

# Summary

Stichting Pensioenfonds van de ABN AMRO Bank N.V.

## Key figures

(Amounts rounded to the nearest euro million)

	2018	2017	2016	2015	2014
<b>Number of insured</b>					
Members	17.169	18.151	19.171	19.791	20.423
Former members	55.063	54.286	53.264	52.108	52.553
Pensioners	26.854	26.612	26.053	25.627	24.609
<b>Total</b>	<b>99.086</b>	<b>99.049</b>	<b>98.488</b>	<b>97.526</b>	<b>97.585</b>
<b>Income</b>					
Contributions	349	381	354	327	1.066
Value transfers	26	6	14	11	27
<b>Total</b>	<b>375</b>	<b>387</b>	<b>368</b>	<b>338</b>	<b>1.093</b>
<b>Benefits paid</b>					
Pensions	584	559	532	510	492
Value transfers	12	4	4	7	7
<b>Totaal</b>	<b>596</b>	<b>563</b>	<b>536</b>	<b>517</b>	<b>499</b>
<b>Technical provisions</b>					
Members	4.701	4.909	5.575	5.311	5.165
Former members	7.176	6.654	6.525	6.001	5.758
Pensioners	8.989	8.737	8.532	8.032	7.630
<b>Total</b>	<b>20.866</b>	<b>20.299</b>	<b>20.632</b>	<b>19.344</b>	<b>18.553</b>
Discount rate technical provisions	<b>1,37%</b>	<b>1,48%</b>	<b>1,32%</b>	<b>1,69%</b>	<b>1,88%</b>
<b>Plan assets</b>					
Fixed income securities	20.228	18.670	16.898	15.504	14.524
Equities and property	6.607	7.973	8.963	7.689	7.558
Other assets	-298	-151	317	284	1.453
<b>Total</b>	<b>26.537</b>	<b>26.492</b>	<b>26.178</b>	<b>23.477</b>	<b>23.535</b>
Reserves	5.671	6.192	5.545	4.133	4.982
Minimal capital requirement	853	830	851	793	768
Funding shortfall	0	0	0	0	0
Required equity capital	2.813	2.966	4.126	3.931	2.656
Strategic required funding ratio	120%	120%	120%	120%	114%
Required funding ratio	114%	115%	118%	115%	112%
Reserve deficit	0	0	0	0	0
<b>Investment result</b>					
ABN AMRO Pension Fund	1,2%	2,0%	12,3%	0,7%	29,5%
Internal benchmark	1,3%	1,6%	11,0%	0,4%	27,5%
<b>Funding ratio</b>					
Economic	125%	128%	122%	117%	115%
Nominal	127%	130%	127%	121%	127%
DNB regulatory	129%	129%	121%	124%	
Real	103%	104%	99%	100%	91%
Indexation	1,5%	1,7%	0,6%	0,0%	1,4%
Consumer price index	1,5%	1,7%	0,6%	0,0%	1,4%
<b>Management costs</b>					
Pension management cost	175*	184*	161*	168*	170*
Asset management cost	0,11%	0,11%	0,11%	0,11%	0,12%

\* Amounts in euro's

## Highlights

### Introduction

This chapter sets out the key developments in 2018.

### Financial position

The pension fund's financial position deteriorated slightly in 2018. The decline in the yield curve caused the value of the technical provisions to increase. The return on the investment portfolio was slightly positive, which resulted in an increase in the pension fund's assets. The economic funding ratio decreased from 127.6% at year-end 2017 to 124.8% at year-end 2018. When calculating this funding ratio, the UFR method is left out of account for terms longer than 20 years. The nominal funding ratio decreased from 130.5% at year-end 2017 to 127.2% at year-end 2018. The policy funding ratio at year-end 2018 was 129.3%, roughly the same as at year-end 2017 (129.2%).

### Indexation decision

The pensions of existing and future pension beneficiaries were fully indexed on 1 April 2018. The pensions were increased by 1.5%. Prices rose by 1.5% from January 2017 to January 2018. The pension fund's financial position also offered scope for catch-up indexation of about 0.3% on average for the years 2011 and 2012. This eliminated the indexation backlog.

### Implementation of net pay pension plan

Since 1 January 2018, the pension fund has implemented the net pay pension plan in addition to the basic pension plan for the bank and several affiliated companies. Effective from that date, the net pension capital of the existing and deferred members accrued at ABN AMRO Pensioeninstelling N.V. (acting under the name ABN AMRO Pensions) was collectively transferred to the pension fund.

### Responsible investing

The pension fund pursues responsible investing based on environmental, social and governance (ESG) criteria. In 2017 it was decided to apply the ESG criteria to the developed and emerging market equity categories. The implementation of this decision was completed in June.

### Vacancy for Chairman of Executive Board

The departure of the Chairman of the Executive Board effective from 1 September 2018 resulted in a vacancy for this position. The vacancy has been filled internally on a temporary basis. At the end of March 2019, the selection procedure had not yet been completed.

### IORP II Directive

The IORP II Directive became effective on 13 January 2019. Based on this directive, the pension fund must have in place three key functions: the actuarial function, the risk management function and the internal audit function. At the end of 2018, the Board decided on the manner in which the three key functions are to be embedded within the organisation. This will take place, insofar as possible, in line with the pension fund's existing governance structure.

## Financial statements

### Balance Sheet as at 12-31-2018

(in euro 1,000)

Assets	2018	2017
Investments		
Property investments	19.939	89.223
Equities	6.587.121	7.883.867
Fixed income securities	18.318.914	17.092.309
Derivatives	1.909.026	1.577.803
Other investments	63.578	88.892
Total investments	26.898.579	26.732.094
Assigned policies	22.975	26.092
Receivables, prepayments and accrued income	31.096	50.075
Cash and cash equivalents	5.372	5.821
	<b>26.958.022</b>	<b>26.814.083</b>
Liabilities	2018	2017
General reserve	5.670.851	6.192.365
Technical provisions	20.866.432	20.299.449
Other liabilities, accruals and deferred income	420.739	322.269
	<b>26.958.022</b>	<b>26.814.083</b>

## Statement of income and expenditure for 2018

(in euro 1,000)

Income	2018	2017
Contributions	348.779	381.306
Direct investment result	729.322	635.562
Indirect investment result	-450.647	-132.596
Other income	2.862	3.091
	<b>630.316</b>	<b>887.362</b>
Expenditure	2018	2017
Pension payments	583.731	559.081
Costs not related to asset management	11.876	13.097
Pension accrual	210.313	240.987
Indexation	350.143	339.749
Addition of interest	-53.870	-45.670
Withdrawal for pension payment	-583.841	-558.117
Change of market interest	864.521	-271.480
Change on account of assigned policies	12.681	2.431
Change on account of change of mortality foundations	-232.238	-2.015
Other changes in technical provisions	-18.337	-38.860
Change in provision for pension liabilities at risk of pension fund	549.372	-332.975
Change in provision for pension liabilities for participants risk	17.611	-
Change in assigned policies as part of technical provisions	3.117	2.539
Balance of assigned pension rights	-13.880	-1.690
Other expenditures	3	57
	<b>1.151.829</b>	<b>240.109</b>
<b>Balance of income and expenditure</b>	<b>-521.514</b>	<b>647.252</b>
<b>Appropriation of the balance of income and expenditure</b>		
General reserve	-521.514	647.252
<b>Balance of income and expenditure</b>	<b>-521.514</b>	<b>647.252</b>