

Annual Report for 2022

Deposit Guarantee Fund

Amsterdam

DeNederlandscheBank

EUROSYSTEEM

Disclaimer

In the event of discrepancies or inconsistencies between the texts and tables set out in this document and those set out in the original financial statements prepared in Dutch and submitted to DNB, the latter will prevail.

Deposit Guarantee Fund

PO Box 98, 1000 AB Amsterdam

Westeinde 1, 1017 ZN Amsterdam

Chamber of Commerce registration: 65035321 0000

Contents

Foreword	4
Report of the Management Board	5
Signing of the Report of the Management Board	10
Financial statements	11
Balance sheet as at 31 December 2022 (following appropriation of the result)	11
Statement of income and expenditure for 2022	11
Statement of cash flows for 2022	12
Notes to the balance sheet as at 31 December 2022 and statement of income and expenditure for 2022	13
Appropriation of the result	18
Events after the balance sheet date	18
Signing of the financial statements	18
Other information	19
Independent auditor's report	19
Report on the financial statements as set out in the Annual Report	19
Our opinion	19
Description of responsibilities regarding the financial statements	20

Foreword

This Annual Report describes the activities performed by the Deposit Guarantee Fund (DGF) and the developments that affected it in 2022. It also looks ahead to the coming year. It contains the management report and financial statements, which are submitted to De Nederlandsche Bank (DNB) before 15 March 2023.¹

¹ Pursuant to Section 29.10(3) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Wft (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft – Bbpm*)

Report of the Management Board

The DGF was established in late 2015 as a legal entity under public law. Together with DNB it is tasked with administering the Dutch deposit guarantee scheme (Dutch Deposit Guarantee or DGS). The Dutch Deposit Guarantee is a set of rules that guarantees the deposits which customers hold with Dutch banks. If a bank should fail, the Dutch Deposit Guarantee guarantees bank balances (guaranteed deposits) up to a maximum of € 100,000 per person per bank. The DGF will fund the depositor compensation amounts established by DNB. In addition, the DGF can be deployed to fund resolution tools.

Since 2016, banks established in the Netherlands have paid quarterly contributions to the DGF. DNB sets the contributions and collects them on behalf of the DGF. An individual bank's contribution depends on the balance of its deposits as guaranteed under the DGS (the deposit base) and its risk profile.² A fund is created from these contributions, managed by the DGF, to fund compensation pay-outs to depositors if a bank should fail.

Activation of the DGS in connection with Amsterdam Trade Bank N.V.'s bankruptcy

On 22 April 2022, Amsterdam Trade Bank N.V. (ATB) was declared bankrupt. DNB subsequently activated the DGS, requesting the DGF to make € 700 million available for pay-out under the DGS. The DGF made this amount available within a day from the available ex-ante funding. In 2022, compensation totalling € 668 million was paid to 23,893 depositors. When payments are made, the DGF is subrogated to the rights of depositors, acquiring a preferential claim against the failed

bank's assets. The DGF is in close contact with ATB's liquidators. In 2022, € 669 million of the claim was already collected through interim payments. This amount exceeds the amount paid out, to anticipate any future pay-outs to depositors and limit accruing interest receivables. In 2023, the DGF's claim must be validated by the liquidators.

Accumulation of own funds

By mid-2024, the fund should reach a target size of 0.8% of all guaranteed deposits.³ Meanwhile, the fund has reached a size of € 3.9 billion, which is more than 84% of its target size. The fund temporarily held less liquid assets due to the ATB pay-outs under the DGS. Another consequence was that periodic contributions were collected only twice instead of four times in 2022. This was caused by changing the levy system following the pay-outs⁴ and the perpetuation of this adjusted methodology. The banks were formally informed about this change in December 2022. For the DGF, the change means that the accrual of liquid assets will temporarily deviate from the growth path specified to reach the fund's target size.

The banks' periodic contributions were added to own funds. At year-end 2022, own funds stood at € 3,889 million. Figure 1 below shows the development in own funds in 2022. The contributions for 2022 totalled € 553 million (2021: € 758 million), of which an amount of € 288 million was already collected and added to the fund's liquid assets. Two contribution decisions relating to 2022, worth € 265 million, are yet to be imposed on the sector. The number of guaranteed deposits in the Netherlands grew

² DNB sets the contributions in accordance with Annex 1 to the *Bbpm*.

