Annual Report 2018
of
Shell International Finance B.V.

File number at Trade Registry of the Chamber of Commerce and Industry: 27265903
Registered office: Carel van Bylandtlaan, 30, The Hague, Netherlands - 2596 HR
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2018 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

REPORT TO THE SHAREHOLDER OF SHELL INTERNATIONAL FINANCE B.V.

We herewith submit the Annual Report for the year ended 31 December 2018, consisting of:

1. Directors' report;

2. Annual Accounts, consisting of:
   a) Balance sheet as at 31 December 2018;
   b) Profit and loss account for the year ended 31 December 2018;
   c) Cash flow statement for the year ended 31 December 2018; and
   d) Notes to the balance sheet and profit and loss account for the year ended 31 December 2018.

3. Other information including the independent auditor's report.

We have the honour to submit the following proposals:

a) that the balance sheet as at 31 December 2018, the profit and loss account for the year ended 31 December 2018, the cash flow statement for the year ended 31 December 2018 and the notes to the balance sheet and profit and loss account be finalised in accordance with the enclosed Annual Accounts;

b) that the shareholder approve the following proposal for profit appropriation:
   - To add the profit amounting to USD 358 thousand to the other reserves.

c) that the Board of Directors be discharged of responsibilities in respect of its management duties for the year 2018.

On behalf of the Board of Directors
2018 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

DIRECTORS' REPORT

Board of Directors

B. Bos (Appointed 14 February 2019)
A.D. McLean
R.L. O'Brien (Resigned 14 February 2019)
L.M. Szymanski
P.S. Van Driel

Review of activities

Shell International Finance B.V. (also referred to as the “Company”) is one of the entities within the “Shell Group” (also referred to as “Shell”). In this context, Shell Group companies are companies in which Royal Dutch Shell plc, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. Companies in which Shell Group companies have significant influence but not control are classified as “Associated companies”. Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the “Ultimate Parent Company” of the Shell Group.

Shell is an international energy company with expertise in the exploration, development, production, refining and marketing of oil and natural gas; the manufacturing and marketing of chemicals and investments in low-carbon energy solutions and other commercial opportunities linked to the energy transition.

The principal activity of Shell International Finance B.V. (“the Company”) is to provide funding to other members of the Shell Group. The Company obtains its own funding by issuing debt from two commercial paper programmes (together USD 20 billion), a euro medium term note programme (unlimited) and a US universal shelf registration (unlimited). The Company also has in place a committed bank facility (USD 8.84 billion), which was renewed in 2015. Royal Dutch Shell plc guarantees all debt issuance programmes.

The Company's financing requirements in 2018 were met by the issuance of USD 3.0 billion of long term debt, maturing between 2023 and 2028.

The Company has repaid long term debts of USD 4.5 billion and EUR 2.5 billion that matured during 2018.

All debt is passed on to Group companies on identical terms, which limits the interest rate or foreign exchange risk to the Company.

2018 developments and results

The profit for the year before taxation amounted to USD 688 thousand, compared to a loss of USD 14 thousand in 2017. The increase was primarily due to differences on foreign exchange relating to intra-group current accounts not denominated in US Dollars.

Solvency and liquidity ratios do not give rise to any concerns with respect to the ongoing concern.
The Company employs no staff. This is not expected to change in 2019.

No significant change in the business of the Company has taken place during the year or is expected in the immediately foreseeable future. The rendering of services by the service companies of the Shell Group to the Company will be continued as deemed necessary.

Risk management policy

Within the Shell Group a single overall control framework is in place, which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and only provides reasonable and not absolute assurance against material misstatement or loss. The Shell Control Framework applies to the Company and all wholly owned Shell companies and to those ventures and other companies where Royal Dutch Shell plc, directly or indirectly, has a controlling interest. Management of the Company is responsible for application of, adherence to and safeguarding of internal systems for risk management.

The risks that the Company are exposed to and the instruments the Company uses to control those risks are not materially different from the risks and instruments other Shell Group companies are exposed to and use. These risks discussed below could have a material adverse effect separately, or in combination, on the Company's operational performance, earnings, cash flows and financial conditions. The other activities and results that the Company is exposed to are a consequence of changing circumstances such as competitive position, economic, political, legal and social circumstances, development in industries and sectors as well as financial circumstances. The most significant risks in general terms are:

Changes in legislation and fiscal and regulatory policies
Changes in legislation, taxation (tax rate or policy), regulation and policies on renationalisation and the seizure of property all pose a risk to operations and can affect the operational performance and financial position of the Company.

