility in such cases of borrowing capital from RBS to meet current obligations.

2.7.4 Shareholder meetings and shareholder resolutions

The AGM was held on 23 June 2015. With the consent of NLFI, this meeting passed resolutions:

- to adopt the 2014 financial statements;
- to discharge the management board of the management activities performed in 2014, as reflected in the financial statements;
- to appoint Deloitte as the auditor for financial year 2015.

The percentage of the votes cast by NLFI for these proposals amounted in this instance to approximately 1.25%. All resolutions were adopted unanimously.

Given the capital position of RFS, no dividend was declared.

2.7.5. Outlook for 2016

In 2016, RFS will continue to hold talks with RBS, Santander and ABN AMRO concerning the steps that should be taken to bring about the sale of jointly-owned assets. NLFI shall cooperate with any such sale. NLFI shall cooperate with the fulfilment of any new obligations for RFS stemming from the European Capital Requirements Regulation for RFS.

2.8. NLFI Financial Investments BV

2.8.1. Shares

NLFI holds 35 ordinary shares in NLFI Financial Investments BV (hereinafter: NLFI FI), each with a nominal value of one thousand euros. In exchange, NLFI has provided the State with certificates for the same nominal amount.

These shares represent 100% of the issued capital.

2.8.2 Performance of duties, pursued policy and activities

NLFI FI has no other activities than the retention of a limited amount of cash resources. NLFI performs the management tasks for NLFI FI. As the manager of NLFI FI, NLFI has commissioned an accounting office to prepare the financial statements of NLFI FI.

NLFI FI does not have a current dividend policy. In adopting the financial statements for 2014, the decision was taken not to declare any (final) dividend for 2014 but to subtract the loss after tax of € 5,335 from the general reserve.

No dividend was declared for 2015.

2.8.3 Shareholder meetings and shareholder resolutions

The AGM was held on 29 April 2015. With the consent of NLFI, this meeting passed resolutions:

- to adopt the financial statements for 2014;
- to allocate the result for 2014;

to discharge the management board of the management activities performed in 2014, as reflected in the financial statements;

Given the current size of NLFI FI, no appointment of an auditor was made.

The percentage of the votes cast represented by NLFI amounted to 100% of the total share capital.

2.8.3. Outlook for 2016 NLFI also expects to carry out the management duties for NLFI FI in 2015. The company has not yet been liquidated because it could potentially play a role in the sale of shares and other share transactions involving other NLFI holdings.

2.9 Ministry of Finance

In line with the current supervisory arrangement, NLFI had one meeting with the Minister of Finance in 2015. Meetings between the chairman of NLFI and the Director General of Financing were held on a regular basis (as a rule once a month). These meetings were organised to inform the Ministry of Finance about the developments that were or might be relevant to ministerial decision-making, such as its decisions about the planned sale of share or those of a fundamental or significant nature. Topics of discussion also included the plans for the exit recommendations to be issued.

These meetings also addressed business-operation and financing issues, such as the adopted financial statements and the budget of NLFI. A dividend estimate for the combined holdings of NLFI was also discussed.

For the process of divesting VIVAT, the a.s.r. team of NLFI held regular meetings with the a.s.r. team at the Ministry of Finance. The a.s.r. team also held regular meetings with the team at the Ministry with a view to preparing a possible exit for a.s.r. The SNS team at NLFI held similar talks with the SNS team within the Ministry of Finance in connection with the sale of VIVAT and the restructuring of (the formerly named) SNS REAAL.

Regular meetings were also held between the Propertize team at NLFI and the Propertize team within

the Ministry of Finance.

Intensive contact between the Ministry of Finance and NLF I was maintained at all levels with regard to the IPO of ABN AMRO. This took place on the basis of the transaction and information protocol that governed the relationship between the Ministry and NLF I. The advising of and decision-making by the Ministry was prepared by means of a consultative structure involving ABN AMRO, NLF I and the Ministry comprised of steering committees and tripartite consultation bodies.

Frequent meetings were also held with other employees of the Ministry of Finance, especially employees of the Financing Directorate. Underlying these discussions is the fact that neither the ministry nor NLF I wish to surprise the other and will promptly and accurately inform each other about relevant issues.

3 Governance of NLFI

3.1 Board and management

The Management Board of NLFI was, in 2015, entirely composed of: Enthoven, L.Y. (attorney at law) Gonçalves-Ho Kang You (attorney at law) and jonkheer Laman Trip. Michael Enthoven was the chairman. Diederik Laman Trip served as vice-chairman in the even quarters and Lilian Gonçalves-Ho Kang You was vice-chairwoman in the uneven quarters.

The three Board members appointed by the Minister of Finance receive remuneration based on a contract for services that is concluded with them (Board member agreement).

Michael Enthoven

L. Enthoven (attorney at law) worked for years at JP Morgan & Co and was chairman of the board at NIBC, where he acquired substantial experience in corporate and investment banking. He has worked as an advisor to the Ministry of Finance since the fall of 2008. In this connection, his responsibilities included membership to the supervisory board of ABN AMRO Holding NV. At present, he is also a substitute judge at the District Court in The Hague.

Lilian Gonçalves-Ho Kang You

L.Y. Gonçalves -Ho Kang You (attorney at law) comes from the legal profession and has held several positions, including vice chairwoman of the Netherlands Independent Post and Telecommunications Authority [Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA)]. As an attorney and advisor, she has been inter alia involved in mergers and takeovers. She is currently also a State Councillor on the Council of State.

Diederik Laman Trip

Jhr drs D. Laman Trip was chairman of the board for the ING Group in the Netherlands until 2005, and has substantial experience in retail banking and insurance. His current memberships include a seat on the Netherlands Committee for Enterprise and Financing (Nederlands Comité voor Ondernemerschap en Financiering).

In 2015, the task allocation within the board was changed so that the primary responsibilities for the management of shares in each holding were assigned to various NLFI board members. In view of the potential transactions and advisory exit reports to be issued, the board decided in December 2015 that a second board member should be assigned to a.s.r., Propertize and SNS Holding in addition to the existing appointees. For more information, see the table below.

Holding	First board member	Second board member (from mid-December 2015).
ABN AMRO	Michael Enthoven	
a.s.r.	Diederik Laman Trip	Michael Enthoven
SRH (formerly SNS REAAL)	Lilian Gonçalves-Ho Kang You	
SNS Holding	Lilian Gonçalves-Ho Kang You	Diederik Laman Trip
Propertize	Michael Enthoven	Lilian Gonçalves-Ho Kang You
RFS	Michael Enthoven	

In addition, functional areas of interest transcending any invested company were also subject to appointment in 2015:

Michael Enthoven: finance and risk;
Diederik Laman Trip human resources, including appointments and remuneration policy;
Lilian Gonçalves-Ho Kang You governance and socially responsible enterprise.

The Board operates based on the principles of collegial decision-making and collective responsibility.

Management board members were appointed in September 2011 for a period of four years¹¹. By decision of 23 September 2015, Michael Enthoven, Lilian Gonçalves-Ho Kang You and Diederik Laman Trip were reappointed for respective periods of two, three and four years¹². The periods of appointment are determined in consultations between the Minister of Finance and the members of the NLFI board.

