

A faded background image showing two men in business suits shaking hands. In the background, there is a large clock tower with multiple clock faces, suggesting a historical or financial setting.

# **H1 2009: KAS BANK's results rebound strongly**

**Amsterdam,  
20 August, 2009**

# KEY POINTS – H1 2009

- Profit in the first half 2009 was 22% higher at €11.5 million (H1 2008: €9.4 million), due to good performance and no further impairments
- Operating result of €11.4 million still satisfactory despite 21% drop, compared to first half 2008, in profits due to the credit crises
- Solvency on high level with a BIS ratio of 22% (2008: 18% and a Tier-1 ratio of 19% (2008: 15%))
- Dividend €0.33 per ordinary share. After deduction of the capital required for the recent acquisition in Germany, the pay-out ratio is 60%
- Transparent strong balance sheet healthy start for H2 2009

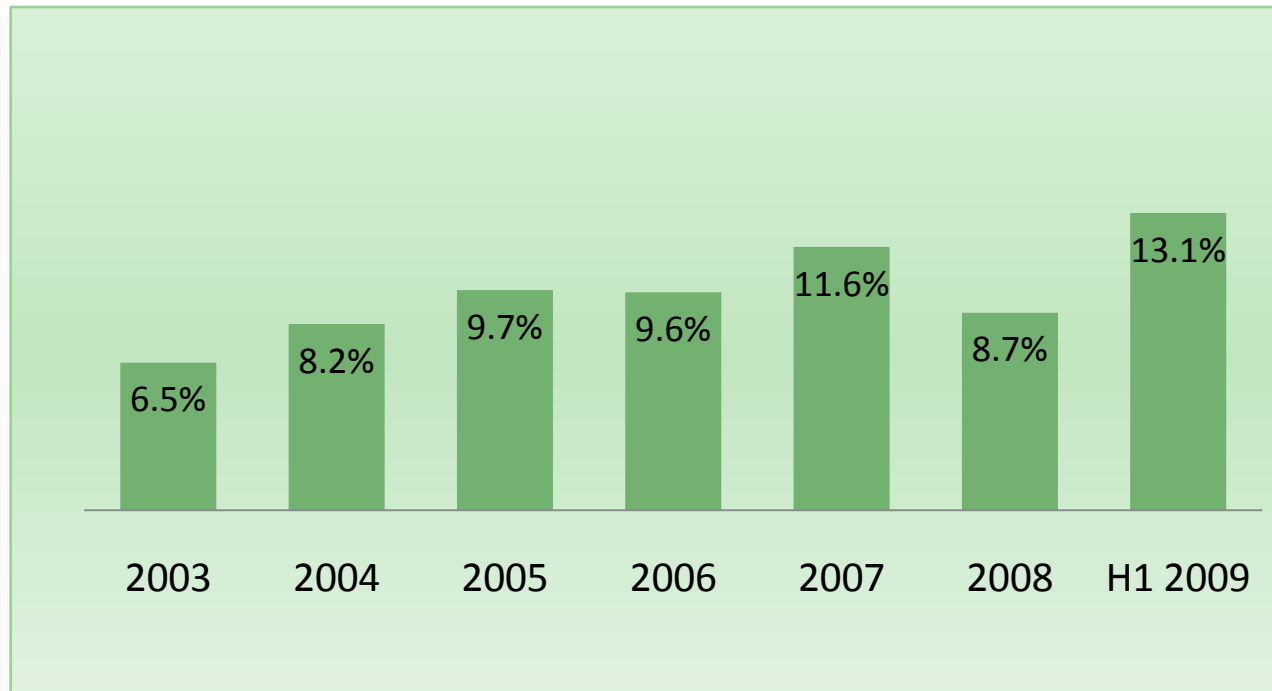
# FINANCIAL TARGETS\*

Ratio	Target	H1 2009	2008
Growth in non-interest income	≥ 3%	-6%	-6%
Efficiency ratio	70-77%	77%	81%
RoE	10-year interest rate** + 5-8%	13%	9%
Growth in earnings per share	> 8%	-19%	-20%
Dividend pay-out	60-80%	60%	38%
Average BIS-ratio	≥ 12.5%	20%	15%