Currency fluctuations and exchange control
As part of a global group of companies, changes in currency values and exchange controls could affect the operational performance and financial position of the Company.

Trading and Treasury
In the course of normal business activities the Company is subject to trading and treasury risks. These include inter alia exposure to and the risk of counterparty default (credit risk), with interest rate and foreign exchange exposure, largely managed through the back-to-back nature of debt structures.

The Directors consider the risk appetite of the company to be low on account of the back-to-back nature of its financing activities and the policy of hedging any foreign exchange exposures above USD 5 million.

Further reference is made to note 10 on page 12 where these risks are discussed.

Sustainable development

Sustainable development is rooted in the General Business Principles of all Shell companies. For a detailed report on the sustainability and safety performance of Shell, please refer to the Shell Sustainability report that can be found on http://www.shell.com/sustainability.
Others

The composition of the Company's Board currently does not reflect the "balanced" board composition as prescribed by law. At this moment, the Company does not fulfil the required ratio of at least 30% of the same gender. An improvement of the board composition with regard to gender diversity would only be realised if and when vacancies may become available and only to the extent that compliant candidates are of equal quality.

On behalf of the Board of Directors

Date: 16 April 2019
## 2018 Annual Report Shell International Finance B.V.

### Balance Sheet as at 31 December 2018

(before proposed appropriation of net result)

(in USD '000)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial fixed assets</td>
<td>1</td>
<td>45,872,244</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current receivables</td>
<td>2</td>
<td>7,640,049</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3</td>
<td>7,627,912</td>
</tr>
<tr>
<td>Current assets less current liabilities</td>
<td></td>
<td>12,137</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td>45,884,381</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>4</td>
<td>45,872,244</td>
</tr>
<tr>
<td>Shareholder's equity</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Issued share capital</td>
<td></td>
<td>2,286</td>
</tr>
<tr>
<td>Other reserves</td>
<td></td>
<td>9,493</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td></td>
<td>358</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,137</td>
</tr>
<tr>
<td>Total shareholder's equity and non-current liabilities</td>
<td></td>
<td>45,884,381</td>
</tr>
</tbody>
</table>
## Profit and loss account for the year ended 31 December 2018

(in USD '000)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income</td>
<td>321</td>
<td>562</td>
</tr>
<tr>
<td>Operating result</td>
<td>321</td>
<td>562</td>
</tr>
<tr>
<td>Financial income</td>
<td>1,564,234</td>
<td>1,763,062</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(1,563,867)</td>
<td>(1,763,638)</td>
</tr>
<tr>
<td>Result before taxation</td>
<td>688</td>
<td>(14)</td>
</tr>
<tr>
<td>Taxation (charge)/credit on result</td>
<td>(330)</td>
<td>421</td>
</tr>
<tr>
<td>Net result after taxation</td>
<td>358</td>
<td>407</td>
</tr>
</tbody>
</table>
Cash flow statement for the year ended 2018

(in USD '000)

<table>
<thead>
<tr>
<th>Cash flow from operating activities</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) before tax</td>
<td>688</td>
<td>(14)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,564,234)</td>
<td>(1,763,062)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,563,867</td>
<td>1,763,638</td>
</tr>
<tr>
<td>Movement in working capital</td>
<td>9</td>
<td>(1,157)</td>
</tr>
<tr>
<td>Loans granted to Group companies</td>
<td>(2,979,470)</td>
<td>-</td>
</tr>
<tr>
<td>Loan repayments from Group companies</td>
<td>7,494,500</td>
<td>5,425,575</td>
</tr>
<tr>
<td>Loans granted to Group companies from proceeds of commercial paper</td>
<td>(7,132,843)</td>
<td>(340,919)</td>
</tr>
<tr>
<td>Loan repayments from Group companies from proceeds of commercial paper</td>
<td>7,482,855</td>
<td>1,017,730</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,610,741</td>
<td>1,793,637</td>
</tr>
<tr>
<td>Income tax (paid)/received</td>
<td>(330)</td>
<td>421</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>6,475,783</strong></td>
<td><strong>7,895,849</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flow from financing activities</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of bonds</td>
<td>2,979,470</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from issuance of commercial paper</td>
<td>7,132,843</td>
<td>340,919</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(7,494,500)</td>
<td>(5,425,575)</td>
</tr>
<tr>
<td>Repayment of commercial paper</td>
<td>(7,482,855)</td>
<td>(1,017,730)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,610,741)</td>
<td>(1,793,463)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td><strong>(6,475,783)</strong></td>
<td><strong>(7,895,849)</strong></td>
</tr>
</tbody>
</table>

| Increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at 1 January | - | - |
| Cash and cash equivalents at 31 December | - | - |
NOTES TO THE FINANCIAL STATEMENTS

