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2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

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

We herewith submit the Annual Report for the year 2016, consisting of:

1 Directors’ Report

2 Annual Accounts, consisting of:
   a) Balance sheet as at 31 December 2016;
   b) Profit and loss account for the year ended 31 December 2016;
   c) Cash flow statement for the year ended 31 December 2016;
   d) Notes to the balance sheet and profit and loss account for the year ended 31 December 2016.

3 Other information including the auditors’ report.

We have the honour to submit the following proposals:

a) that the Balance Sheet as at 31 December 2016, the Profit and Loss Account for the year ended 2016, the Cash Flow Statement for the year ended 2016 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 allocation;
   • to add the profit amounting to US $1,267,000 to other reserves;

c) that the Board of Directors be discharged of responsibility in respect of its management during the year 2016.

On behalf of the Board of Directors
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

B. BOARD OF DIRECTORS

R.L. O'Brien

P.S. van Driel

A.D. McLean

M.C.M. Brandjes (Resigned on 2 November 2016)

L.M. Szymanski (Appointed on 2 November 2016)
C. DIRECTORS’ REPORT

Review of activities

Shell International Finance B.V. (also referred to as the “Company”) is one of the entities within the “Shell Group”. In this context the term “Companies of the Shell Group” (“Group companies”) means 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 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 “Parent Company” of the Shell Group.

Principal activities

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 US $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 (US $7.48 billion), which was renewed in 2015. Royal Dutch Shell plc guarantees all debt issuance programmes.

The Company’s financing requirements in 2016 were met by:

- the issuance of US $12 billion of long-term debt, maturing between 2019 and 2046;
- the issuance of EUR 4 billion (US $4.51 billion) of long-term debt, maturing between 2024 and 2028;
- recoveries from other Group companies.

The Company has also repaid long term debts of US $2 billion and EUR 1.25 billion that matured during 2016.

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

The Company’s financial result for the year was a profit of US $1,267,000 (2015: US $135,000). The increase in profit versus the prior year is largely due to foreign exchange gains on intra-group current accounts not denominated in US Dollars.

The Company employs no staff. This is not expected to change in 2017.

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 Group Service Companies to the Company will be continued as deemed necessary.

Risk management

The Board of Directors (“the Board”) considers that the internal risk management and control system, which is designed to provide reasonable assurance of achieving business objectives, is adequate and appropriate. The Company’s specific policies for managing the risks to which it is exposed are explained in detail in Note 9.
C. Directors’ report (continued)

Risk management (continued)

The Company’s operations and earnings are subject to risks such as, although not limited to:

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, with interest rate and foreign exchange exposure, largely managed through the back-to-back nature of debt structures.

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 Company, in the normal course of the business, uses financial instruments of various kinds for the purposes of managing economic exposure to currency and interest rate movements where applicable. The Company has a treasury policy consistent with Group Treasury Guidelines. These policies cover financing structures; foreign exchange and interest rate risk management as well as the treasury control framework. The use of financial instruments for managing economic exposures has been effective in 2016 and the Company will continue to use financial instruments to manage economic exposures where required in 2017. A detailed policy on financial instruments has been included in Note III(c) of the accounting policies of the Company. A full description of the risks that apply to the Shell Group as a whole are set out in the Royal Dutch Shell plc Annual Report from page 8.

The composition of the Board of the Company currently does not reflect the “balanced” board composition as prescribed by law in former article 276 Book 2 DCC which expired per 1 January 2016. New law on this balanced board composition will be reinstated during 2017. During the reporting year, appointments of new directors on the Board have been made taking into account qualitative considerations supplemented with the male / female ratio on the Board. During 2016 one male director was replaced by one female director, establishing a male/female ratio of 75:25.

The annual financial statements have been prepared in accordance with Dutch GAAP and give a true and fair view of the assets, liabilities and financial position as at 31 December 2016 and of the results of the Company’s operations and cash flows for the financial year ended 31 December 2016. The annual Directors’ Report gives a true and fair review of the situation on the balance sheet date and the developments during the financial year, and the annual report describes the principal risks which the Company faces.