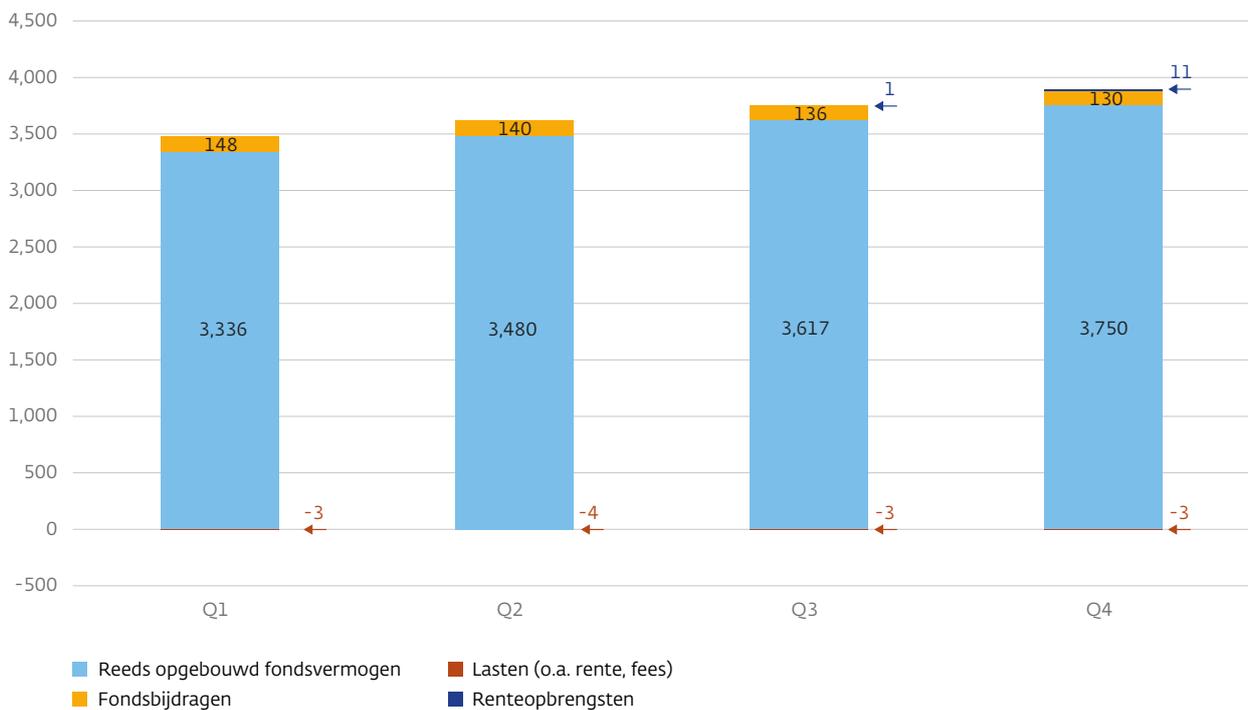
³ In accordance with Article 10(2) of Directive 2014/49/EU on deposit guarantee schemes (DGS Directive).

⁴ In accordance with Appendix B, Section 1, of the *Bbpm*.

by 1.4% to € 581 billion, representing a smaller increase than the 4.3% seen in 2021. The smaller size of total contributions combined with growth in the number of deposits is explained by high supplementary contributions levied in 2021 due to high deposit growth in that year, a lower risk-weighted deposit size in 2022 and the changed calculation method applied after pay-outs under

the DGS. In addition, the fund's assets changed due to transfers of contributions between deposit guarantee schemes in the European Union. They take place when coverage of deposits is transferred to another deposit guarantee scheme in the EU.⁵ In 2022, there was a transfer from the German DGS to the DGF.

Figure 1 Changes in the DGF's own funds in 2022



⁵ This could for example be the case if a foreign branch is converted into a subsidiary. Article 14 of the DGS Directive provides that in such a case the contributions paid during the 12 months preceding the end of the DGS membership must be transferred to the other DGS.

Available financial means and backstop funding

Liquid assets⁶ stood at € 3,611 million as at 31 December 2022 (31 December 2021: € 3,195 million). They are available for pay-out under the Dutch Deposit Guarantee where needed.