Rens Bröcheler was the executive managing director of NLFI throughout 2015. In terms of decision-making and authorities, it is therefore possible to speak of sole leadership.

Rens Bröcheler

R. Bröcheler worked at Generale Bank and ABN AMRO before moving to the Ministry of Finance in 1999. As a result, he has extensive management experience as the head of Cash Management, head of Investments and project director for Financial Institutions. He has been managing director since the establishment of NLFI in 2011.

3.2. Board meetings

Thirty-three board meetings were held in 2015. Important topics that were then discussed include:

- AGMs;
- shareholder resolutions outside meeting;
- resolutions on the IPO of ABN AMRO;
- resolutions on the divestment process for VIVAT;
- resolutions on the preparation for the divestment of a.s.r.;
- resolutions on the divestment of Propertize;
- resolutions on the restructuring of SNS REAAL;
- resolutions on the selection and appointment of advisors;
- advisory reports to be issued;
- strategic developments;
- consultations with other companies and their bodies;
- consultations with the Ministry of Finance;
- internal affairs, such as adoption of budget and financial statements.

Two or three members were present at every board meeting, so that decisions could be legally taken. Michael Enthoven and Lilian Gonçalves-Ho Kang You were present at 31 of the 33 meetings. Diederik Laman Trip was present at 32 of the 33 meetings.

As a rule, the attending board members were physically present but, in a number of cases, members participated in the meetings by means of an audio (and visual) connection. The board engaged external expertise for a number of (legal and financial) issues, as evidenced in the description of the activities in Chapter 2 of this report.

3.3. Internal governance

NLFI has taken measures to ensure controlled and sound business operations. Consequently, there is an accepted description of the accounting organisation and internal control. The financial statements are audited by an external auditor. EY has been engaged to perform the task of auditing the financial

¹¹ The 2014 annual report erroneously states that the board members were appointed on 1 July 2011. This was the date of establishment for NLFI. The current directors were appointed in September 2011 (Staatscourant [Government Gazette]. 2001, 17644).

¹² Decree of the Minister of Finance dated 23 September 2015 on the appointment of board members for Stichting administratiekantoor beheer financiële instellingen (Staatscourant (Government Gazette) 2015 33618)).

statements for 2015. NLFI took out insurance for directors' liability in mid 2015 for which the premiums shall be paid by NLFI.

Amendment of articles of association

The NLFI articles of association were amended on 5 March 2015 pursuant to an order from the Minister of Finance. It was then determined that the NLFI equalisation reserve shall not, *in principle, exceed five million euros*¹³. Any balance above the specified maximum will be paid by NLFI to the State. This rule was applied for the first time when adopting the financial statements for 2014. Furthermore, a change was made to the rules on delegation and support.

Observer

The State transferred the shares of SNS REAAL to NLFI in late 2013. At the time, NLFI was already the shareholder of ABN AMRO, RFS and a.s.r. The acquisition threatened to create a possibly excessive concentration under the Dutch Competition Act (Mededingingswet). The Authority for Consumers & Markets (ACM) then adopted a number of measures to prevent a possible concentration and requiring management by NLFI that would prevent any exchange of competitively sensitive information between the institutions within NLFI. The articles of association were amended for this purpose at the end of 2013.

Some of the measures adopted by the ACM include an observer appointed to NLFI by the State for the benefit of the ACM to ensure that the State and NLFI comply with the measures. The observer reports retrospectively every half year on the compliance with the implemented measures. In 2014, the tasks, powers and obligations of the observer were formalised in a set of instructions. For example, it states that if NLFI requires competitively sensitive information from an institution because NLFI deems the information necessary for the exercise of the task entrusted to NLFI, the institution shall forward the required competitive information to the observer. The observer will then assess whether NLFI actually needs the requested competitively sensitive information to perform the task entrusted to NLFI and, if the observer deems such is the case, he provides the required competitively sensitive information to the board of NLFI.

The observer submitted two semi-annual reports to the ACM in 2015.

Separate teams/ fire wall Due to the possibility that a.s.r. could participate as a bidder in the VIVAT Verzekeringen sales process, NLFI structured its internal operations in such a way that portfolio optimisation is ruled out in order to avoid a conflict of interest and potential breach of the requirement for an open and transparent process for the sale of VIVAT Verzekeringen. The NLFI team that worked on the execution of the VIVAT sales process carried out this work with strict separation from the team at NLFI involved in the implementation of a.s.r.'s strategy (by implementing a *so-called fire wall*). The principle of collegial governance within NLFI has been temporarily suspended with regard to this transaction. Both teams reported directly to the Minister of Finance independently of one another and submitted fundamental and significant decisions to the Minister directly.

For this reason, management regulations were modified in 2014.

In consultation with the Minister of Finance, the decision was taken on 19 February 2015 to discontinue the firewall after publication of the letter from the Minister of Finance to the House of Representatives regarding the proposed sale of VIVAT to Anbang Insurance.

Integrity risks

NLFI has adopted a code of conduct to ensure and enforce the trust placed in NLFI by stakeholders, as well as to prevent integrity risks. Rules and guidelines for insiders are recorded in this code of conduct:

- a. to prevent conflicts of interest of NLFI and the private interests of insiders;
- b. to avoid use or disclosure of inside knowledge or other confidential market information and/or the misuse and unauthorised use of confidential information available to NLFI;
- c. to prevent stock price manipulation as well as other misleading practices;
- d. to protect the reputation of NLFI and the individuals involved with it.

NLFI has an external compliance officer, who supervises compliance with the code of conduct.

More detailed consideration was given to compliance in 2015. For instance, an awareness session was organised by the compliance officer. In 2015, special attention was paid to the considerations involved in accepting or not accepting gifts and invitations. The internal rules on contacts with parties during

¹³ Or much more or less as the board of NLFI and the Minister of Finance mutually agree in writing.

tendering phases were also clarified.

Legality and in-control statement

Within NLF, several measures were taken to promote the legality of its action.

NLF was subject to the supervision of the Netherlands Court of Audit (Algemene Rekenkamer). In 2015, the Court of Audit repeatedly requested information and documents about NLF. The Court had used the results of its investigation, for example, to update the Court's website on the credit crisis. The findings were also used in the audit of the financial statements of the Ministry of Finance. The board of NLF decided on its own to introduce further strengthening of the NLF internal audit system in 2015. For this purpose, a system was implemented under the guidance of an external consultant (EY) implemented a system involving an in-control statement that reinforces accountability and strengthens the internal management of NLF. The Executive Managing Director has reported this matter to the board. The main risks are indicated in the section on risk reporting (Section 3.5). A limited in-control statement was designed for 2015, considering that the scheme was launched in 2015. The intention is to give the in-control statement a fuller form, starting in 2016. See the risk reporting section below.

Efficiency

The board of NLF attaches great importance to the efficient functioning of NLF. Efficiency is not the same as spending as little as possible (economy). It is a relative term for which a certain relationship is normally indicated between objectives, applied resources and achieved effects. The objectives of NLF are laid down in legislation and the articles of association. The applied resources are indicated in the financial statements. The achieved effects are not always so easy to measure, in view of the fact that they must be measured against a situation in which NLF does not exist and the management is undertaken by the State itself. For this reason, it is difficult to determine how the costs incurred by NLF relate to the achieved result.