Group affiliation and principal activities

The Company has its statutory seat in The Hague. The Company is one of the companies of the Shell Group. The term "Companies of the Shell Group" ("Group companies") means companies in which Royal Dutch Shell plc, based in The Hague, The Netherlands, either directly or indirectly, has control either through a majority of the voting rights or the right to exercise a controlling influence or to obtain the majority of the benefits and be exposed to the majority of the risks. The financial information of the Company has been consolidated in the financial information of Royal Dutch Shell plc. Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Ultimate Parent Company" of the Shell Group.

The shares of the Company are held by Royal Dutch Shell plc.

The Company's principal activity is to acquire funds by contracting public or private loans or otherwise and to make such funds available in whatever form, to companies and enterprises in which companies of the Royal Dutch Shell Group have a direct or indirect participation. The Group is engaged worldwide in all the principal aspects of the oil and natural gas industry. The Group also has interests in chemicals and alternative energy.

Basis of preparation

The annual accounts are drawn up in accordance with the legal requirements of Part 9, Book 2 of The Netherlands Civil Code and the authoritative statements in the Dutch Accounting standards (DAS) for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The Company's financial statements were prepared in April 2019. The Company's financial statements are prepared on a going concern basis.

The Company has a USD functional currency, which reflects the primary economic environment in which the Company operates.

The financial information of the Company and other Group companies is incorporated in the consolidated financial statements of Royal Dutch Shell plc, which forms part of the Annual Report and Form 20F for the year ended 31 December 2018 of Royal Dutch Shell plc, which has been deposited at the office of the Chamber of Commerce in The Hague, The Netherlands.

The balance sheet and profit and loss account include reference numbers, matching the corresponding numbers in the notes.
Accounting policies used in preparing the financial statements

1 Historical cost

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

2 Judgments and estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates and uncertainties. If necessary for the purposes of providing the insight required under Section 362 (1), Book 2, of The Netherlands Civil Code, the nature of these estimates and judgements, including key related assumptions, is disclosed in the notes to the financial statement items in question.

3 Foreign currency translation

The financial statements are prepared in USD, the functional and presentation currency of the entity. Each entity in the Shell Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions denominated in foreign currencies in the reporting period are recognised in the annual accounts at the exchange rate ruling at the transaction date (average rate 2018: 1 EUR = 1.18 USD; average rate 2017: 1 EUR = 1.13 USD). Monetary assets and liabilities in foreign currencies of the Company are translated into the functional currency at the year-end rate of exchange (year-end rate 2018: 1 EUR = 1.14 USD; year-end rate 2017: 1 EUR = 1.20 USD). Rate of exchange differences resulting from the translation are debited or credited to the profit and loss account.

Non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

4 Impairment of assets

The Company assesses at each balance sheet date whether there are any indications of assets being subject to impairment. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognised in the profit and loss account for all categories of assets.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in the profit and loss account.

5 External bonds and payables to bank and credit institutions

External bonds and payables to bank and credit institutions are initially recognised at fair value including attributable costs and subsequently recognised at amortised cost, adjusted for the corresponding discount or premium. The discount or premium is amortised on an effective interest rate basis over the life of the debt and taken to the profit and loss account. Coupon payments are recognised on an accruals basis.
6 Internal loans and receivables from Group companies

Internal loans and receivables from Group companies follow the same valuation and accounting treatment as the associated external bonds and payables to bank and credit institutions (see note 5 of the accounting policy).

7 Cash at bank and in hand

Cash at bank and in hand includes cash in hand and bank balances with a maturity of less than twelve months. Cash at bank and in hand are stated at face value.

8 Non-current liabilities

When long-term liabilities are recognised initially, they are measured at fair value, less, in the case of financial liabilities not classified at fair value through profit or loss, directly attributable transaction costs.

After initial measurement, long-term liabilities are carried at amortised cost using the effective interest method. Gains and losses are taken to the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

9 Shareholders' equity

The Company's share capital, which is denominated in EUR, is translated into the functional currency (USD) at the year-end rate of exchange. Gains and losses in exchange arising as a result of this translation are included as Cumulative Currency Translation Differences (CCTD) in shareholder's equity.