Following collection of the contributions for the second quarter of 2023, the available liquid assets will be sufficient to compensate the guaranteed deposits of 67% (2022: 64.5%) of the banks without attracting additional funding.⁷ This has further enhanced the DGF's financial effectiveness. Alternative sources of funding are also available.

If the DGF should establish that the available financial means are insufficient for pay-outs under the DGS, it will need to levy extraordinary contributions.⁸ DNB sets the amounts and payment deadlines of such ex post contributions. The volume of the extraordinary contributions charged is limited to 0.5% of a bank's guaranteed deposit base in a calendar year, which currently provides a maximum annual contribution

potential of around € 2.9 billion.⁹

The remaining amount will then be charged in subsequent calendar years.

The DGF secured a € 3 billion credit line commitment in 2018 from a consortium of four Dutch banks to ensure sufficient available financial means to pay out compensation to depositors. The facility is designed to help bridge the period until all extraordinary contributions have been collected. The DGF pays a commitment fee for this. The facility's term is until mid-2024, when the fund should be fully in place. In the coming year, the DGF will consider how to fulfil the statutory requirement to have backstop funding in place.

If the sources of funding referred to above should prove insufficient, the DGF may request the Minister of Finance for a current account overdraft as a last resort to bridge a period of transient liquidity shortfall.

⁶ The discrepancy with own funds is mainly attributable to the fact that the contributions for the fourth quarter of 2021 will not be collected until the first quarter of 2023.

⁷ A proportion of the remaining banks would not be wound down but put into resolution instead if they were to fail. For those banks, the DGF can contribute to the deployment of resolution tools. The calculation of the said percentage does not take into account the possible simultaneous failure of multiple banks.

⁸ Section 29.14 of the *Bbpm*.

⁹ The amount that can effectively be collected will depend on the banks' financial health at that time.

Management of available financial means, and financial and operational risk management

The DGF has held virtually all of its liquid assets in a current account with the National Treasury since late 2018. As a result, the DGF has not been exposed to any material interest rate risk¹⁰ or credit risk. Procedural arrangements were made with the Dutch State Treasury Agency to ensure immediate access to the fund's available financial means when requested by DNB.

Crisis drills are held from time to time to ensure that the DGF is well-prepared for a potential DGS pay-out situation. No drill was held in 2022, but financial means were successfully made available for pay-outs under the DGS.

The Dutch Deposit Guarantee also covers deposits held with branches of Dutch banks located in other EU Member States. The DGF in the Netherlands funds compensation pay-outs, but they are made by the deposit guarantee scheme in the other Member State on behalf of and on the instruction of the Dutch DGS. This is pursuant to the DGS Directive, which obliges national DGS authorities to make mutual home-host working arrangements. Following earlier bilateral working arrangements made with the German, Belgian, Maltese, Luxembourg, Hungarian deposit guarantee schemes, the DGF entered into a bilateral working agreement with the French deposit guarantee scheme in 2022. This means agreements have now been concluded with all priority countries. These agreements flesh

out the terms of the multilateral agreement of the European Forum of Deposit Insurers (EFDI), to which the Dutch DGS had acceded earlier. The number of bilateral agreements will be increased over the coming years.

The NRF has outsourced its accounting processes to DNB. To that end, it has entered into a collaboration protocol with DNB, setting out the support tasks DNB performs for the DGF's benefit. DNB must ensure the adequate design of processes and early identification and management of risks. Powers of attorney are in place that specify which persons are authorised to perform specific acts.

The Management Board has instructed an independent auditor to audit the financial statements. See the independent auditor's report on page 19.

Governance

The DGF is represented by a three-member Management Board. DNB's Executive Board decides on the appointment, remuneration, suspension and dismissal of Management Board members and appoints the Chair. They are appointed for a term of four years, with the option of reappointment. The composition of the Management Board did not change in 2022.

The DGF does not employ any staff. DNB supports the DGF in performing its task, providing the resources and services needed, including keeping its financial accounts.

¹⁰ The DGF does not use the possibility of taking out time deposits as part of its treasury banking. Interest is received on the balance held in the Treasury current account at the daily rate in accordance with the applicable treasury banking regime. If the daily rate is negative, it is set at 0%.