NLF issued an advisory exit report for the Minister of Finance formulating the objectives that sales costs were to remain below 1% of the proceeds from an IPO.

NLF views the implementation of the IPO for ABN AMRO as an indication of its efficiency. This IPO resulted in revenues for the State in excess of €3.8 billion. The final sales costs amounted to approximately 0.15% of this sum (approx. € 5.5 million).

Attention is also paid to comparisons between years. There was a sharp increase in costs in 2015 (over EUR 11.8 million) compared to 2014 (over EUR 5.9 million).

Furthermore, this increase does not mean that work was performed less efficiently. Reference is made in this regard to a report published in 2013 by the Court of Audit¹⁴. Moreover, the increase is almost entirely attributable to the costs of external consultants, mainly related to the preparation of advisory reports and transactions. By working with external consultants and preventing excessive increases in internal costs, a high degree of fiscal flexibility is created.

The revised procurement procedures made it possible for NLF to hire high quality consultants at competitive rates.

Permanent education

NLF is a knowledge intensive organisation. The board and the team are therefore working on education and training. On the one hand, a budget is available for individual training. On the other, there is a collective programme of permanent education. For instance, the board and team completed a joint training session on functioning as a high performance team. In addition, various knowledge sessions were organised jointly for the board and the team. In 2015, a session was also organised on compliance with the external compliance officer (for more information, see integrity risks below). Furthermore, workload allowed only limited use to be made of individual opportunities for education and training in 2015.

Self evaluation

The board, which took office in 2011, evaluates its own performance each year. The evaluation for 2014 took place with the assistance of an external advisor. The Ministry of Finance was involved as an

¹⁴ Report on the Annual Report 2012 of the Ministry of Finance (IXB). It noted that NLF's capacity to handle peak periods was too low, and capacity and specific knowledge needed to be hired. The Court of Audit then requested attention be devoted to ensure that NLF has the capacity and expertise to perform its task, this even after the expansion of the task requirement by the addition of SNS REAAL and Propertize.

important stakeholder. In this way, it acted in accordance with the best practice of the Dutch Corporate Governance Code for supervisory boards (provision III.1.7).

Because the board of NLF I were appointed in 2011 for a period of four years, a process of evaluation was carried out in 2015 with the Ministry of Finance, which looked back at the functioning of the board during the period since 2011. In this connection, all board members were individually subjected to an evaluation meeting with the Ministry of Finance. In addition, the chairman evaluated the collective functioning of the board along with the Ministry of Finance. The client model used in 2014, which maintains the collegial decision-making process as it has evolved, was also used in 2015. Again in 2015, inspiration was drawn in this regard from the concept of high-performance teams. In this way, the reciprocal expectations between the team and the board were clarified. The IPO of ABN AMRO took place in 2015. This involved the first step in the privatisation of a holding by NLF I. Work on this IPO was performed in close collaboration with the Ministry of Finance. This collaboration of the board and the team with the Ministry constitutes an element of an evaluation that will be carried out in 2016.

Board members and employees

NLF I has three board members, appointed by the Minister of Finance. They receive remuneration based on a contract for services that is concluded with them (Board member agreement).

In early 2015, NLF I had seven employees with employment contracts under private law, including the executive managing director (but excluding board members). One other employee was seconded part time from the Ministry of Finance. At the end of 2015, NLF I had ten employees working under employment contracts subject to private law. The contracts with two of these employees have been terminated¹⁵. One other employee was seconded part time from the Ministry of Finance.

Remuneration of senior officialsThe Senior Public and Semi-Public Official Income (standardisation) Act [Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (Wnt)] came into force on 1 January 2013. The following account has been prepared using the general Wnt maximum that applies to NLF I¹⁶. In 2015, the maximum general remuneration was EUR 178,000. NLF I did not have any employees in 2015 whose total remuneration paid by NLF I exceeded (a time-related portion of) the stipulated maximum remuneration. The indicated Wnt maximum for an individual is calculated in proportion to the extent of the employment, whereby the extent of employment used in the calculation can never exceed 1.0 FTE. NLF I has no supervisory board or board of supervisory directors.

Amounts x € 1	M. Enthoven (attorney at law)	L.Y. Gonçalves - Ho Kang You (attorney at law)	jhr drs D. Laman Trip	drs. R. Bröcheler
Position(s)	Chairman	Board member / vice-chairperson	Board member / vice-chairperson	Executive Managing Director
Term of employment in 2015	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12
Extent of employment (in FTE) ¹⁷	0.44	0.33	0.33	1.11
Former senior official?	no	no	no	no
Real or fictitious employment? ¹⁸	yes	yes	yes	yes
Individual WNT maximum	79,111	59,333	59,333	178,000
Remuneration				

¹⁵ Respectively, as from 31 December 2015 and 29 February 2016.

¹⁶ NLF I is a private foundation under the law of the Netherlands (stichting) for which the Minister of Finance appoints board members. At NLF I, board members and the managing director are senior officials (topfunctionaris) in the meaning of the Wnt. Board members form the highest executive body of the foundation and the managing director is the highest subordinate to that body and is, furthermore, charged with day-to-day management.

¹⁷ The normal work week at NLF I comprises 36 hours.

¹⁸ In the meaning of the Wnt.

Remuneration	60,000	45,000	45,000	147,972 ¹⁹
Taxable reimbursement of expenses	0	0	2,104 ²⁰	2,510 ²¹
Remuneration payable by instalment	0	0	0	15,974 ²²
Sub-total	60,000	45,000	45,000	166,456
Undue payment (not reclaimed)				2,668
Total remuneration	60,000	45,000	47,104	166,456
Data for 2014				
Term of employment in 2014	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12
Term of employment in 2014	0.44 ²³	0.33	0.33	1.09
Remuneration for 2014				
Remuneration	60,000	45,000	45,000	142,869 ²⁴
Taxable reimbursement of expenses	0	0	2,472	2,110
Remuneration payable by instalment	0	0	0	23,509
Sub-total				168,488
Undue payment (not reclaimed)				12,596
Total remuneration for 2014	60,000	45,000	47,472	168,488
Individual Wnt maximum for 2014	115,237	76,825	76,835	230,474

In 2015, no payments were made to senior officials due to the severance of any employment position.

Corrective measures for account under Wnt 2014

The Wnt account 2014 has been adjusted compared to the Wnt account in the annual accounts 2014. The total remuneration of the Executive Managing Director in the comparable figures for 2014 has been adjusted from € 158,907 to € 168,488 and for a Board member / Vice Chairperson from € 47,525 to € 47,472. In the annual accounts 2014 the Wnt accounting took place based on the so-called profit and loss procedure, in which income and costs are allocated to the year to which they pertain. In the above accounting, however, the same principle has been applied as in the year in which the item concerned was processed in the salary administration.²⁵ This amendment has not resulted in a breach of the applicable remuneration standard.

¹⁹ Including a variable remuneration paid out in February 2015, included in the annual accounts 2014;

²⁰ This relates to the taxable part of the kilometre allowance.