10 Financial instruments

Financial instruments on the balance sheet include accounts receivable, other financial fixed assets and current or non-current liabilities.

The principal risks arising from the Company’s financial instruments are currency risks, interest rate risk and credit risk. Risks are managed centrally for RDS as a whole as provided in risk management policy in Directors' report. The Company’s policy to mitigate these risks is set out below. The Company applies no hedge accounting.
The Company has financial instruments in relation to the following financial risks:

**Currency risk**

The Company holds financial instruments denominated in foreign currencies and is therefore exposed to foreign exchange risk. This risk is minimised due to the nature of the back to back lending arrangements. Based on a risk analysis, the Board of Directors has determined that any individual activities, over USD 5.0 million, would generally be economically hedged by Foreign Exchange Forwards. No such contracts were entered into in 2018 (2017: none).

**Interest rate risk**

The Company is exposed to floating interest rate risk on interest-bearing receivables (mainly taken up in financial fixed assets, securities and cash at bank and in hand), and interest-bearing long-term and current liabilities (including loans from credit institutions).

The Company is exposed to the variability in cash flows of variable interest rates on receivables and liabilities. In relation to fixed interest receivables and liabilities, it is exposed to movements in the fair value of the receivables and liabilities. These risks are minimised due to the nature of the Company's back-to-back lending arrangements.

**Credit risk**

The Company on-lends funds generated from bond issuance to Group companies, all of significant size and importance within the Shell Group. These companies have a long and proven track record of being reliable creditors, and their suitability for future credit is monitored on an ongoing basis.

The Company has procedures and policies in place to limit the amount of interest, currency and credit exposure to any counterparty or market. These procedures limit the Company’s exposure to concentrations of these risks.

The contract/notional amounts of the financial instruments outstanding give an indication of the extent that these financial instruments are used but not of the exposure to credit or market risk.

The total exposure for credit risk is USD 53,512,293 thousand (2017: USD 59,094,186 thousand) out of which the amounts due from Shell Petroleum N.V. is USD 41,312,620 thousand (2017: USD 48,360,965 thousand).

**Derecognition of financial assets and liabilities**

A financial instrument is derecognised if a transaction results in the transfer, to a third party, of all or nearly all rights to economic benefits and of all or nearly all the risks attached to the position.

**11 Interest income**

Interest income is recognised pro rata in the profit and loss account. The effective interest rate for the asset concerned is taken into account, provided the income can be measured and the income is probable to be received.
12 Interest expense

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the liabilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

13 Taxation

For the assessment of Netherlands income tax, the Company, together with its parent company, Royal Dutch Shell plc, and most of its subsidiaries in the Netherlands forms part of a fiscal unity.

Royal Dutch Shell plc charges the estimated corporation tax relating to the subsidiaries forming part of the fiscal unity to these subsidiaries. Settlement of Netherlands income tax in the fiscal unity is based on fiscal results.

Deferred tax assets and liabilities are recognised in respect of timing differences between fiscal valuation of assets and liabilities and the valuation principles as used in these annual accounts. Deferred tax assets and liabilities are calculated based on the statutory tax rates as at year-end or future applicable rates, insofar as already decreed by law ("substantially enacted").

Deferred tax assets, including those from losses carried forward, are recognised if it is probable that fiscal profit will be available to offset losses, and settlement possibilities can be utilised.

Income tax is calculated on the profit/(loss) before tax in the profit and loss account, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items and non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

Deferred income taxes are recognised at face value.

The companies in the fiscal unity are jointly and severally liable for tax liabilities of the entire fiscal unity.

14 Amortised cost

Amortised cost is the amount at which a financial asset or liability is measured at initial recognition less repayments of the principal, plus or less the cumulative amortization using the effective interest method for any difference between this initial amount and the maturity amount, and less any reductions (effected directly or through a provision being formed) for impairment and doubtful debts.

15 Cash flow statement

The Cash flow statement has been prepared in accordance with the indirect method.