On behalf of the Board of Directors
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

D. ANNUAL ACCOUNTS

Balance sheet as at 31 December 2016
(before proposed appropriation of result)

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $'000</td>
<td>US $'000</td>
</tr>
</tbody>
</table>

**Fixed assets**

Financial fixed assets
- 1 56,113,526 45,948,789
- Derivatives
  - 9 - 284,293

Total fixed assets
- 56,113,526 46,233,082

**Current assets**

Receivables
- 1 6,816,426 3,849,513
- Derivatives
  - 9 396,563 -

Total current assets
- 7,212,989 3,849,513

**Current liabilities**

Accounts payable
- 2 6,805,125 3,839,762
- Derivatives
  - 9 396,469 -

Total current liabilities
- 7,201,594 3,839,762

**Current assets less current liabilities**
- 11,395 9,751

**Assets less current liabilities**
- 56,124,921 46,242,833

**Non-current liabilities**

Long term debt
- 2 56,113,526 45,948,789
- Derivatives
  - 9 - 283,821

**Provisions**

- 3 23 118

**Shareholder’s equity**

- Issued capital
  - 4 2,105 2,185
- Other reserves
  - 8,000 7,785
- Unappropriated Profit
  - 1,267 135

Total
- 11,372 10,105

**Non-current liabilities and shareholder’s equity**
- 56,124,921 46,242,833
### Profit and loss account for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $'000</td>
<td>US $'000</td>
</tr>
<tr>
<td>Interest income and similar income</td>
<td>5</td>
<td>1,853,159</td>
</tr>
<tr>
<td>Interest expense and similar expenses</td>
<td>6</td>
<td>(1,851,759)</td>
</tr>
<tr>
<td>General and administrative income</td>
<td></td>
<td>391</td>
</tr>
<tr>
<td><strong>Result before taxation</strong></td>
<td></td>
<td>1,791</td>
</tr>
<tr>
<td>Taxation on result</td>
<td>7</td>
<td>(524)</td>
</tr>
<tr>
<td><strong>Net result after taxation</strong></td>
<td></td>
<td>1,267</td>
</tr>
</tbody>
</table>
Cash flow statement for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 US $'000</th>
<th>2015 US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,791</td>
<td>463</td>
</tr>
<tr>
<td>Loans granted to Group</td>
<td>(16,377,488)</td>
<td>(20,218,759)</td>
</tr>
<tr>
<td>Loan repayments from Group companies</td>
<td>3,397,313</td>
<td>4,250,000</td>
</tr>
<tr>
<td>Net issuance of loans to Group companies from proceeds of Commercial Paper</td>
<td>(1,011,849)</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,438,199</td>
<td>1,100,762</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,853,159)</td>
<td>(1,546,172)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,851,759</td>
<td>1,546,335</td>
</tr>
<tr>
<td>Movement in working capital</td>
<td>(1,527)</td>
<td>40</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(524)</td>
<td>(286)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(12,555,485)</td>
<td>(14,867,617)</td>
</tr>
</tbody>
</table>

Cash flow from financing activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 US $'000</th>
<th>2015 US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of bonds</td>
<td>16,377,488</td>
<td>20,218,759</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>(3,397,313)</td>
<td>(4,250,000)</td>
</tr>
<tr>
<td>Net issuance of Commercial Paper</td>
<td>1,011,849</td>
<td>-</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,436,539)</td>
<td>(1,101,142)</td>
</tr>
</tbody>
</table>

Net cash from financing activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 US $'000</th>
<th>2015 US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,555,485</td>
<td>14,867,617</td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents at 1 January</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at 31 December</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

E. NOTES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

I. Group affiliation and principal activities

The Company has its statutory seat in The Hague and is one of the companies of the Shell Group. In this context the term "Companies of the Shell Group" ("Group Companies") means companies in which Royal Dutch Shell plc (the direct shareholder of the Company), 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. Companies in which 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.

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.

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

The registered address of the Company is:

Carel van Bylandtlaan 30
THE HAGUE
2596 HR
NETHERLANDS

II. Basis of presentation

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 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.

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 a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide a true and fair view.

The financial information of the Company 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 2016 of Royal Dutch Shell plc, The Hague, which has been deposited at the office of the Chamber of Commerce in The Hague.
II. Basis of presentation (continued)

The balance sheet and profit and loss account include reference numbers, matching the corresponding numbers in the notes.