²¹ This involves a taxable allowance for expenses fixed at € 150 a month and the taxable portion of the kilometre allowance.

²² This involves the pension contributions paid to ABP by the employer, as well as a contribution to survivors' insurance.

²³ The annual accounts 2014 wrongly stated 0.5.

²⁴ Including a variable remuneration paid out in February 2014, included in the annual accounts 2014;

²⁵ This is in accordance with paragraph 2.3 of the Explanatory Note to the Wnt Implementing Regulations, Government Gazette 2015, no. 36.379, dated 18 December 2014.

Variable remuneration

In the Wnt accounting over 2014 and 2015 the variable remunerations are included that were paid out in 2014 and 2015, respectively, to the Executive Managing Director. Over the years 2013 and 2014 this concerns established variable remunerations allocated based on the terms of employment in place at NLFI since 2011. The allocated amounts were included in the adopted and approved annual accounts over 2013 and 2014. These variable remunerations did not result in an overrun of the applicable maximum amounts of remuneration in those years. Variable remuneration which was paid out and which does not fall under the right of transfer that was in applicable up until the end of 2016²⁶, is not in line with the Wnt. It is not relevant - as in this case - that remuneration took place in line with the terms of employment that had been place since before the entry into force of the Wnt. The amounts in question are designated in the report as "undue payment"²⁷. The Board of NLFI and the Executive Managing Director have agreed that the senior official concerned is not eligible for variable remuneration for 2015 and 2016. The variable remuneration paid out in 2015 and 2016 has not been reclaimed. This has been done partly based on the letter from the Minister of the Interior and Kingdom Relations to the Upper House of the States General of 15 December 2015,²⁸ the Explanatory Note to the draft legislative proposal to expand the personnel scope of the Wnt ²⁹ and the fact that the allocated variable remuneration did not result in an overrun of the applicable maximum amount of remuneration for the senior official concerned. Both the NLFI and the auditor will report this to the Minister of the Interior and Kingdom Relations.

There were additionally no other officials at any other level who received a salary above the individual Wnt maximum in 2015. No severance payments were made to other officials in 2015 that need to be reported under the Wnt or that, in previous years, had to be reported under the Executives' Pay Financed from Public Funds (Disclosure) Act (Wet openbaarmaking uit publieke middelen gefinancierde topinkomens) or the Wnt.

3.4. Organisation

In early 2015, NLFI had ten employees with employment contracts under private law, including the Executive Managing Director (but excluding board members). One other employee was seconded part time from the Ministry of Finance. At the end of 2015, NLFI had eleven employees with employment contracts under private law; the contracts have been terminated with two of these employees³⁰. One other employee was seconded part time from the Ministry of Finance. NLFI completed transactions with various external service providers and suppliers in 2015. This mostly involved legal, financial, administrative, accounting, communication and IT services. At the end of 2015, NLFI entered into contracts with a number of financial consultants and legal advisors for consultation services in 2016 regarding the possible transactions involving share holdings under NLFI management.

3.5 Risk reporting

NLFI launched a system of in-control statements (ICS) in 2015, as reported above in the section headed *Legality and in-control statement*.

An ICS can be used to provide insight into the risks facing NLFI. It contributes to risk management and fits into the trend of auditing a board within an organisation. It also reflects the additional requirements placed on risk reporting in the management report of large and medium-sized companies as from financial year 2015.³¹.

²⁶ Section 7.3 subsection seven Wnt applies to variable remuneration agreed on prior to the entry into force of the Wnt.

²⁷ Section 1.6 subsection three Wnt.

²⁸ Parliamentary Papers (Kamerstukken) I 2015/16, no. 32 600.

²⁹ In the Explanatory Note to that draft the Minister states: "A legal ban on ... variable remuneration ... applies to senior officials. ... Following an evaluation of the Wnt act the government intends to abolish this ban in so far as the paid out variable remuneration does not exceed the stated maximum remuneration amount."

³⁰ Respectively, as from 31 December 2015 and 29 February 2016.

³¹ The risk reporting section in the management report has its basis in law (§ 2:391 BW), which makes it necessary for the legally required management report to include a description of the main risks and uncertainties that the legal entity faces.

An ICS is based on an internal risk management and control system. Its purpose is to increase the transparency and consensus about risk assessment, management and monitoring. In addition to achieving objectives, management can be conducted in order to prevent or control the risks of an organisation. With a view to implementing such a system at NLFI, an organisation-wide risk assessment was performed in 2015 and an inventory made of ten identified risk areas³². The inventory contains a description for each area of identified risk that might pose a threat to the achievement of objectives by NLFI. Implemented and possible control procedures are also inventoried with respect to the risks involved. These control procedures are intended to render the respective risks reasonably manageable.

A limited in-control statement was designed for 2015, considering that the scheme was launched in 2015. The intention is to give the in-control statement a fuller form, starting in 2016. In 2015, six areas of risk were given priority. They were: dependence, investment monitoring, leadership, staffing, accountability and process management.

The other areas of risk are: stakeholder relations, information security, compliance and outsourcing. The internal analysis of 2015 identified a number of residual risks to which extra attention will be paid in 2016. These relate to: (a) completeness and accessibility of decision-making records on issued advisory reports (b) sufficient records of meetings, (c) a professional feedback system for employees, (d) exchange of staff on various assignments, (e) a complete and easy to consult record-keeping system and (f) assurance of the integrity of automated data processing (based on an EDP audit to be performed). These risk areas will be given extra attention by the board and management in 2016 with a view to establishing and implementing adequate control procedures.

3.6 Outlook for 2016

In 2016, detailed preparation work will be performed with regard to a number of sales transactions. It is therefore foreseeable that the work load will remain high. An effort will also be made in 2016 to improve the record-keeping system. Partly due to the finite lifespan of NLFI, a system of personal development plans for employees was launched in 2016 in order to help employees orient their careers after NLFI. In the meantime, the employment contracts of some employees have been terminated at their request. At present, the resulting vacancies have been partly absorbed by existing personnel, by contracting external capacity and by hiring a temporary employee from an employment agency. In this way, NLFI is able to maintain the flexibility that is considered necessary due to the expected dissolution of NLFI after the sale of various shareholdings.

4. Corporate Governance

NLFI endorses the importance of the Netherlands Corporate Governance Code. This Code applies to large companies with registered offices in the Netherlands whose shares or share certificates are admitted to the stock exchange (hereinafter: listed companies³³). NLFI has been holding shares in a listed company since the IPO of ABN AMRO on 20 November 2015. In view of the letter from the Minister of Finance to the House of Representatives dated 27 November 2015 and its discussion in the House, NLFI will, in the future, hold shares in a second listed company.

NLFI has previously decided to comply with the principles and best practices of the Netherlands Corporate Governance Code. For this purpose, the following table indicates how NLFI as a trust office and shareholder complies with the relevant principles and best practices in following the principle of "apply or explain".

An appendix to the annual report indicates the extent to which the powers at ABN AMRO, a.s.r., SRH (formerly SNS REAAL), Propertize and SNS Holding constitute the rights of the shareholder as indicated in the Eumedion Corporate Governance Handbook and the extent to which NLFI has exercised these powers in 2015.