Cash and cash equivalents consists of cash at bank and in hand and current securities. The securities are highly liquid investments. The highly liquid short-term investments can be converted into cash without restriction and subject to an insignificant risk of decreases in value as a result of the transaction.
Cash flows denominated in foreign currencies have been translated into the functional currency using the exchange rates prevailing at the dates of the transactions. For the purpose of cash flow statement disclosure, the company treats cash flows associated with the lending of funds to Group companies as operating activities. Cash flows associated with borrowings made from third parties are classified as financing activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement, in so far as they do not form a component of profit before tax.
Notes to the balance sheet

1 Financial fixed assets

2018
(in USD '000)

<table>
<thead>
<tr>
<th>Loans to Group companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at 1 January 2018</td>
</tr>
<tr>
<td>Exchange differences</td>
</tr>
<tr>
<td>New loans to Group companies</td>
</tr>
<tr>
<td>Amortisation</td>
</tr>
<tr>
<td>Assets reclassified to current receivables</td>
</tr>
<tr>
<td><strong>Carrying amount at 31 December 2018</strong></td>
</tr>
</tbody>
</table>

Included in Loans to Group companies is an unamortised loan premium of USD 229,177 thousand (2017: USD 241,764 thousand).

The maturity profiles, fair values and weighted annual rates of interest applicable to long term debt (as detailed in note 4) are consistent with those for financial assets due to the back-to-back nature of lending arrangements.

No allowance for bad debt has been recognised in the accounts. As detailed in note 4, credit risk is judged to be minimal given that on-lending of funds is made to Group companies with a good credit history.

2 Current receivables

(in USD '000)

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts receivable from Group companies</td>
<td>7,279,885</td>
</tr>
<tr>
<td>Prepayments and accrued interest income</td>
<td>360,164</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,640,049</strong></td>
</tr>
</tbody>
</table>

Amounts receivable from Group companies includes loans to Group companies of USD 7,255,923 thousand (2017: USD 7,826,157 thousand).

Prepayments and accrued interest income includes prepayments of USD 35 thousand (2017: USD 68 thousand).
2018 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.
NOTES TO THE FINANCIAL STATEMENTS

3 Current liabilities

(in USD '000)

| Amounts payable to Group companies | 11,860 | 5,367 |
| Amounts payable to bank and credit institutions | 7,255,923 | 7,826,157 |
| Accrued interest expense | 360,129 | 451,197 |
| **Total** | **7,627,912** | **8,282,721** |

4 Non-current liabilities

(in USD '000)

| Amounts payable to bank and credit institutions | 45,872,244 | 50,799,686 |

Included in payable to bank and credit institutions is an unamortised loan premium of USD 229,177 thousand (2017: USD 241,764 thousand).

The interest rates on bonds vary between 0.1% and 6.4%. Royal Dutch Shell plc guarantees all debt issuance programmes. USD 50,235,391 thousand of the debt portfolio at 31 December 2018 is subject to fixed rates (2017: USD 55,340,000 thousand).

Long-term liabilities with a remaining term of less than one year, including repayment commitments for the following year, are recognised under current liabilities.
4 Non-current liabilities (continued)

Payable to bank and credit institutions

<table>
<thead>
<tr>
<th></th>
<th>Due within 1 year</th>
<th>Due between 1-2 years</th>
<th>Due between 2-3 years</th>
<th>Due between 3-4 years</th>
<th>Due between 4-5 years</th>
<th>Due more than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturity, at face value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>811,771</td>
<td>532,725</td>
<td>1,344,496</td>
</tr>
<tr>
<td>EUR</td>
<td>1,371,899</td>
<td>1,143,249</td>
<td>2,572,311</td>
<td>-</td>
<td>8,288,556</td>
<td>13,976,015</td>
<td></td>
</tr>
<tr>
<td>GBP</td>
<td>636,780</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>636,780</td>
<td></td>
</tr>
<tr>
<td>USD</td>
<td>5,250,000</td>
<td>5,250,000</td>
<td>2,500,000</td>
<td>1,000,000</td>
<td>3,500,000</td>
<td>20,500,000</td>
<td>38,000,000</td>
</tr>
<tr>
<td></td>
<td>7,258,679</td>
<td>5,250,000</td>
<td>3,643,249</td>
<td>3,572,311</td>
<td>4,311,771</td>
<td>29,321,281</td>
<td>53,357,291</td>
</tr>
</tbody>
</table>

| Maturity, at fair value: |                  |                       |                       |                       |                       |                       |          |
| CHF    | -                | -                     | -                     | -                     | 827,912               | 551,519               | 1,379,431 |
| EUR    | 1,375,177        | 1,198,897             | 2,670,818             | -                     | 8,540,510             | 13,785,402            |          |
| GBP    | 641,313          | -                     | -                     | -                     | -                     | 641,313               |          |
| USD    | 5,279,298        | 5,269,339             | 2,437,295             | 981,685               | 3,511,598             | 21,391,146            | 38,870,361 |