III. Accounting policies

a. 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.

b. Changes in accounting policies

There are no changes to the accounting policies as compared to the previous year.

c. Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including key related assumptions, is disclosed in the notes to the financial statement items in question.

d. Foreign currencies

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 2016; 1 EUR = 1.11 USD). Monetary assets and liabilities in foreign currencies of the Company are translated into the functional currency USD at the year-end rate of exchange (year-end rate 2016; 1 EUR = 1.05 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).

Gains and losses in exchange arising as a result of transactions in currencies other than the functional currency of USD are included in the profit and loss account for the year in which they are incurred.

e. Financial instruments

Financial instruments on the Balance Sheet include accounts receivable, current accounts with related parties and accounts payable. Financial instruments are recognised on the date the underlying transaction occurs, with the estimated fair values of these instruments approximating their carrying amounts.
Financial Instruments (continued)

The Company also enters into derivative transactions, primarily interest rate and foreign exchange contracts. The purpose of such transactions is to manage the interest rate and currency risks arising from the Company’s operations and its sources of finance. Derivative financial instruments are initially recognised and subsequently accounted for at fair value using discounted cash flow methods. The Company no longer applies hedge accounting.

The effect of derivative financial instruments is reflected in the accounts as follows:

- The Balance Sheet recognises the fair value of derivatives as part of current assets and liabilities or non-current assets and liabilities.
- The Profit and Loss account includes gains or losses on derivative contracts unrealised gain and losses on financial instruments, results on settled financial instruments, and currency exchange gain and losses.

The fair values of derivative financial assets and liabilities have been determined using estimation techniques. The estimation techniques use observable market interest rates, exchange rates, price correlation and market liquidity as input.

The company uses financial instruments to mitigate the following risks:

Currency risk: Based on a risk analysis, the Board of Directors has determined that any individual activities, over EUR 5.0 million, are generally economically hedged by Foreign Exchange Forwards. Further information is provided in Note 9(c).

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. This risk is 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.

In the event of a counterparty defaulting on payments due to the Company the resulting losses, if any, would be limited to the fair values of the instruments on which the default occurred.

The 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.
f. Impairment of assets

At each balance sheet date, the Company assesses whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the profit and loss account.

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.

g. External bonds and payables to bank and credit institutions

External bonds and payables to bank and credit institutions are initially recognised at fair value plus 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.

h. 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 III(g)).

i. Cash at bank and in hand

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

j. Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

k. Shareholder's 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.
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

I. Income and expense recognition

Income from financial fixed assets is recognised in the income statement under the effective interest rate method.

m. Interest paid and received

Interest paid and received is recognised on a time weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

n. 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 valued if it is probable that fiscal profit will be available to offset losses, and settlement possibilities can be utilised.

Deferred tax assets are recognised under receivables; deferred tax liabilities are recognised under provisions.

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 Shell Nederland group are jointly and severally liable for tax liabilities of the entire fiscal unity.

o. Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange differences affecting cash items are shown separately in the cash flow statement. 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 (for instance hedge accounting adjustments) are not recognised in the cash flow statement, in so far as they do not form a component of profit before tax.
IV. Notes to the Balance Sheet

1. Receivables and financial fixed assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Due within</td>
<td>Due after</td>
</tr>
<tr>
<td></td>
<td>1 Year US $'000</td>
<td>1 Year US $'000</td>
</tr>
<tr>
<td>Loans to Group companies</td>
<td>6,314,938</td>
<td>56,113,526</td>
</tr>
<tr>
<td>Other receivables from Group companies</td>
<td>14,774</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest income</td>
<td>486,692</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments and accrued intercompany income</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>6,816,426</strong></td>
<td><strong>56,113,526</strong></td>
</tr>
<tr>
<td>Total</td>
<td><strong>62,929,952</strong></td>
<td><strong>49,798,302</strong></td>
</tr>
</tbody>
</table>

Included in Loans to Group companies is an unamortised loan premium liability of US $280.1 million (2015: US $180.1 million).