Outlook

ATB depositors can still claim compensation under the Dutch Deposit Guarantee in 2023. In fact, they can do so until 21 April 2027. A total of € 5.8 million will still be paid out at most. The DGF will work alongside ATB's liquidators to process applications after bankruptcy proceedings have been terminated.

Based on three Opinions issued by the EBA in 2019 and 2020¹¹, the European Commission is working on a draft revised European DGS Directive, which is now expected to be issued in March 2023. The Directive and other legislation being discussed at the European level¹² may affect the activation of the DGS and the deployment of the DGF.

It also asked the European Commission for clarification of the order in which deposit guarantee schemes may deploy their sources of funding, putting forward several arguments for not prescribing a fixed order. This means the DGF would have more flexibility in preparing its funding plan and would be able to choose its funding mix as circumstances dictate. If proposed by the European Commission, it will take several more years before this would be implemented in national legislation.

¹¹ [EBA-Op-2019-10](#), [EBA-Op-2019-14](#) and [EBA/OP/2020/02](#).

¹² This includes the BRRD and the SRMR, which together form part of the CMDI-package

Signing of the Report of the Management Board

Amsterdam, 7 March 2023

The Management Board of the Deposit Guarantee Fund

Cindy van Oorschot
chair

Bert Boertje
member

Martin Heerma
member

Financial statements

Balance sheet as at 31 December 2022 (following appropriation of the result)

EUR thousands

	31-12-22	31-12-21		31-12-22	31-12-21
Assets			Liabilities		
1 Receivables	280,136	143,039	1 Own funds	3,888,295	3,335,837
1.1 Accounts receivable	498	-			
1.2 Accruals and prepaid expenses	279,638	143,039	2 Current liabilities	2,990	2,237
2 Current account deposits	3,611,149	3,195,035	2.1 Accruals and income collected in advance	2,990	2,237
Total assets	3,891,285	3,338,074	Total liabilities	3,891,285	3,338,074

Statement of income and expenditure for 2022

EUR thousands

	2022	2021
Income		
1 Contributions	554,109	758,177
2 Reimbursement of expenses	39	38
3 Interest income	12,247	-
Total income	566,395	758,215
Expenses		
4 Credit line expenses	13,752	13,752
5 Interest expenses	156	0
6 Audit fee	19	18
7 Other expenses	10	10
Total expenses	13,937	13,780
Result for the year	552,458	744,435

Statement of cash flows for 2022

EUR thousands

	2022	2021
1 Cash flows from operations*	416,114	998,010
1.1 Result	552,458	744,435
1.2 Movements in receivables	(137,097)	253,654
1.3 Movements in current liabilities	753	(79)
2 Cash flows from investment	-	-
3 Cash flows from financing	-	-
Movements in current account deposit	416,114	998,010

* In 2022 interest payments were €156,000 (2021: nil), while interest receipts were €1,137,000 (2021: nil).

Notes to the balance sheet as at 31 December 2022 and statement of income and expenditure for 2022

Introduction

The Deposit Guarantee Fund (DGF) is a legal entity under public law, with registered office at Westeinde 1, 1017 ZN, Amsterdam. It is listed in the trade register of the Chamber of Commerce under number 65035321 0000. The DGF's task is to manage the financial means which may be needed to operate the Dutch Deposit Guarantee Scheme (DGS).

Going concern basis of accounting

The 2022 financial statements were prepared using the going concern basis of accounting.

Accounting policies

The 2022 financial statements were prepared in accordance with the Non-Departmental Public Bodies Framework Act (*Kaderwet zelfstandige bestuursorganen – Kzbo*), and Part 9 of Book 2 of the Dutch Civil Code¹³ was applied correspondingly. In addition, the Dutch Accounting Standards (*Richtlijnen voor de Jaarverslaggeving – RJ*) were applied to the extent relevant to the DGF. Executive remuneration is disclosed in accordance with the provisions of the Public and Semi-public Sector Executives Remuneration (Standards) Act (*Wet normering topinkomens – WNT*).

The financial statements are presented in euro (EUR), which is the DGF's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Amounts receivable and payable

Amounts receivable as current account balances and other receivables, as well as amounts payable, are presented at their nominal amounts. Amounts receivable are carried net of a provision for doubtful debts.

Income and expenses

Income and expenses are recognised in the financial year in to which they relate.