(in USD '000)
2018 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

NOTES TO THE FINANCIAL STATEMENTS

4 Non-current liabilities (continued)

Payable to bank and credit institutions (continued)

<table>
<thead>
<tr>
<th>Maturity, at face value:</th>
<th>CHF</th>
<th>EUR</th>
<th>GBP</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,357,582</td>
</tr>
<tr>
<td>EUR</td>
<td>2,991,862</td>
<td>1,436,094</td>
<td>1,196,745</td>
<td>2,692,676</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>675,402</td>
</tr>
<tr>
<td>USD</td>
<td>4,841,088</td>
<td>5,250,000</td>
<td>5,250,000</td>
<td>1,409,289</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maturity, at face value:</th>
<th>CHF</th>
<th>EUR</th>
<th>GBP</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,409,289</td>
</tr>
<tr>
<td>EUR</td>
<td>3,125,818</td>
<td>1,445,596</td>
<td>2,831,362</td>
<td>9,098,057</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>691,600</td>
</tr>
<tr>
<td>USD</td>
<td>4,859,797</td>
<td>5,331,761</td>
<td>2,464,749</td>
<td>23,444,287</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>CHF</th>
<th>EUR</th>
<th>GBP</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>58,867,849</td>
<td>16,993,777</td>
<td>17,775,163</td>
<td>45,437,529</td>
<td></td>
</tr>
</tbody>
</table>

The fair values and face values of intra-Group loan receivables are consistent with those shown for external bonds above, due to the back-to-back nature of the Company’s debt structures. Fair value has been predominantly obtained from quoted market prices.

Refinancing risk is assessed as low because of the back-to-back nature of the Company’s debt structure and on-lending to members of the Shell Group. Principal repayments on debt will be consistent with those on the related intra-Group loan, thereby minimising risk to the Company.

No loan covenants are in place in respect of debt issued by the Company.

Long term debt repayable within one year:

- USD 1,750,000 thousand matures on 10 May 2019.
- USD 1,600,000 thousand matures on 12 September 2019.
- USD 500,000 thousand matures on 12 September 2019.
- EUR 1,200,000 thousand matures on 16 September 2019.
- USD 2,000,000 thousand matures on 23 September 2019.
- GBP 500,000 thousand matures on 20 December 2019.

Initiated for identification purposes only
Ernst & Young Accountants LLP
EY building a better working world
5 Shareholders' equity

The Company's issued share capital comprises 10,000 ordinary shares of EUR 1,000 each, amounting to a nominal value of EUR 10,000,000. As at 31 December 2018, 2,000 ordinary shares (2017: 2,000 ordinary shares) with a total nominal value of EUR 2,000,000 (2017: EUR 2,000,000) were issued and fully paid. The Company's share capital is denominated in EUR and therefore it has been revalued based on the year-end rate (0.8747 EUR for 1 USD), resulting in Cumulative Currency Translation Differences (CCTD).

Movements in the individual items of equity were as follows:

<table>
<thead>
<tr>
<th>2018 (in USD '000)</th>
<th>Issued share capital</th>
<th>Other reserves</th>
<th>Unappropriated profits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2018</td>
<td>2,393</td>
<td>8,979</td>
<td>407</td>
<td>11,779</td>
</tr>
<tr>
<td>Cumulative currency translation differences</td>
<td>(107)</td>
<td>107</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>-</td>
<td>-</td>
<td>358</td>
<td>358</td>
</tr>
<tr>
<td>Appropriation of 2017 result</td>
<td>-</td>
<td>407</td>
<td>(407)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December 2018</td>
<td>2,286</td>
<td>9,493</td>
<td>358</td>
<td>12,137</td>
</tr>
</tbody>
</table>

Transfers between issued capital, other reserves and unappropriated profit are described above.

