



---

Recovery of results; strategic initiatives on track

## Annual General Meeting 2016

Amsterdam, 26 April 2017

---

# Program today

3 topics

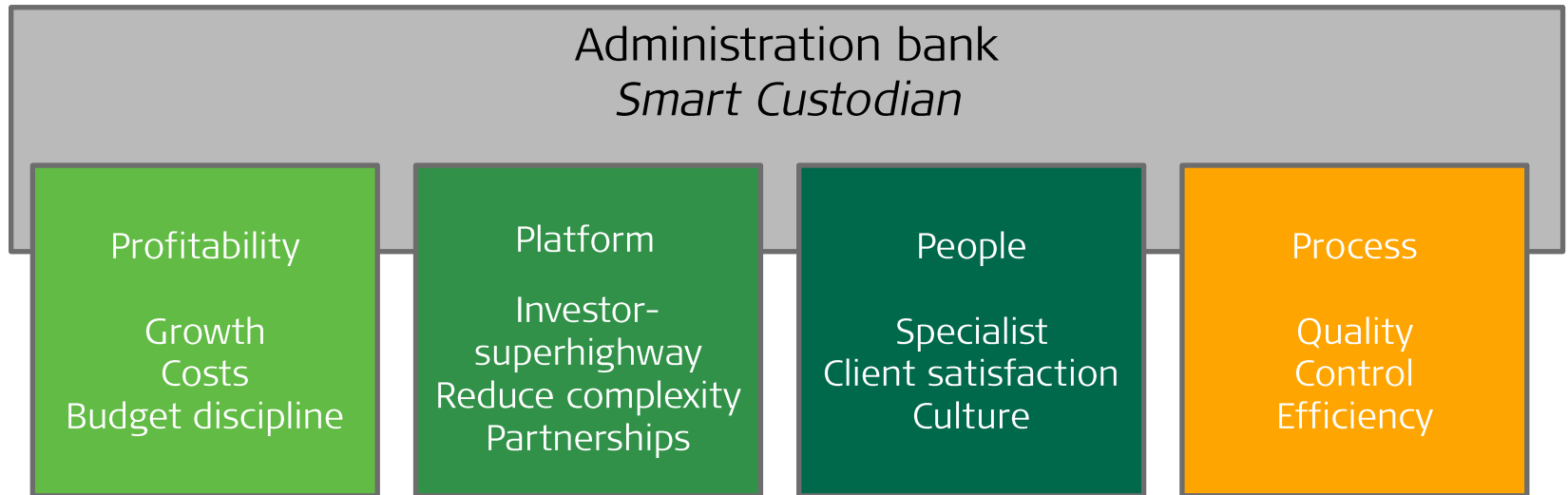
---

- |   |                            |                      |
|---|----------------------------|----------------------|
| 1 | <b>KAS BANK's strategy</b> | by Sikko van Katwijk |
| 2 | Our financial performance  | by Mark Stoffels     |
| 3 | Operational Excellence     | by Jaap Witteveen    |

# KAS BANK's Strategy

Becoming the best administration bank

---



# Program today

3 topics

---

- |   |                                  |                      |
|---|----------------------------------|----------------------|
| 1 | KAS BANK's strategy              | by Sikko van Katwijk |
| 2 | <b>Our financial performance</b> | by Mark Stoffels     |
| 3 | Operational Excellence           | by Jaap Witteveen    |

# Results

*Recovery of results in second half year*

€ m	2016	Δ	2015
Operating income	106.0	-8%	115.5
Operating expenses	-95.8	-7%	-103.2
Impairment results	0.5	-81%	2.7
Tax expense	-2.6	-33%	-3.9
<b>Net result from operations</b>	<b>8.2</b>	<b>-26%</b>	<b>11.1</b>
Result of sale Lehman claim	-		5.6
Sale of office building	21.2		-
IT outsourcing and Restructuring provision	-12.3		-
Tax	-2.2		-1.4
<b>Net result – other</b>	<b>6.7</b>		<b>4.2</b>
<b>Net result for the period</b>	<b>14.9</b>	<b>-3%</b>	<b>15.3</b>

# Comprehensive income

*Increase in contribution revaluation reserve AFS*

Breakdown of comprehensive income			
€ m		2016	2015
Net result for the period		14.9	15.3
Revaluation Available for Sale portfolio		5.1	1.9
Revaluation land and buildings		-	8.1
Actuarial gains/losses on pension		-	-0.6
<b>Net total comprehensive income</b>		<b>20.0</b>	<b>24.7</b>

# Financial targets

*Cost/income ratios still below targets, equity ratios on or above target*

	Target	2016	2015
Leverage income versus cost	$\geq 3\%$	0.3%	-17.2%
Efficiency ratio	70% - 77%	85%	85%
Return on Equity	10-year +5-8%	7.2%	7.6%
Growth in earnings per share	$> 8\%$	-3%	-37%
Dividend pay-out	60-80%	64%	62%
Average capital ratio	$\geq 20\%$	26%	20%