For the sake of completeness, it should be noted that the table below relates to shares of the various

³² I.e. leadership, accountability, staffing, process management, outsourcing, stakeholder relations, investment monitoring, dependence, information security, and compliance.

³³ More specifically, it applies to entities permitted to trade on a regulated market or comparable system. The Code also applies to large companies with registered offices in the Netherlands (with balance-sheet value > € 500 million) whose shares or share certificates are admitted to trading on a multilateral trading facility or a comparable system (including listed companies).

holdings for which NLFII issued certificates to the Dutch State, not the share certificates issued by the Stichting Administratiekantoor Continuïteit ABN AMRO Group NV.

Netherlands Corporate Governance Code	Compliance by NLFII (implementation or explanation)
Principles IV.2 Depositary receipts for shares	
Certification of shares is a means of preventing a (chance) majority of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting.	At NLFII, share certification is a means of preventing a (chance) majority of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting. Certification is based on the NLFII Act and ensures a transparent separation of interests, a credible exit strategy and non-political governance. ³⁴ .
Certification of shares may not be used as an anti-takeover measure.	The principle does not apply to NLFII.
The trust office Board will issue proxies in all circumstances and without limitation to the certificate holders who so request. The certificate holders thus authorised can exercise voting rights at their discretion.	In view of the reasons that NLFII exists (including the need to provide a transparent separation of interests and a commercial, non-political governance), the terms and conditions of NLFII's administration do not enable the certificate holder to ask for voting rights. The NLFII Act does state that the Minister of Finance can issue a binding voting instruction with regard to substantial or fundamental decisions.
The trust office board enjoys the confidence of certificate holders.	This principle has been complied with.
Certificate holders may recommend candidates for appointment to the trust office Board.	The Minister of Finance appoints, suspends and dismisses board members.
The company may not disclose to the trust office information which has not been made public.	Given the background of the financial interventions by the State that led to the establishment of NLFII as well as the position of NLFII, this provision has not been complied with.
Best practice provisions trust office	
IV.2.1 The trust office board enjoys the confidence of certificate holders and operates independently of the company that issued the certificates. The trust conditions shall specify in what cases and subject to what conditions certificate holders may request the trust office to call a meeting of certificate holders.	The establishment of NLFII was intended to create a larger distance between the State and the companies (see Parliamentary Papers [Kamerstukken] II 2008/9 31 965 no. 7). Given the desired distance, it is not possible to grant voting rights to the certificate holder. The NLFII Act does state that the Minister of Finance can issue a binding voting instruction with regard to substantial or fundamental decisions. The Minister can also instruct NLFII if it is necessary for the State's compliance with international obligations or a consequence of recommendations from the Netherlands Court of Audit (Algemene Rekenkamer).
IV.2.2 Trust office board members shall be appointed by the trust office Board. The meeting of certificate holders may recommend persons to the trust office board for appointment as officers. No current or former directors, current or former management or	In derogation of provision IV. 2.2, the Minister of Finance appoints, suspends and dismisses the members of the NLFII Board. Before proceeding to appoint a board member, the Minister of Finance will give the board the opportunity to recommend a person for

³⁴ Trust Office Foundation for the Management of Financial Institutions Act (Wet stichting administratiekantoor beheer financiële instellingen).

<p>supervisory board members, employees or permanent advisers of any company [whose shares are held in trust] may be part of the trust office board.</p>	<p>appointment to the board. The NLFİ articles of association state that NLFİ board members may not be:</p> <ul style="list-style-type: none"> - members of the management or supervisory boards at another financial institution or one of their subsidiaries; - employees and regular advisers of the companies (as defined in the NLFİ Act) or their subsidiaries. <p>There is no indication of whether the same applies to former management and supervisory board members. This relates to the circumstance that NLFİ holds shares in various financial companies. Not to limit the group of potential NLFİ board members too drastically, former directors and/or management and supervisory board members of the holdings shall not be excluded from membership on the NLFİ board.</p>
<p>IV.2.3 A board member may be appointed to the trust office board for a maximum of three 4-year terms.</p>	<p>This provision is complied with.</p>
<p>IV.2.4 The trust office Board shall attend the general meeting and, if desired, make a statement about its voting practices.</p>	<p>This provision is complied with.</p>
<p>IV.2.5 In exercising its voting rights, the trust office shall be guided primarily by the interests of certificate holders, taking the interests of the company and its affiliated undertakings into account.</p>	<p>The NLFİ articles of association state that, in exercising rights associated with the shares, NLFİ shall primarily focus on the financial and economic interests of the certificate holder, while taking into consideration the interests of the company, its related companies and the employees that are thus involved. This consequently entails the provision in its articles of association requiring NLFİ to ensure that the companies pursue a responsible corporate strategy in line with sound commercial business practices and the applicable rules of good corporate governance. The articles of association further state that NLFİ shall exercise the rights associated with the shares in such a manner that the holdings can independently determine their commercial strategies and undertake daily operations without there being any question of coordination of commercial policy among the holdings and no exchange of competition-sensitive information occurs.</p>
<p>IV.2.6 The trust office shall report periodically, but at least once a year, on its activities. The report shall be posted on the company's website.</p>	<p>In derogation of provision IV.2.6, the annual report of NLFİ shall not be published on company websites because the annual report does not pertain to any single company. The annual report will, in fact, be published on the website www.nlfi.nl.</p>
<p>IV.2.7 The report referred to in best practice provision IV.2.6 shall, in any event, set out:</p> <ul style="list-style-type: none"> a) the number of shares for which certificates have been issued and an explanation of any changes in this number; b) the work carried out in the year under 	<p>This provision is complied with.</p>

<p>review;</p> <p>c) the voting behaviour in the general meetings held in the year under review;</p> <p>d) the percentage of votes represented by the trust office during the meetings referred to at c);</p> <p>e) the remuneration of trust office board members;</p> <p>f) the number of board meetings and the main items dealt with in them;</p> <p>g) the costs of the activities of the trust office;</p> <p>h) any external advice obtained by the trust office;</p> <p>i) the positions of the managers of the trust office; and</p> <p>j) the contact details of the trust office.</p>	
<p>IV.2.8 The trust office shall, without limitation and in all circumstances, issue proxies to certificate holders who so request. Each certificate holder may also issue binding voting instructions to the trust office.</p>	<p>As stated in provision IV 2.1, there is no provision for the granting of proxies. The NLF I Act does state that the Minister of Finance can issue a binding voting instruction with regard to substantial or fundamental decisions.</p>
<p>Principles IV.4 Responsibility of shareholders</p>	
<p>Shareholders shall act in relation to the company, the organs of the company and their fellow shareholders in keeping with the principle of reasonableness and fairness. This includes the willingness to engage in a dialogue with the company and their fellow shareholders.</p>	<p>This principle has been complied with.</p>
<p>Best practice provisions shareholders</p>	
<p>IV.4.4 A shareholder shall exercise the right of putting an item on the agenda only after consulting the management board about this. If one or more shareholders intends to request an item be put on the agenda that may result in a change in the company's strategy, for example through the dismissal of one or more management or supervisory board members, the board shall be granted the opportunity to stipulate a reasonable period in which to respond (the response time). This shall also apply to any above-mentioned intention involving the legal right to call a general meeting pursuant to Section 2:110 of the of the Netherlands Civil Code (Burgerlijk Wetboek, hereafter BW). The shareholder shall respect the response time stipulated by the Board within the meaning of best practice provision II.1.9.</p>	<p>In the event that NLF I wishes to make use of the right to agenda items, NLF I will first consult with the company's management board. The response that we will take into account is consistent with the statutory period of 60 days (§ 2:114a BW) and not 180 days as required by the Code. NLF I feels that, within the existing relations, the 60-day period is sufficient. NLF I wants to avoid any use of the 180-day period to obstruct the scheduling process unnecessarily. Should NLF I have an item placed on the agenda of a general meeting, NLF I will also explain this issue during the meeting and answer any questions that might be asked.</p>
<p>IV.4.5 A shareholder shall vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgement on the voting policy of this adviser and the voting advice provided by him.</p>	<p>NLF I does not make any use of vote counselling. Each voting decision will be taken after study of the relevant documents and internal consultation. If fundamental and weighty decisions are involved, coordination with the Ministry of Finance will be sought. The NLF I Act states that the Minister of Finance can issue a binding voting instruction with regard to fundamental or significant decisions. The Minister can also instruct NLF I if it is necessary for the State's compliance with</p>