\* Excluding annual non-operating charges

\*\* 10-year interest H1 2009: 3.8%, 2008: 4.2%

# NET RETURN ON EQUITY\*



CAGR:  
14%

\* Excl. Non-operating charges

# RESULTS\*

€ million	H1 2009	H1 2008	Δ
Net profit	11.4	14.5	-21%
Income	67.1	71.0	-5%
Costs	51.9	51.6	1%

\* Excluding non-operating profits

# INCOME\*

€ million	H1 2009	H1 2008	Δ
Revenues	67.1	71.0	-5%
▪ Interest income	18.5	13.2	40%
▪ Commission income	38.1	49.4	-23%
▪ Trading/investments	9.8	8.2	18%
▪ Other	0.7	0.1	

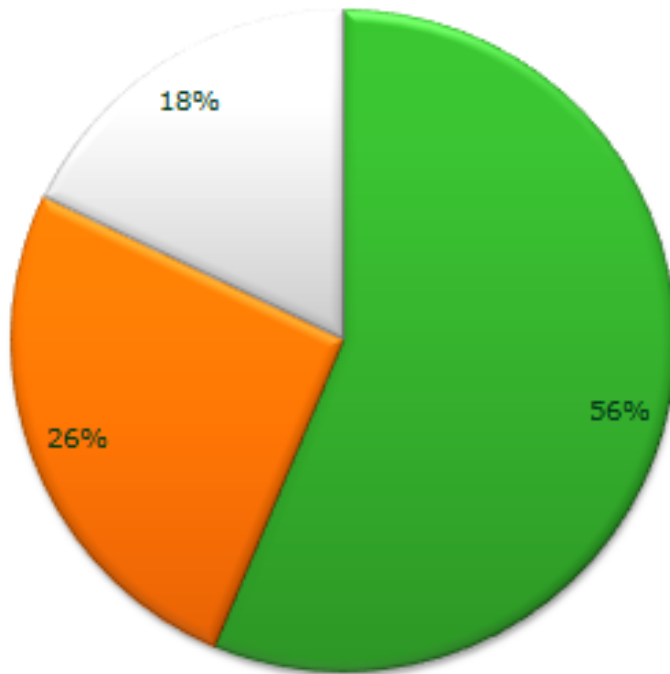
\* Excluding non-operating profits

# DEVELOPMENT COMMISSION INCOME

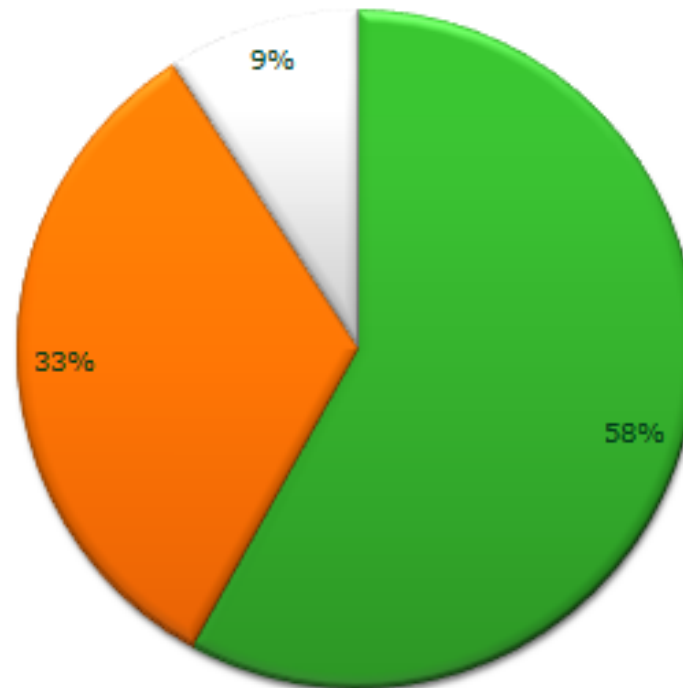
€ million	H1 2009	H1 2008	Δ
Custody and IMS	13.9	14.0	-1%
Clearing and Settlement	18.3	19.6	-7%
Other	3.0	2.8	6%
<b>Sub total</b>	<b>35.2</b>	<b>36.4</b>	<b>-3%</b>
Securities Lending	2.9	13.0	-78%
<b>Total commission income</b>	<b>38.1</b>	<b>49.4</b>	<b>-23%</b>