The DGF receives periodic contributions from banks established in the Netherlands, the amounts of which are set by De Nederlandsche Bank (DNB).¹⁴ Once a bank or part thereof ceases to fall under the scope of the Dutch DGS and comes under the scope of a different DGS in the European Union, and vice versa, the contributions received for the previous 12 months are transferred.¹⁵

Statement of cash flows for 2022

The statement of cash flows has been prepared using the indirect method.

Taxes

The DGF is not liable to pay corporation tax.

¹³ The relevant sections of the Kzbo are listed in the Bbpm, Bulletin of Acts, Orders and Decrees 2015, no. 433.

¹⁴ Pursuant to Section 29.12(2) of the Bbpm.

¹⁵ See Article 14(3) of the DGS Directive, which was transposed to Dutch law in Section 29.20 of the Bbpm.

Notes to the balance sheet

ASSETS

1. Receivables

Receivables, amounting to € 280,136,000 as at 31 December 2022 (31 December 2021: € 143,039,000) can be broken down as follows:

- 1.1 Accounts receivable: € 498,000 (31 December 2021: nil).
- 1.2 Accruals and prepaid expenses: € 279,638,000 (31 December 2021: € 143,039,000), This item includes unbilled contributions for the third and fourth quarters of 2022 in the amount of € 265,359,000 (31 December 2021: € 139,132,000), interest receivable of € 11,110,000 (31 December 2021: nil), prepaid commitment fees for the credit line secured from four Dutch large banks amounting to € 2,350,000 (31 December 2021: € 3,849,000).¹⁶

2. Current account deposits

This item, amounting to € 3,611,149,000 as at 31 December 2022 (31 December 2021: € 3,195,035,000) consists of deposits held at the Dutch State Treasury Agency of € 3,602,845,000 (31 December 2021: € 3,195,026,000) and deposits

held at DNB of € 8,304,000 (31 December 2021: € 9,000). Of the amount held with the Treasury Agency, € 50,000 is withdrawable on demand. Amounts in excess of this threshold are withdrawable on an overnight basis. As at 31 December 2022, interest was 1.89% at the Treasury Agency¹⁷ (31 December 2021: 0.0%). As at 31 December 2022, interest on the deposits held at DNB was 1.89% (31 December 2021: -0.005%).

LIABILITIES

1. Own funds

The result for 2022 was added to own funds in full. Following appropriation of the result for 2022, own funds stood at € 3,888,295,000 as at 31 December 2022 (31 December 2021: € 3,335,837,000).

Own funds are held in an individualised and a collective component. The basic contribution paid by each bank accrues as its individual balance. Combined, the balances paid by the banks make up the own fund's individualised component. The own fund's collective component comprises the risk-based contributions paid by the banks.

¹⁶ These are upfront fees for securing (2018) and extending (2020) the credit line, recognised over the term of the agreement.

¹⁷ Interest is received on the balance held in the Treasury current account at the daily rate in accordance with the applicable treasury banking regime. If the daily rate is negative, it is set at 0%.

EUR thousands

	Total own funds	<i>Individualised component</i>	<i>Collective component</i>
Balance as at 31 December 2020	2,591,402	1,301,565	1,289,837
Result for the year 2021	744,435	372,615	371,820
Balance as at 31 December 2021	3,335,837	1,674,180	1,661,657
Result for the year 2022	552,458	280,249	272,209
Balance as at 31 December 2022	3,888,295	1,954,429	1,933,866

DNB decides on activation of the deposit guarantee scheme, requesting the DGF to release funds¹⁸. When the DGF makes compensation payments to depositors it first charges these to the bank that is failing or is put into resolution. It then charges them to the collective component of the DGF's own funds, and subsequently to the individualised components for the other banks. If own funds should be insufficient, the DGF will levy extraordinary contributions from the banks¹⁹.

In connection with ATB's bankruptcy, the DGF was activated in 2022 and paid out compensation. Total own funds did not change due to ATB's bankruptcy, but the division between its individualised and collective components did. Both ATB's individual balance and the collective component of own funds were used in the bankruptcy. All amounts paid out by the DGF in 2022 were recovered as at year-end, including the amount related to ATB's individual balance. As a failed bank cannot hold a balance, this amount was added to the collective component of own funds.