The maturity profiles, fair values and weighted annual rates of interest applicable to long term debt (as disclosed in Note 2) 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 2, credit risk is judged to be minimal given that on-lending of funds is made to Group companies with a good credit history.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $'000</td>
<td>US $'000</td>
</tr>
<tr>
<td>Opening financial assets due after 1 year at 1 January</td>
<td>45,948,789</td>
<td>30,464,391</td>
</tr>
<tr>
<td>Assets reclassified to due within one year</td>
<td>(5,328,282)</td>
<td>(3,364,224)</td>
</tr>
<tr>
<td>New loans to group companies</td>
<td>16,377,488</td>
<td>20,218,759</td>
</tr>
<tr>
<td>Amortisation</td>
<td>15,999</td>
<td>9,545</td>
</tr>
<tr>
<td>Revaluation of foreign currency assets</td>
<td>(900,468)</td>
<td>(1,379,682)</td>
</tr>
<tr>
<td></td>
<td><strong>56,113,526</strong></td>
<td><strong>45,948,789</strong></td>
</tr>
</tbody>
</table>

The interest rates on loans to Group companies vary between 0.4% and 6.4%.
2. Accounts payable and non-current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Due within 1 Year US $'000</td>
<td>Due after 1 Year US $'000</td>
</tr>
<tr>
<td>Payable to bank and credit institutions</td>
<td>6,314,256</td>
<td>56,113,526</td>
</tr>
<tr>
<td>Payable to Group companies</td>
<td>4,177</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest expense</td>
<td>486,692</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,805,125</td>
<td>56,113,526</td>
</tr>
</tbody>
</table>

Included in payable to bank and credit institutions are:
- an unamortised loan discount asset of US $280.1 million (2015: US $180.1 million); and

The interest rates on bonds vary between 0.4% and 6.4%. Royal Dutch Shell plc guarantees all debt issuance programmes.

Fair values and face values of external bonds payable to bank and credit institutions:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair value US $'000</td>
<td>Face value US $'000</td>
</tr>
<tr>
<td>CHF</td>
<td>1,343,302</td>
<td>1,298,765</td>
</tr>
<tr>
<td>EUR</td>
<td>17,335,387</td>
<td>16,521,098</td>
</tr>
<tr>
<td>GBP</td>
<td>637,984</td>
<td>614,553</td>
</tr>
<tr>
<td>USD</td>
<td>45,426,537</td>
<td>44,267,730</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>64,743,180</td>
<td>62,702,146</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.
2. Accounts payable and non-current liabilities (continued)

Maturity of external bonds, at face value:

<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 after more than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
</tr>
<tr>
<td>CHF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,298,765</td>
</tr>
<tr>
<td>EUR</td>
<td>1,578,449</td>
<td>2,630,748</td>
<td>1,262,759</td>
<td>-</td>
<td>1,052,299</td>
<td>9,996,843</td>
<td>16,521,098</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
<td>-</td>
<td>614,553</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>614,553</td>
</tr>
<tr>
<td>USD</td>
<td>4,767,730</td>
<td>4,500,000</td>
<td>5,250,000</td>
<td>5,250,000</td>
<td>2,500,000</td>
<td>22,000,000</td>
<td>44,267,730</td>
</tr>
<tr>
<td></td>
<td>6,346,179</td>
<td>7,130,748</td>
<td>7,127,312</td>
<td>5,250,000</td>
<td>3,552,299</td>
<td>33,295,608</td>
<td>62,702,146</td>
</tr>
</tbody>
</table>

|                | 1,365,374         | 1,638,449             | 2,730,748             | 1,310,759             | -                      | 7,099,946                   | 14,145,276|
| EUR            | 2,000,000         | 3,750,000             | 4,500,000             | 2,000,000             | 5,250,000              | 15,750,000                  | 33,250,000|
| USD            | 3,365,374         | 5,388,449             | 7,230,748             | 4,052,159             | 5,250,000              | 24,187,924                  | 49,474,654|
|                | 31 December 2016  | 31 December 2015      |                      |                       |                        |                             |         |
Maturity of external bonds, at fair value:

<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 after more than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,343,302</td>
</tr>
<tr>
<td>EUR</td>
<td>1,653,239</td>
<td>2,866,538</td>
<td>1,268,994</td>
<td>-</td>
<td>1,134,425</td>
<td>10,412,161</td>
<td>17,335,357</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
<td>-</td>
<td>637,984</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>637,984</td>
</tr>
<tr>
<td>USD</td>
<td>4,785,833</td>
<td>4,540,290</td>
<td>5,371,748</td>
<td>5,354,615</td>
<td>2,443,686</td>
<td>22,930,365</td>
<td>45,426,537</td>
</tr>
<tr>
<td>31 December 2016</td>
<td>6,439,072</td>
<td>7,406,828</td>
<td>7,278,726</td>
<td>5,354,615</td>
<td>3,578,111</td>
<td>34,685,828</td>
<td>64,743,180</td>
</tr>
</tbody>
</table>