# INCOME – CLIENT SEGMENTS

**2009H1**



**2008H1**



■ II  
■ FI  
■ Other

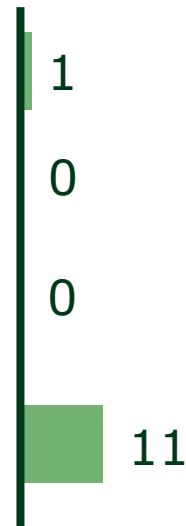
\* Institutional Investors

\*\* Financial Institutions

# COSTS

- Growth
  - Staff costs
  - Admin. (incl. IT)
  - Depreciation/amortisation

Relative to H1  
2008  
 $\Delta$  %



Relative to H2  
2008  
 $\Delta$  %



# RISC PROFILE – SOLVENCY/ LIQUIDITY FURTHER IMPROVED

	<b>30-6-2009</b>	<b>31-12-2008</b>
BIS-ratio	22%	18%
Tier 1-ratio	19%	15%
Revaluation reserve	28 mln	20 mln
Funds entrusted	7,5 bln	6,7 bln
RWA	779 mln	940 mln
Surplus Liquidity	1.6 mld	1.5 bln

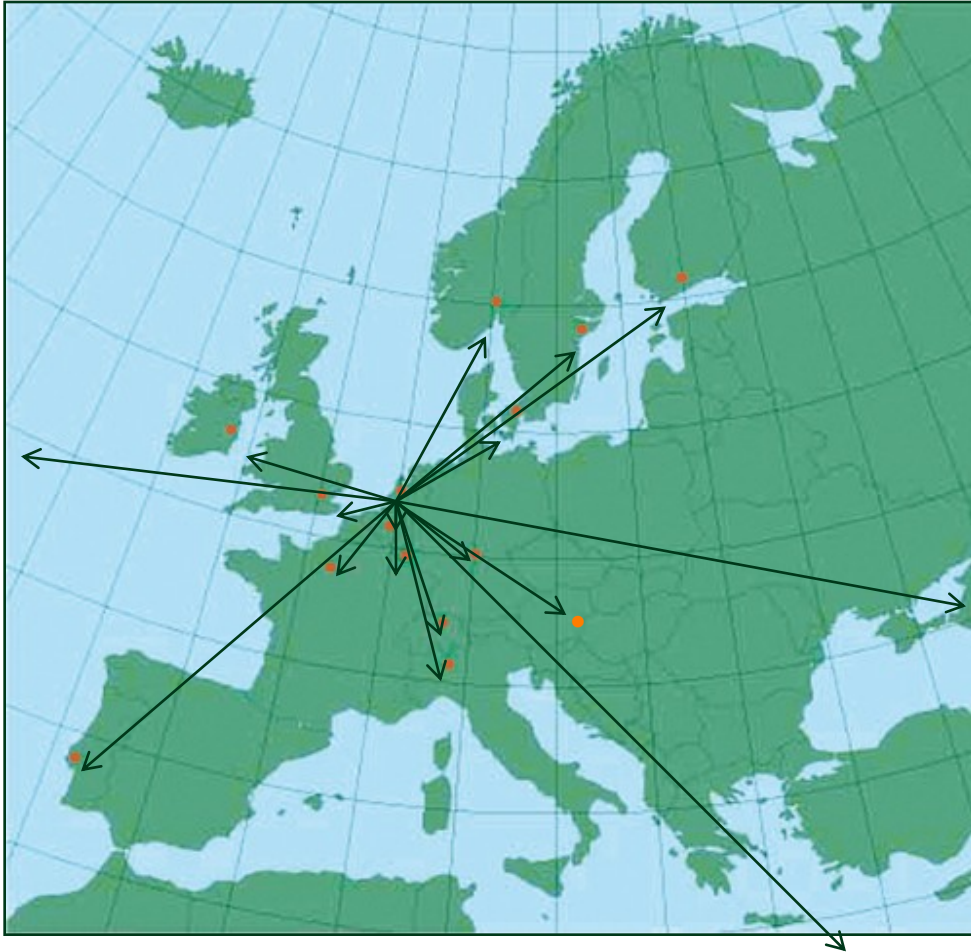
# INVESTMENT PORTFOLIO – HIGH QUALITY

	30-6-09	%	31-12-08	%
Issued/ guaranteed by government	696	69%	174	26%
Other Aaa - Aa3	212	21%	336	49%
<b>Sub total Aaa - Aa3</b>	<b>908</b>	<b>90%</b>	<b>510</b>	<b>75%</b>
A1 - A3	38	4%	35	5%
Baa1 - Baa3	24	2%	10	1%
P1 - P2	0	0%	100	15%
Equities	36	4%	28	4%
<b>Totaal</b>	<b>1.007</b>	<b>100%</b>	<b>682</b>	<b>100%</b>

# STRATEGIC VISION: PURE PLAY

- Specialisation op wholesale securities services to institutional investors and financial institutions
- Client interests first: neutrality and independency, no internal Chinese Walls
- Strong financial basis without government support; European expansion in Germany and UK

# KAS BANK EUROPEAN PLATFORM



## EUROPE

- Amsterdam
- Brussels
- Copenhagen
- Dublin
- Frankfurt
- Helsinki
- Lisbon
- London
- Luxembourg
- Milan
- Oslo
- Paris
- Stockholm
- Vienna
- Zurich
- Alternatives
  - MTF (Chi-X, Turquoise, Nasdaq OMX Europe, Bats, Nyse Arca Europe, SmartPool, Equiduct, Burgundy)
  - OTC

## OUTSIDE OF EUROPE

- US
- Dubai
- Hong Kong