	international obligations or a consequence of recommendations from the Netherlands Court of Audit (Algemene Rekenkamer).
IV.4.6 If a shareholder has arranged for an item to be put on the agenda, he shall explain this at the meeting and, if necessary, answer questions about it.	This provision is complied with.

NLFI is an investor with a legally prescribed task but not an institutional investor in the strictest sense. Nevertheless, NLFI complies with the principle applying to institutional investors that states: "Institutional investors shall act primarily in the interests of the ultimate beneficiaries or investors and have a responsibility to the ultimate beneficiaries or investors and the companies in which they invest, to decide, in a careful and transparent way, whether they wish to exercise their rights as shareholder of listed companies."

Best practices	Compliance by NLFI
IV 4.1 Institutional investors (pension funds, insurers, investment institutions and asset managers) shall publish annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.	This provision has not yet been complied with. NLFI intends to comply with this provision in the future.
IV.4.2 Institutional investors shall report annually, on their website and/or in their annual report, on how they have implemented their policy on the exercise of the voting rights in the year under review.	This provision is complied with.
IV.4.3 Institutional investors shall report at least once a quarter, on their website, on whether and, if so, how they have voted as shareholders at the general meeting.	This provision is complied with. The reports on the voting behaviour for the first half and the third and fourth quarters of 2015 have been published on the website of NLFI (www.nlfi.nl).

Due to its commitment to corporate governance, NLFI is a member of Eumedion, which regards itself as the forum for and source of corporate governance and sustainability. Eumedion has formulated a number of best practices for committed shareholdership. NLFI finds compliance with these practices to be appropriate. The manner of compliance is revealed in the following table.

Best practices	Compliance by NLFI
1. Eumedion participants monitor their Dutch investee companies.	This provision is complied with.
2. Eumedion participants have clear policies with regard to the exercise of their shareholders' rights, which may include entering into dialogue with Dutch investee companies and other engagement activities. They report at least once per year on the implementation of their policies.	NLFI has make further agreements with the various holdings about the implementation of shareholder powers. This has yielded a structured framework for the implementation of shareholder powers. A relationship agreement concluded with ABN AMRO has been published on the NLFI website. This annual report shall indicate voting behaviour during shareholder meetings and will indicate the objective for 2015.
3. Eumedion participants have clear policies for dealing with situations in which it does not prove possible to convince the board of the Dutch investee company of their stances and differences of opinion between the board of the investee company in question and the	Should any such case arise, NLFI may undertake one or more of the following actions:- send a letter explaining the concerns; - convene additional meetings with the management and/or supervisory board specifically to discuss the concerns;

shareholders remain unsolved.	<ul style="list-style-type: none"> - discuss the issue with other stakeholders, in particular the certificate holder; - raise the issue at a shareholder meeting; - request a certain item be placed on the agenda of a regular general meeting of shareholders or convene a extraordinary general meeting of shareholders; - following approval by the Minister of Finance taking principal and/or significant decisions in a shareholder meeting.
4. Eumedion participants are willing to deal collectively with other Eumedion participants and other investors where appropriate.	This provision is complied with to the extent relevant to NLFI.
5. Institutional investors may have other business relations with Dutch investee companies apart from the shareholder relationship alone. Eumedion participants take steps to mitigate conflicts of interest arising from these different roles. Eumedion participants have clear and robust procedures in place for the action to be taken in the event that divergent or conflicting interests arise. The procedures are publicly disclosed. Material conflicts of interest will be disclosed to the institutional clients affected.	Decisions involving conflicts of interest of material significance for NLFI, the company or an NLFI Board member shall be submitted for the prior approval of the Minister of Finance.
6. Eumedion participants have a clear policy on voting and publicly disclose this policy. Eumedion participants shall report at least once per year on the implementation of their voting policy.	NLFI has not published any voting policy. NLFI provides quarterly reporting on the implementation of the voting policy.
7. Eumedion participants cast informed votes ⁵ on all the shares they hold in Dutch companies at the general meeting of these investee companies. In the event that the Eumedion participant casts a withhold or against vote on a management proposal, the Eumedion participant will explain the reasons for this voting behaviour to the company management, either voluntarily or on the request of the company in question.	This provision is complied with.
8. Eumedion participants publicly disclose at least once in a quarter how they voted the shares in Dutch investee companies.	This provision is complied with. The reports on the voting behaviour for the first half and the third and fourth quarters of 2015 have been published on the website of NLFI (www.nlfi.nl).
Eumedion participants take account of factors in the area of the environmental, social policy and governance in their policy relating to the exercise of shareholder rights. This policy covers the entry into dialogue with Dutch listed companies and other engagement activities.	This provision is complied with.
10. Eumedion participants do not borrow shares solely for the purpose of exercising voting rights on these shares. They consider recalling their lent shares before the voting registration date for the relevant general meeting of the relevant Dutch listed company, if the agenda for this general meeting contains one or more controversial subjects.	This provision is complied with. NLFI does not lend any shares, except for any stabilisation transactions in the context of an IPO.

5. Financial details NLFI

5.1. *Financial details for 2015*

NLFI is a non-profit foundation under the law of the Netherlands (stichting). The NLFI Act states that the Minister of Finance shall cover the costs that NLFI incurs for its legal tasks and objectives, as defined in the articles of association and the trust conditions. This guarantees the financial continuity of NLFI.

Future differences between the realised profits and realised losses from the activities of NLFI may be credited to or debited from this equalisation reserve. In accordance with the articles of association of NLFI the equalisation reserve in principle does not exceed five million euros.³⁵.

NLFI holds the investments for the State and provides the State with certificates. NLFI does not therefore have any financial or economic interest in the holdings. In view of the regulations in the articles of association of the holdings and the legal authorities of the Minister of Finance regarding substantial and fundamental decisions, NLFI does not possess any preponderant control over the held companies that might be construed as consolidation. The above-mentioned financial data related therefore to the financial data of NLFI as an independent legal entity.