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 750,000,000 matures on 22 March 2017.
- USD 1,000,000,000 matures on 10 May 2017.
- EUR 1,500,000,000 matures on 22 May 2017.
- USD 1,000,000,000 matures on 21 August 2017.
- USD 1,000,000,000 matures on 10 November 2017.

No interest is paid to Group and Associated Companies on accounts payable.

2016

US $'000

As at 1 January 2016
Released to the profit and loss account

As at 31 December 2016

Provisions relate to deferred tax on the fair valuation of the derivatives. The provisions at 31 December 2016 include US $0.02 million of a long-term nature.

4. Shareholder’s 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 2016, 2,000 ordinary shares (2015: 2,000 ordinary shares) with a total nominal value of EUR 2,000,000 (2015: 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 (0.9503 EUR for 1 USD), resulting in Cumulative Currency Translation Differences (CCTD).

The movements in shareholder’s equity are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>Issued Capital US $'000</th>
<th>Other Reserves US $'000</th>
<th>Unappropriated profit profit US $'000</th>
<th>Total US $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 January 2015</td>
<td>2,431</td>
<td>4,764</td>
<td>2,775</td>
<td>9,970</td>
</tr>
<tr>
<td>Appropriation of result</td>
<td>-</td>
<td>2,775</td>
<td>(2,775)</td>
<td>-</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>-</td>
<td>-</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>CCTD</td>
<td>(246)</td>
<td>246</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December 2015</td>
<td>2,185</td>
<td>7,785</td>
<td>135</td>
<td>10,105</td>
</tr>
<tr>
<td>Appropriation of result</td>
<td>-</td>
<td>135</td>
<td>(135)</td>
<td>-</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>-</td>
<td>-</td>
<td>1,267</td>
<td>1,267</td>
</tr>
<tr>
<td>CCTD</td>
<td>(80)</td>
<td>80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December 2016</td>
<td>2,105</td>
<td>8,000</td>
<td>1,267</td>
<td>11,372</td>
</tr>
</tbody>
</table>

Transfers between issued capital, other reserves and unappropriated profit are described above.
V. Notes to the Profit & Loss account

5. Interest income and similar income

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from Group companies</td>
<td>1,645,824</td>
<td>1,334,054</td>
</tr>
<tr>
<td>Interest from banks and similar income</td>
<td>96,206</td>
<td>96,009</td>
</tr>
<tr>
<td>Fair value gains on derivatives</td>
<td>110,019</td>
<td>115,381</td>
</tr>
<tr>
<td>Currency exchange gains</td>
<td>1,110</td>
<td>728</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,853,159</td>
<td>1,546,172</td>
</tr>
</tbody>
</table>

Overall interest income and similar income has increased on account of an increase in the lending portfolio in 2016.

6. Interest expense and similar expenses

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense to Group companies</td>
<td>119,017</td>
<td>117,278</td>
</tr>
<tr>
<td>Interest to banks and similar expenses</td>
<td>1,635,243</td>
<td>1,326,198</td>
</tr>
<tr>
<td>Fair value losses on derivatives</td>
<td>110,397</td>
<td>115,757</td>
</tr>
<tr>
<td>Amortisation of hedge adjustment (refer to Note 9(d))</td>
<td>(12,896)</td>
<td>(12,899)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,851,759</td>
<td>1,546,335</td>
</tr>
</tbody>
</table>

Overall interest expense and similar expense has increased due to an increase in the borrowing portfolio in 2016.

7. Taxation

The effective tax rate in 2016 is 29.3% in comparison to the nominal corporation tax rate in the Netherlands of 25.0%. The main reconciling items are:

- Tax effect of non-taxable gains/losses representing functional currency differences in exchange (DIE), which have no tax basis;
- Tax effect of EUR DIE gains/losses, which has a tax basis but is not reflected in the functional currency profit and loss account.