# MARKET DEVELOPMENTS

## Changes and Opportunities in European Market

- Complementary alternative exchanges in cash markets; 'gateway to Europe'
- Increasing complexity (supervision/rules/harmonisation): securities services as specialism
- Change derivatives trading from OTC to on-exchange
- Financial conglomerates in strategic reorientation
- Acquisition of Postbank Privat Investment strengthens our neutral position in Germany
- Preference for 'bolt-on' acquisition in Europe

# MARKET DEVELOPMENTS CONTINUATION

- Governance offers opportunities
  - Risk management Institutional market
  - Outsourcing investment administration, due to increasing supervision
  - The Netherlands 'safe haven' qua reputation
  - Level playing field?

# ACQUISITION IN GERMANY: POSTBANK PRIVAT INVESTMENT

- Acquisition costs €13 mln, including equity of €10 mln; direct integration on existing activities in Germany
- Strong partner; recognition of our independent market position
- Exclusive asset servicing for banks, insurers and funds: no active AM
- As of 1 August consolidation; acquisition costs in H1 2009; limited contribution to the profits from Q4 2009

# OUTLOOK H2 2009

- An ongoing recession can have impact on income from custody, securities lending and clearing/settlement
- An increased risk on investments and credits (amongst others counterparty risk); If financial markets become weaker, there is a danger of impairment of additional losses
- Despite the unfavourable market circumstances KAS BANK has increased its profitability and decreased its risks
- Due to the uncertain outlook for the financial markets, the Managing Board will not give a firm forecast of the bank's results



**KAS BANK**

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