³⁵ Or much more or less as the board of NLFI and the Minister of Finance mutually agree in writing.

**Abbreviated financial statements:
Balance sheet as at 31 December 2015**

(Balance sheet after profit appropriation)

	<i>31-12-2015</i>		<i>31-12-2014</i>	
	€	€	€	€
ASSETS				
Fixed assets				
Property, plant, and equipment				
Renovations and inventories	158,415		233,813	
IT	<u>57,352</u>		<u>58,886</u>	
		215,767		287,699
Current assets				
Inventories				
Printed matter inventory		2,000		2,000
Amounts receivable				
Other payables and prepayments				
ASSETS		357,127		72,545
Cash resources		17,920,445		17,424,309
 Total		 <u><u>18,495,339</u></u>		 <u><u>17,786,553</u></u>

	<u>31-12-2015</u>		<u>31-12-2014</u>	
	€	€	€	€
LIABILITIES				
Equity				
Equalisation reserve		5,000,000		5,000,000
Current liabilities				
Liabilities to suppliers	1,514,570		1,930,146	
Taxes and social insurance contributions	67,492		53,988	
Other liabilities, accruals and deferred income	6,065,036		612,321	
Repayment to the State (Ministry of Finance)	<u>5,848,241</u>		<u>10,190,098</u>	
		13,495,339		12,786,553
Total		<u>18,495,339</u>		<u>17,786,553</u>

**Abbreviated financial statements:
Statement of income and expenses in 2015**

INCOME	<i>result 2015 €</i>	<i>budget 2015 €</i>	<i>result 2014 €</i>
Income	<u>17,650,000</u>	<u>17,650,000</u>	<u>17,100,000</u>
Total income	<u>17,650,000</u>	<u>17,650,000</u>	<u>17,100,000</u>
EXPENSES			
Board	181,756	215,000	198,046
Employees	1,566,255	1,945,000	1,353,642
Accommodation	231,333	197,000	161,761
Office expenses	207,783	305,000	159,560
Other costs	134,446	108,000	124,184
Consultation costs	<u>9,503,002</u>	<u>14,880,000</u>	<u>3,920,689</u>
Total expenses	<u>11,824,575</u>	<u>17,650,000</u>	<u>5,917,882</u>
Interest	<u>22,816</u>	-	<u>135,273</u>
Financial income	<u>22,816</u>	-	<u>135,273</u>
Result	5,848,241	-	11,317,391
Profit/loss appropriation for equalisation reserve	1,127,293		
Repayment to the State (Ministry of Finance)	<u>-5,848,241</u>	-	<u>-10,190,098</u>
Result after appropriation	<u>-</u>	-	<u>-</u>

Investment expenses

In 2015, investment in IT amounted to EUR 32,313.

5.2. Budget 2016

The NLFİ Board prepared the budget for 2016 in November 2015. This budget was approved by the Minister of Finance in December 2015. Of the EUR 15 million in estimated expenses calculated according to the income and expenses system, an amount of EUR 10 million was received at the beginning of January. The remainder will be deducted from the amount NLFİ will repay to the Ministry on the basis of the adopted financial statements for 2015.

Abbreviated budget of income and expenses in 2016

INCOME	<i>budget</i>	<i>budget</i>
	<i>2016</i>	<i>2015</i>
	€	€
Income	<u>15,000,000</u>	<u>17,650,000</u>
Total income	<u>15,000,000</u>	<u>17,650,000</u>
EXPENSES		
Board	215,000	215,000
Employees	2,166,000	1,945,000
Accommodation	267,000	197,000
Office expenses	277,000	305,000
Other costs	175,000	108,000
Consultation costs	<u>11,900,000</u>	<u>14,880,000</u>
Total expenses	<u>15,000,000</u>	<u>17,650,000</u>
Interest	_____ -	_____ -
Financial income	===== -	===== -

The expenditures of NLFİ are, for the most part, charged by the Ministry of Finance to the holdings involved based on the Ministerial Order on Costs.

Independent auditor's report

To: the board of Stichting Administratiekantoor beheer financiële instellingen (NLFI)

The accompanying abbreviated financial statements, which comprise the abbreviated balance sheet as at 31 December 2015, the abbreviated statement of income and expenses and the abbreviated budget of income and expenses of the year 2016, are derived from the audited financial statements of Stichting Administratiekantoor beheer financiële instellingen for the year ended 31 December 2015. We expressed an unqualified audit opinion on those financial statements in our report dated 14 April 2016.

The abbreviated financial statements do not contain all the disclosures required by the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board. Reading the abbreviated financial statements, therefore, is not a substitute for reading the audited financial statements of Stichting Administratiekantoor beheer financiële instellingen.

Board's responsibility

The board is responsible for the preparation of the abbreviated version of the audited financial statements on the bases described in the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the abbreviated financial statements based on our procedures, which were conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the abbreviated financial statements derived from the audited financial statements of Stichting Administratiekantoor beheer financiële instellingen for the year ended 31 December 2015 are consistent, in all material respects, with those financial statements, in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

The Hague, 14 April 2016

Ernst & Young Accountants LLP

signed by M.E. van Kimmenade

Appendix to the annual report Shareholder authorities and their use by NLF1

		ABN AMRO		a.s.r.		SRH (SNS REAAL)		Propertize		SNS Holding	
Authority (au) and use in 2015 (use)		au	use	au	use	au	use	au	use	au	use
<i>Appointment and dismissal of members of the management and supervisory boards</i>											
1	a) appointment, suspension and dismissal of members of the management board, in which context it should be noted that management board members of a statutory two-tier company are appointed by the supervisory board (§ 2:134 Civil Code (Netherlands); see §§ 2:162 and 2:164a BW);	yes ³⁶	yes	yes	yes	yes	yes	yes	no	yes	yes
2	b) appointment, suspension and dismissal of members of the supervisory board, whereby it should be noted that the general meeting of statutory two-tier companies only has the option of collective dismissal of the members of the supervisory board (§§ 2:142, 158.4, 144, 161a, 164a BW).	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<i>Accountability of (financial) policy and supervision</i>											
3	c) request of relevant information (§ § 2:107 BW);	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
4	d) discharge of management and supervisory board members (§ 2:101.3 BW);	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
5	e) adoption of the annual report (§ 2:101.3 BW);	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
6	f) appropriation of the profit and declaration of the dividend (§ 2:105 in conjunction with § 2:101.6 BW; best practice provision IV.1.5 of the Dutch Corporate Governance Code);	yes ³⁷	yes	yes	yes	yes	yes	yes	yes	yes	no
7	g) contracting of the statutory auditor, unless stipulated otherwise (§ 2:393.2 BW).	yes	yes	yes	no	yes	no	yes	no	yes	yes
<i>Remuneration</i>											
8	h) adoption of the remuneration policy for the Board (§ 2:135.1 Civil Code);	yes	no	yes	no	yes	yes	yes	no	yes	yes
		ABN AMRO		a.s.r.		SRH). (SNS REAAL).		Propertize		SNS Holding	
Authority (au) and use in 2015 (use)		au	use	au	use	au	use	au	use	au	use

³⁶ The articles of association of ABN AMRO Group NV were amended on 24 November 2015. As from that moment § 2:164a BW) no longer applies to ABN AMRO Group NV (relating to a full structure regime), instead, the general rule on appointments to the supervisory board, etc. becomes applicable (§ 2:162 BW).