6 Arrangements and commitments not shown in the balance sheet

Contingent liabilities

For the assessment of Netherlands income tax, the Company, together with Royal Dutch Shell plc and most of its subsidiaries established in the Netherlands, forms part of a fiscal unity. Pursuant to the applicable legal stipulations, each company is jointly and severally liable for the income tax to be paid by the companies involved in the fiscal unity.
7 Financial income

<table>
<thead>
<tr>
<th></th>
<th>Group companies</th>
<th>Banks and similar parties</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong> (in USD '000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income and similar income</td>
<td>1,563,973</td>
<td>-</td>
<td>-</td>
<td>1,563,973</td>
</tr>
<tr>
<td>Currency exchange gains</td>
<td>-</td>
<td>-</td>
<td>261</td>
<td>261</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,563,973</td>
<td>-</td>
<td>261</td>
<td>1,564,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Group companies</th>
<th>Banks and similar parties</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong> (in USD '000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income and similar income</td>
<td>1,690,371</td>
<td>33,359</td>
<td>-</td>
<td>1,723,730</td>
</tr>
<tr>
<td>Fair value gain on derivatives</td>
<td>-</td>
<td>-</td>
<td>39,332</td>
<td>39,332</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,690,371</td>
<td>33,359</td>
<td>39,332</td>
<td>1,763,062</td>
</tr>
</tbody>
</table>

Overall finance income has decreased on account of a decrease in the lending portfolio in 2018.
8 Financial expense

<table>
<thead>
<tr>
<th>2018</th>
<th>Group companies</th>
<th>Banks and similar parties</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in USD '000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense and similar charges</td>
<td>10</td>
<td>1,563,857</td>
<td></td>
<td>1,563,867</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Group companies</th>
<th>Banks and similar parties</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in USD '000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of hedge adjustment</td>
<td>-</td>
<td>-</td>
<td>(3,225)</td>
<td>(3,225)</td>
</tr>
<tr>
<td>Fair value loss on derivatives</td>
<td>-</td>
<td>-</td>
<td>39,416</td>
<td>39,416</td>
</tr>
<tr>
<td>Interest expense and similar charges</td>
<td>34,130</td>
<td>1,692,602</td>
<td>-</td>
<td>1,726,732</td>
</tr>
<tr>
<td>Currency exchange losses</td>
<td>-</td>
<td>-</td>
<td>715</td>
<td>715</td>
</tr>
<tr>
<td>Total</td>
<td>34,130</td>
<td>1,692,602</td>
<td>36,906</td>
<td>1,763,638</td>
</tr>
</tbody>
</table>

Overall finance expense has decreased due to a decrease in the borrowing portfolio in 2018.

9 Taxation

The effective tax rate in 2018 is 48% (2017: 3,007%) in comparison to the nominal corporation tax rate in the Netherlands of 25%. The main reconciling items are:

- Tax effect on USD difference in exchange profit of USD 261 thousand representing functional currency difference in exchange, which has no tax basis;
- Tax effect of USD equivalent of EUR difference in exchange profit of USD 894 thousand which has a tax basis but is not reflected in the functional currency profit and loss account.

The effective tax rate in 2018 is lower by 2,959% than in 2017, which is mainly due to above mentioned reconciling items.

10 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

All transactions with related parties are transacted under normal market conditions.

All subsidiaries mentioned on the list deposited by Royal Dutch Shell plc with the Trade Register in The Hague are considered related parties for the purposes of this Annual Report over 2018.
11 Employees and salary costs

The Company employed no personnel during 2018 or 2017 and, therefore, incurred no salary or related costs of employment. The board is not rewarded (no costs are allocated from the group) as they do not spend material time on managing the entity.

12 Audit fees

Reference is made to page 214 of the consolidated Annual Report and 20F for the year ended 31 December 2018 of Royal Dutch Shell plc, as deposited with the Chamber of Commerce in The Hague.
Signatories to the financial statements

For signature of the annual accounts:

The Board of Directors

Carel van Bylandtlaan, 30, The Hague, Netherlands - 2596 HR, 16 April 2019.

D. Bos

A.D. McLean

P.S. Van Den Berg

[Not able to sign due to long term absence]

L.M. Szymanski
Other information

Articles of Association provisions governing profit appropriation

Profit is appropriated in accordance with Article 10, paragraph 3 of the Articles of Association, which states that profits shall be at the disposal of the General Meeting of Shareholders.