2. Accruals and income collected in advance

This item amounted to € 2,990,000 as at 31 December 2022 (31 December 2021: € 2,237,000). These are credit line expenses payable of € 2,214,000 (31 December 2021: € 2,214,000), an amount received in advance from ATB's assets earmarked for pay-out to depositors of € 757,000 (31 December 2021: nil), and the fee of the independent auditor of € 19,000 (31 December 2021: € 18,000).

OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

As at 31 December 2022, not all ATB depositors who are entitled to a pay-out under the DGS have come forward. Depositors may still apply for compensation from the DGF totalling € 5,778,000. It is expected that this amount can be funded from ATB's assets in full.

¹⁸ Section 3:259a of the Financial Supervision Act (*Wet financieel toezicht – Wft*) describes exhaustively for which purposes DNB may request the DGF to apply its own funds.

¹⁹ Section 3:259(2) of the *Wft* and Section 29.14(1) of the *Bbpm*.

In July 2018, the DGF secured a credit line commitment from four Dutch large banks, initially for five years. This was extended by one year in 2020, meaning it expires on 31 July 2024. Under the agreement concluded, the DGF can draw on a maximum € 3 billion credit line. The DGF did not draw on the credit line in 2022.

Notes to the statement of income and expenditure

1. Contributions

Income from contributions was € 554,109,000 in 2022 (2021: € 758,177,000). This amount mainly comprises the banks' contributions paid in the four quarters of 2022.

Pursuant to the DGS rules²⁰, if a bank ceases to be member of a DGS and joins another DGS, the contributions paid during the 12 months preceding termination must be transferred to the other DGS. In 2022, such changes totalled 577,000 (2021: € 35,000).

2. Reimbursement of expenses

DNB reimburses the DGF for the costs incurred, which were € 39,000 in 2022 (2021: € 38,000). Pursuant to the Financial Supervision Funding Act, DNB will recover these costs from the financial sector. DNB reimbursed the DGF for the expenses detailed under "Other expenses" and "Audit fees" for 2022. In addition, it reimburses the DGF for the costs incurred in engaging the services of external parties that coordinate and execute the credit line agreement, as detailed under "Credit line expenses".

3. Interest income

In 2022, interest income was € 12,247,000 (2021: nil). At 31 December 2022, interest on the current account stood at 1.89% at the Treasury Agency (31 December 2021: 0.0%). As at 31 December 2022, interest on the deposits held at DNB was 1.89% (31 December 2021: -0.005%).

4. Credit line expenses

The expenses relating to the credit line were € 13,752,000 in 2022 (2021: € 13,752,000). They can be broken down into the expenses related to concluding the credit line agreement, of € 1,499,000 (2021: € 1,499,000)²¹, the expenses related to the availability of backstop funding, of € 12,243,000 (2021: € 12,243,000), and expenses incurred for coordination and execution of the credit line agreement, of € 10,000 (2021: € 10,000).

5. Interest expenses

The interest expenses were € 156,000 in 2022 (2021: nil). This relates to interest paid on balances held with DNB. In connection with making the balances available for the DGS pay-out, the DGF held a higher balance with DNB. The rate which DNB charges interest is equal to the € STR, while the interest rate on the current account held with the Treasury Agency is set to nil in the case of a negative interest rate.

²⁰ See Article 14(3) of the DGS Directive, part of which was transposed to Dutch law in Section 29.20 of the *Bbpm*.

²¹ While the costs for concluding the credit agreement were incurred in 2018 and 2022, they are recognised over the term of the agreement.

6. Audit fee

The fee of the independent auditor amounts to € 19,000 (2021: € 18,000), and it relates entirely to the audit of the financial statements.

7. Other expenses

Other expenses amounted to € 10,000 in 2022 (2021: € 10,000).

DNB supports the DGF in performing its task, providing the resources and services needed, including keeping its financial accounts. As agreed between DNB and the DGF, DNB reimburses²² the costs involved in these support activities directly. They are not charged to the DGF.

Workforce

The DGF does not employ any staff, as DNB enables it to perform its statutory task by providing staff and other resources.