The effective tax rate in 2016 is lower than in 2015 (70.8%) by 41.5%. The difference is mainly due to DIE as mentioned above.
8. Employees and salary costs

The Company employed no personnel during 2016 or 2015 and therefore incurred no salary or related costs of employment.

9. Derivative financial instruments

The Company, in the normal course of business, uses various types of financial instruments, which expose the Company to market or credit risk. All derivatives are recognised in the balance sheet ("on-balance sheet"). Details of the role that financial instruments have in creating or changing risks faced by the Company including its objectives and policies in using financial instruments to manage risks are detailed in note III(c).

The Company has procedures and policies in place to limit the amount of credit exposure to any counterparty or market. These procedures limit the Company's exposure to concentrations of credit or market risk. The Company also has procedures and policies in place to limit the amount of currency exposure on non-USD denominated balances. These procedures also limit the Company's fiscal currency exposure.

Shell's policy continues to be to have debt principally denominated in dollars and to maintain a largely floating interest exposure profile, however, the Company has issued a significant amount of fixed rate debt in recent years, taking advantage of historically low interest rates available in US debt markets. As a result, $32.00 billion of the debt portfolio at 31 December 2016 is subject to fixed rates (2015: $23.75 billion).

a) Financial instruments

Financial instruments in the Balance Sheet include accounts receivable and liabilities, as well as derivative financial instruments. Except as separately disclosed in note 2, the estimated net fair values of these instruments approximate their net book values.

The remainder of this note relates to derivative instruments.

b) Interest rate risk

The Company uses derivatives, such as interest rate swaps and cross currency interest rate swaps, to manage interest rate risk. This also matches the interest rates on the majority of its debt and lending activity. Note 9(c) provides details of the face value and fair value of the Company's interest rate swaps.

c) Foreign exchange risk

The Company uses foreign exchange derivatives, including cross currency interest rate swaps.

Cross currency interest rate swaps are acquired and held for hedging purposes and recognised at fair value. Income and expenses on these instruments are recognised on an accruals basis. The Company does not trade in these derivatives for speculative purposes.
c) Foreign exchange risk (continued)

The total contract/notional amounts and calculated fair values of the Company's interest rate swaps and cross currency interest rate swaps at 31 December are given in the table below, categorised according to the currency of the bond hedged:

<table>
<thead>
<tr>
<th></th>
<th>Contracts with a positive fair value</th>
<th></th>
<th>Contracts with a negative fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract/ notional amount</td>
<td>Calculated fair value</td>
<td>Contract/ notional amount</td>
</tr>
<tr>
<td></td>
<td>US $'000</td>
<td>US $'000</td>
<td>US $'000</td>
</tr>
<tr>
<td>BUR</td>
<td>2,032,650</td>
<td>379,283</td>
<td>2,032,650</td>
</tr>
<tr>
<td>USD</td>
<td>750,000</td>
<td>17,280</td>
<td>750,000</td>
</tr>
<tr>
<td>Intra-Group derivatives</td>
<td>2,407,650</td>
<td>387,923</td>
<td>750,000</td>
</tr>
<tr>
<td>Non-Group derivatives</td>
<td>375,000</td>
<td>8,640</td>
<td>2,032,650</td>
</tr>
<tr>
<td>Current</td>
<td>2,782,650</td>
<td>396,563</td>
<td>2,782,650</td>
</tr>
<tr>
<td>Non-current</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 December 2016</td>
<td>2,782,650</td>
<td>396,563</td>
<td>2,782,650</td>
</tr>
</tbody>
</table>

There is no requirement for the Company to provide collateral on intra-group or non-group derivatives.
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

c) Foreign exchange risk (continued)

In the judgement of the Board, no losses which are material in relation to the Company's financial position are likely to arise in respect of these financial commitments due both to the back-to-back nature of the Company’s debt structures (including derivatives used for hedging), and its procedures limiting the amount of credit exposure to any counterparty or market, as discussed in Note III(e).

Additionally, due to the back-to-back nature of the debt structures, the Board does not consider there to be any cash flow or fair value exposure.

d) Fair value hedge accounting

All interest rate swaps and cross currency interest rate swaps are held for economic hedging purposes. The Company no longer applies fair value hedge accounting, as all external derivatives are back-to-back with intra-Group derivatives, and as such all fair value movements offset in the profit and loss account. However, the Company has previously elected to apply fair value hedge accounting in accordance with Dutch Accounting Standard 290 to only one structure.