Independent auditor's report

The next pages contain the Independent auditor's report pertaining to the annual report of the Company for 2018.
Independent auditor's report

To: the shareholder of Shell International Finance B.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Shell International Finance B.V., based in Den Haag.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Shell International Finance B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The balance sheet as at 31 December 2018
- The profit and loss account for 2018
- The notes comprising a summary of the accounting policies and other explanatory information

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 Shell International Finance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (VIO, Code of Ethics for Professional Accountants, a regulation with respect to Independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Materiality

<table>
<thead>
<tr>
<th>Materiality</th>
<th>$ 268 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark applied</td>
<td>0.5% of total assets</td>
</tr>
</tbody>
</table>

Explanation

We use total assets given that the company's main activity is lending. The company facilitates Royal Dutch Shell plc subsidiaries in their financing activities. We have used 0.5% of total assets to ensure relevant balance sheet and income statement items for the financial statement users are appropriately considered in our audit.
We have also taken misstatements into account and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We agreed with the board of directors that misstatements in excess of USD 13 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<thead>
<tr>
<th>Key Audit Matter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoverability of the loans</td>
<td>We obtained a going concern analysis from management on group level. We consider management's going concern assumption for Royal Dutch Shell Plc to be appropriate.</td>
</tr>
<tr>
<td>receivable</td>
<td>We confirmed our understanding of the financial position of the borrowers and verified if there are any indicators of non-recoverability.</td>
</tr>
<tr>
<td></td>
<td>The borrowers all have a positive net asset value per 31 December 2018 and sufficient liquidity to fulfill its obligations. Therefore we noted no indicators of non-recoverability.</td>
</tr>
<tr>
<td></td>
<td>Since the bonds are guaranteed by Royal Dutch Shell Plc, we also assessed the ability of Royal Dutch Shell Plc to fulfill its obligations if a possible default by the borrowers and thus Shell International Finance B.V. occurs. We confirmed our understanding of the 2018 cash flow statement and profit and loss statement for Royal Dutch Shell.</td>
</tr>
<tr>
<td></td>
<td>The cash flow and result over the year 2018 for Royal Dutch Shell Plc is positive and therefore we noted no indicators of Royal Dutch Shell Plc not being able to fulfill its obligations if Shell International Finance B.V. isn't able to fulfill its obligation.</td>
</tr>
</tbody>
</table>

Shell International Finance B.V. enters into capital market transactions (issuance of debt) and subsequent into lending transactions with subsidiaries of Royal Dutch Shell. To fulfill the obligation to the external market, Shell International Finance B.V. is dependent on the recoverability of the loans receivable.

We consider the recoverability of the loans a key audit matter because this determines the ability of Shell International Finance B.V. to fulfill its obligations and therefore the continuance of the entity. Further reference is made to Item 6 in the Accounting Policies and note "1. Financial Fixed Assets" in Notes to the Balance Sheet, as included in the financial statements.
Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors' report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

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 material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the board of directors as auditor of Shell International Finance B.V. on 22 June 2016, as of the audit for the year 2016 and have operated as statutory auditor since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Other non-prohibited services provided

Our services are only related to the audit of the financial statements.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management 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, management is responsible for such internal control as management determines is 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company'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 have detected all material errors and fraud.

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 these 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 judgment and have maintained professional skepticism throughout the audit, in accordance with 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 company’s internal control

Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

Concluding on the appropriateness of management’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 company’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 a company to cease to continue as a going concern.

Evaluating the overall presentation, structure and content of the financial statements, including the disclosures

Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the board of directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.
We provide the board of directors with a statement that we have compiled with relevant ethical
requirements regarding independence, and to communicate with them all relationships and other
matters that may reasonably be thought to bear on our independence, and where applicable,
related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of
most significance in the audit of the financial statements of the current period and are therefore the key
audit matters. We describe these matters in our auditor's report unless law or regulation precludes
public disclosure about the matter or when, in extremely rare circumstances, not communicating the
matter is in the public interest.

Den Haag, 16 April 2019

Ernst & Young Accountants LLP

signed by A.A. Helj
Publication of auditor's report

1. Conditions
   Authorization to publish the auditor's report is granted subject to the following conditions:
   - Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances may have occurred which materially affect the view given by the financial statements.
   - The authorization concerns inclusion of the auditor's report in the annual report to be filed at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
   - The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
   - Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
   - The auditor's report can also be included if the financial statements are published electronically, such as on the Internet, in such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
   - If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2. Examinations in the conditions
   2.1 Board of supervisory directors and board of executive directors
      The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report", "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".
   2.2 Annual General Meeting (AGM)
      Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be filed at the AGM similarly requires authorization by the auditor.
   2.3 Auditor's reports and financial statements
      The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.
      The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.
   2.4 Events between the date of the auditor's report and the AGM
      Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar
   The financial statements are filed at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code (table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment.
   The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication
   The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:
   a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
   Or
   b. Based on legal regulations, publication of the document concerned is all that is required
      If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the Internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the Internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document
   If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar, together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM
   Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.