# Dividend yield KAS BANK

*Strong returns for shareholders*

	2012	2013	2014	2015	2016
Dividend	0.64	0.64	0.64	0.64	0.64
Yield year end price	8.5%	6.6%	6.5%	6.0%	7.6%
Yield average price	8.3%	6.8%	6.4%	5.8%	7.1%



# Operating income

*New sales and cross sell defeated by ECB policies*

## Breakdown of operating income

€ m	2016	Δ	2015
Interest	15.8	-32%	23.3
Asset Servicing	37.3	6%	35.2
Transaction Servicing	21.1	-2%	21.6
Treasury	11.5	-25%	15.4
Commission income	69.9	-3%	72.2
Trading/investments	19.8	4%	19.0
Other	0.5	-50%	1.0
<b>Operating income</b>	<b>106.0</b>	<b>-8%</b>	<b>115.5</b>

# Operating expenses

*Decrease of expenses mainly due to lower personnel expenses*

Breakdown of Operating expenses				
€ m	2016	Δ	2015	
Personnel	60.9	-12%	69.2	
IT expenses	18.1	14%	15.9	
Other expenses	14.0	-4%	14.6	
Depreciation and amortisation	2.8	-20%	3.5	
<b>Operating expenses</b>	<b>95.8</b>	<b>-7%</b>	<b>103.2</b>	

# Capital and liquidity

*Ratios remain at a high level*

€ m	2016	2015
Capital ratio (year end)	30%	24%
Common equity tier 1	199	183
Risk weighted assets	660	735
Leverage ratio (year end)	4.3%	-
Liquidity Coverage Ratio	225%	143%

*based on CRD/BIII*

€ m	2016
Equity as per 1 January	210
Revaluation reserve AFS	5
(interim) dividend	-5
Profit	15
Equity as per 31 December	225

*based on IFRS*

# First quarter results of 2017

*Good financial performance and client wins*

---

## Q1 Results

- Total net result of EUR 5.1 million (Q1 2016: € 0.8 million)
- Operating income increased to EUR 28.3 million (Q1 2016: € 26.4 million)
- Clients-wins in the Netherlands, UK and Germany
- Operating expenses decreased to EUR 21.6 million (Q1 2016: € 25.3 million)
- Capital ratio and liquidity ratio remain stable at a high level

# Program today

3 topics

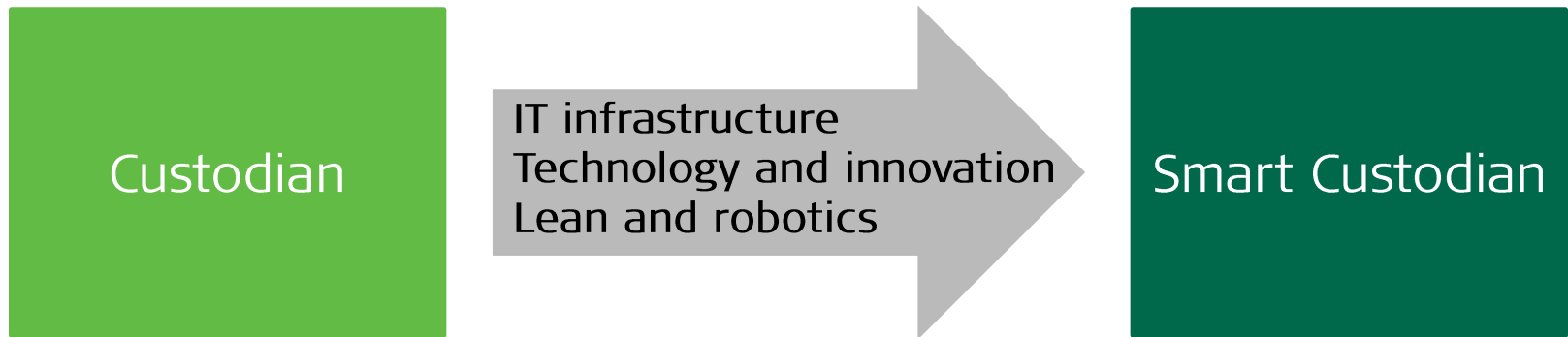
---

- |   |                               |                      |
|---|-------------------------------|----------------------|
| 1 | KAS BANK's strategy           | by Sikko van Katwijk |
| 2 | Our financial performance     | by Mark Stoffels     |
| 3 | <b>Operational Excellence</b> | by Jaap Witteveen    |

# Operational Excellence

Our ambition is to become the best administration bank

---



# Moving into new office building

Entree 500

---





# KAS BANK

COMMITTED SINCE 1806