For this one debt structure, while the overall structure (external fixed rate debt and interest rate swaps, with a Group facing floating rate loan) provided an effective economic hedge (i.e. with matching assets, liabilities and interest flows), the move to a fair value basis created an accounting mismatch, as there was no offset for the fair value gains on the external derivatives. However, in September 2009 this debt structure was amended, with the floating rate internal facing loan replaced with a fixed rate loan and interest rate swap. This created a mirror image of the external facing bond and interest rate swaps, creating a natural accounting hedge within this structure on a fair value basis. Accordingly, hedge accounting was disapplied from September 2009. The accumulated hedge adjustment at the time of de-designation (US $96.7 million loss, including 2009 gains of US $52.4 million) was frozen, and will be amortised to the profit and loss account over the remaining life of the bond. Current year amortisation income is US $12.9 million (2015: US $12.9 million). The hedge relationship was effective until 22 September 2009.

10. 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.

11. Related party transactions

All the Company’s income arises from dealings with other Group companies or Associated companies. The Company does not have direct dealings with non-related parties except to the extent of its financing related transactions. Transactions with related parties are in the ordinary course of business and at arm’s length.

12. Audit fees

The auditor's fee disclosure has been included in the consolidated accounts of Royal Dutch Shell plc, which will be filed with the Chamber of Commerce in The Hague.
2016 ANNUAL REPORT SHELL INTERNATIONAL FINANCE B.V.

13. Proposed appropriation of result
To add the 2016 profit amounting to US $1,267,000 to the other reserves.

14. Subsequent events
There are no subsequent events with a significant impact on the annual accounts.
VI. Board Signatures

For signature of the Annual Accounts as presented on pages 7 up to and including 25:

The Board of Directors

R.L. O’Brien
Date

P.S. van Driel
Date

A.D. McLellan
Date

L.M. Szymanski
Date
VII. Other information

a. Statutory rules as to appropriation of profit

Pursuant to Article 10, paragraph 3 of the Company's Articles of Association, profits are at the disposition of the General Meeting of Shareholders.

b. Auditor's report

The next page contains the signed Independent auditor's report pertaining to the annual accounts of Shell International Finance B.V. for 2016.
Independent auditor's report
To: the shareholders of Shell International Finance B.V.

Report on the audit of the financial statements 2016 included in the annual report

Our opinion
We have audited the financial statements 2016 of Shell International Finance B.V., based in The Hague.

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 2016, and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The balance sheet as at 31 December 2016
- The profit and loss account for 2016
- 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 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>$317 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 intra-group lending. The company facilitates Royal Dutch Shell plc group companies 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 $16 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.

Valuation of loans receivable

Shell International Finance B.V. enters into capital market transactions (issuance of debt) and subsequent intra-group lending. Shell International Finance B.V. has no substantial assets other than loans and payments of interest by Royal Dutch Shell plc group companies. We consider the valuation of the loans receivable a key audit matter due to the size of the loans in relation to the financial statements as a whole. Reference is made to disclosure on Note 1 and 2 of the financial statements.

We have:

- Obtained an understanding and tested the operating effectiveness of the controls related to the issuance of debt and the lending towards group companies
- Performed detailed testing to obtain assurance regarding the input variables of contracts in Shell International Finance B.V.'s treasury management system
- Performed confirmation procedures with the counterparties of the loans
- Recalculated the amortized cost value based on the effective interest method
- Determined that onwards lending terms are identical compared to the terms for the issued debt
- Analyzed the financial situation of the group companies to which loans have been provided to attest these are appropriately reflected in the financial statements

Finally, we assessed whether the disclosures in the financial statements regarding to the related parties are compliant with the relevant accounting requirements.
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 Director's 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.

The board of directors 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.

Description of responsibilities for the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors 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 board of directors is responsible for such Internal control as the board of directors 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, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors 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 the board of directors
- Concluding on the appropriateness of the board of directors' 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.

We provide the board of directors with a statement that we have complied 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.

The Hague, 25 April 2017

Ernst & Young Accountants LLP

signed by T. de Kuijper