³⁷ The articles of association of ABN AMRO Group NV were amended on 24 November 2015. As from that moment, distributions on shares will not occur in cash but in the form of shares, or shareholders may be given the option of receiving payment in cash and/or in the form of shares.

9	i) adoption of the remuneration for the supervisory board (§ 2:145 BW);	yes	no	yes	no	yes	no	yes	yes	yes	yes
10	j) approval of share schemes and option schemes (§ 2:135.3 BW).	yes	no	yes	no	yes	no	yes	no	yes	no
<i>Internal structure</i>											
11	k) amendment to the articles of association (§ 2:121 BW);	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
12	l) resolution on a proposal by the Board to continue or discontinue the two-tier board system after the company no longer meets the legal criteria for application of the two-tier system (§ 2:154.4 BW);	yes	no	yes	no	yes	no	yes	no	yes	no
13	m) conversion (Section 2:18 in conjunction with 2:71 Civil Code);	yes	no	yes	no	yes	no	yes	no	yes	no
14	n) legal merger (Section 2:317 in conjunction with 2:330 and 2:331 Civil Code);	yes	no	yes	no	yes	yes	yes	no	yes	no
15	o) split-off (§ 2:334 BW);	yes	no	yes	no	yes	no	yes	no	yes	no
16	p) designation of a representative in the event of conflicting interests (§§ 2:129.6 and 2:140.5 BW);	no	no	yes	no	yes	no	yes	no	yes	no
17	q) issue of shares or delegation of this power to another organ (§ 2:96 BW);	yes	yes	yes	no	yes	no	yes	no	yes	no
18	r) exclusion of the pre-emption right in the event of the issue of shares, or delegation of this power to another organ (§ 2:96a BW);	yes	yes	yes	no	yes	no	yes	no	yes	no
19	s) purchase of own shares, or delegation of this power to another organ (§ 2:98 BW);	yes	yes	yes	no	yes	no	yes	no	yes	no
20	t) reduction of capital (withdrawal of shares) (§§ 2:99 and 2:100 BW);	yes	no	yes	no	yes	no	yes	no	yes	no
21	u) instructions to file for bankruptcy (2:136 Civil Code).	no	no	no	no	no	no	no	no	yes	no
<i>Public offer and other decisions on a major change in the identity or character of the company</i>											
22	v) approval of management board decisions concerning a significant change in the identity or character of the enterprise or company (§ 2:107a BW);	yes	no	yes	no	yes	no	yes	no	yes	no
		ABN AMRO		a.s.r.		SRH (SNS REAAL)		Propertize		SNS Holding	
Authority (au) and use in 2015 (use)		au	use	au	use	au	use	au	use	au	use
23	w) discussion of a public bid for the shares of the company (§ 18.1 Decree on Takeover Bids Financial Supervision Act [Besluit openbare biedingen Wft]);	yes	no	yes	no	yes	no	yes	no	yes	no

24	x) the exemption of a shareholder or group of shareholders acting in concert from the obligation to make a public bid for the shares ² (Section 2 of the Netherlands Exemptions Decree Financial Supervision Act [Vrijstellingsbesluit overnamebiedingen Wft]).	yes	no	yes	no	yes	no	yes	no	yes	no
<i>Logistics</i>											
25	y) designation of the official language of the annual report and the financial statements (§§ 2:391.1 and 2:362.7 BW);	yes	yes	yes	no	yes	no	yes	yes	yes	no
26	z) distribution of information to shareholders by way of electronic means of communication (Section 5:25k of the Netherlands Financial Supervision Act [Wft]).	yes	yes	yes	no	yes	no	yes	no	yes	no
<p><i>In addition to the above legal rights, the Netherlands Corporate Governance Code contains a number of rights for the general meeting. Dutch listed companies are not required to grant these rights to the general meeting of shareholders. If said rights are not granted, the decision not to grant them must be explained. The following rights are involved:</i></p>											
27	a) discussion of the policy on reserves and dividends, in particular the amount and purpose of the reserve and the amount and type of the dividend (best practice provision IV.1.4 of the Netherlands Corporate Governance Code);	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
28	b) discussion of each substantial change in the corporate governance structure of the company and of compliance with the Netherlands Corporate Governance Code (best practice provision I.2 of the Netherlands Corporate Governance Code).	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

		ABN AMRO		a.s.r.		SRH (SNS REAAL)		Propertize		SNS Holding	
Authority (au) and use in 2015 (use)		au	use	au	use	au	use	au	use	au	use
<p><i>Besides the above-mentioned powers of the general meeting as an organ of a Dutch listed company, individual shareholders or groups of shareholders also have certain rights:</i></p>											
29	a) shareholders who singly or jointly represents at least 1% of the issued capital or who hold shares with a collective market value of at least € 50 million are entitled to put forward subjects to be dealt with at the general meeting. The articles of association may contain lower thresholds (§ 2:114a BW);	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
30	b) shareholders who individually or jointly represent at least 10% of the issued capital can, on their request, be authorised by a court to convene a general meeting. The articles of association may contain a lower threshold (Section 2:110 BW);	N/A	no	N/A	no	N/A	no	N/A	no	N/A	no
31	c) a shareholder who represents 95% of the issued capital is entitled to buy out the remaining shareholders (§§ 2:92 and 2:359c BW)	N/A	no	N/A	no	N/A	no	N/A	no	N/A	no
32	d) the right to offer the shares to the party which represents at least 95% of the issued capital as a result of a public bid (§ 2:359d BW);	N/A	no	N/A	no	N/A	no	N/A	no	N/A	no
33	e) the right to submit a request for indemnification if the shareholder has voted against a merger resolution, when the acquiring company is a company incorporated under the law of another member state of the European Union or the European Economic Area (§ 2:333h BW).	N/A	no	N/A	no	N/A	no	N/A	no	N/A	no
34	f) shareholders who individually or jointly represent a certain interest in a company can ask the Enterprise Section of the Amsterdam Court of Appeal to institute an inquiry into the running of a company.	yes	no	yes	no	yes	no	yes	no	yes	no
		ABN AMRO		a.s.r.		SRH (SNS REAAL)		Propertize		SNS Holding	
Authority (au) and use in 2015 (use)		au	use	au	use	au	use	au	use	au	use
35	g) every shareholder can demand of the Enterprise Section that the annual report be corrected (Section	yes	no	yes	no	yes	no	yes	no	yes	no

	2:447 in conjunction with § 2:448 BW);										
36	h) after publication of the notice for a general meeting of shareholders, a shareholder with an economic interest, either alone or together with others, of at least 1% of the issued capital or who holds shares with a market value of at least € 250,000 is, in the near future, enabled to distribute information to other investors who are identified by the issuer.	N/A	no	N/A	no	N/A	no	N/A	no	N/A	no