Remuneration of the members of the Management Board

The members of the Management Board were appointed for a period of four years in 2020.²³

During the period under review, membership of the Management Board was as follows:

Cindy van Oorschot - *chair*

Bert Boertje - *member*

Martin Heerma - *member*

The DGF is a legal entity under public law, which means it is governed by the Public and Semi-public Sector Executives Remuneration (Standards) Act (*Wet Normering Topinkomens – WNT*). The DGF classifies its Management Board members as senior executives. In accordance with the decision taken by DNB's Executive Board, the members of the Management Board did not receive any remuneration for 2022. No net expense allowances were paid either. There were no loans outstanding to members of the Management Board as at 31 December 2022.

Relates parties

The DGF works closely with DNB as the administrator of the Dutch DGS. DNB decides when the DGF is deployed and supports the DGF in the adequate performance of its task.

²² Pursuant to the Financial Supervision Funding Act, DNB will recover these costs from the financial sector.

²³ Cindy van Oorschot was appointed on 19 April 2020. Bert Boertje and Martin Heerma were reappointed on 19 April 2020 and 27 June 2020 respectively.

Notes to the statement of cash flows

1. Cash flows from operations

Cash flows from operations of € 416,114,000 (2021: € 998,010,000) can be broken down as follows:

- 1.1 result: € 552,458,000 (2021: € 744,435,000),
This is the result as stated in the statement of income and expenditure.
- 1.2 Movement in receivables: € -137,097,000 (2021: € 253,654,000),
This concerns a movement in accounts receivable (€ -498,000) and in accruals and prepaid expenses (€ -136,599,000) as detailed in item 1 under "Assets" of the notes to the balance sheet.
- 1.3 Movement in current liabilities: € 753,000 (2021: € -79,000),
This mainly concerns a movement in the amount received in advance from ATB regarding compensation yet to be paid out to depositors as disclosed in the notes to the balance sheet, under "Accruals and income collected in advance".

The current accounts held with DNB and the Ministry of Finance are considered cash equivalents.

2. Cash flows from investment

There were no cash flows from investment.

3. Cash flows from financing

There were no cash flows from financing.

Appropriation of the result

The full result for the 2022 financial year has been added to own funds.

Events after the balance sheet date

No events after the balance sheet date had a material impact on the 2022 financial data.

Signing of the financial statements

Amsterdam, 7 March 2023

The Management Board of the Deposit Guarantee Fund

Cindy van Oorschot
chair

Bert Boertje
member

Martin Heerma
member

Other information

Independent auditor's report

To the Management Board of the Deposit Guarantee Fund

Report on the financial statements as set out in the Annual Report

Our opinion

We have audited the financial statements for 2022 of the Deposit Guarantee Fund (or "the fund") in Amsterdam ("the financial statements").

In our opinion, the financial statements fairly present the financial position of the fund's own funds as at 31 December 2022 and the result for the financial year then ended, in accordance with Part 9 of Book 2 of the Dutch Civil Code, which applies in the Netherlands, and the provisions of and pursuant to the Public and Semi-public Sector Executives Remuneration (Standards) Act (*Wet normering topinkomens – WNT*).

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022;
3. the statement of cash flows for 2022; and
4. the notes, comprising a summary of the accounting policies and other disclosures.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of the fund in accordance with the Code of Ethics for Professional Accountants (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten – ViO*) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Dutch Code of Ethics (*Verordening gedrags- en beroepsregels accountants – VGBA*).

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

Compliance with the cumulative remuneration provision under the WNT not verified

Pursuant to the 2022 WNT Audit Protocol we did not verify compliance with the cumulative remuneration provision referred to in Section 1.6a of the WNT and Section 5(1)(n) and (o) of the WNT Implementation Regulation. Accordingly, we did not verify whether remuneration received by any senior official exceeds the standard due to employment at other institutions that are under a duty to disclose remuneration under the WNT or whether the required disclosure is accurate and complete.

Report on the other information included in the Annual Report

In addition to the financial statements and our independent auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain any material misstatements.

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

The Management Board's responsibilities for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as it determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless it either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on

the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with the Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Concluding on the appropriateness of the Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings that have emerged from our audit, including any significant internal control deficiencies.

Amstelveen, 7 March 2023

KPMG Accountants N.V.

Martijn Huiskers

De Nederlandsche Bank N.V.
Postbus 98, 1000 AB Amsterdam
020 524 91 11
dnb.nl

Volg ons op:



DeNederlandscheBank

EUROSYSTEEM