

AGENDA

for the Annual General Meeting of Shareholders of KAS BANK N.V. to be held on Wednesday 23 April 2014, commencing at 11:30 a.m., at the company's offices, Nieuwezijds Voorburgwal 225, 1012 RL Amsterdam, the Netherlands.

1. Call to order

2. Report of the Managing Board on 2013

3. Remuneration in the financial year 2013

4. Adoption of the 2013 financial statements (resolution)

5. Adoption of the dividend for 2013 (resolution)

6. Corporate governance

7. Ratification of the actions of the Managing Board (resolution)

8. Ratification of the actions of the Supervisory Board (resolution)

9. Remuneration policy Managing Board (resolution)

10. Composition of the Supervisory Board

a. Notification vacancy in the Supervisory Board

b. Reappointment of Mr R. Icke (resolution)

11. Appointment external auditor (resolution)

12. Authorisation of the Managing Board (resolution)

a. Issue of shares (resolution)

b. Repurchase of own shares (resolution)

13. Any other business

14. Adjournment

Note on item 3 - Remuneration in the financial year 2013

Under this agenda item, the implementation of the remuneration policy for the Managing Board in 2013 will be discussed.

Note on item 4 - Adoption of the 2013 financial statements (resolution)

It is proposed that the 2013 financial statements be adopted as prepared by the Managing Board and discussed with the Supervisory Board.

Note on item 5 - Adoption of the dividend for 2013 (resolution)

It is proposed that a dividend be declared for 2013 of € 0.64 per ordinary share of € 1.00 nominal value. An amount of € 0.33 has already been paid as interim dividend for 2013, leaving a final dividend for 2013 of € 0.31 per ordinary share of € 1.00 nominal value. The final dividend for 2013 will be payable in cash, net of 15% withholding tax, on 2 May 2014.

Note on item 6 - Corporate governance

The adoption and further implementation of the Dutch Corporate Governance Code and Dutch Banking Code by KAS BANK in 2013 will be discussed with the shareholders. A comprehensive explanation of both Codes, either confirming the company's compliance or explaining its non-compliance with the Codes provision by provision, can be found on the company's website, www.kasbank.com.

Note on item 7 - Ratification of the actions of the Managing Board (resolution)

It is proposed that, with respect to the 2013 financial statements and related matters dealt with by the General Meeting of Shareholders, the actions of the members of the Managing Board in respect of their management in the past financial year be ratified.

Note on item 8 - Ratification of the actions of the Supervisory Board (resolution)

It is proposed that, with respect to the 2013 financial statements and related matters dealt with by the General Meeting of Shareholders, the actions of the members of the Supervisory Board in respect of their supervision in the past financial year be ratified.

Note on item 9 – Remuneration policy Managing Board (resolution)

The Supervisory Board of KAS BANK N.V. proposes to amend the remuneration policy for the Managing Board and to re-determine this in accordance with the proposal below by 1 January 2014.

Key aspects of proposal to amend the remuneration policy for the Managing Board

1. Proposal to reduce the total variable remuneration of the directors from a maximum of 100% to a maximum of 20% of the base salary;
2. Proposal not to offset the reduced variable remuneration by an increase in the base salary of the directors;
3. Proposal to simplify the system of variable remuneration and to assume three performance criteria.

Environment

Since the 2008 crisis, social acceptance of the remuneration of banks has changed enormously. While this primarily concerns the remuneration of directors, it also concerns the remuneration of bank employees in

general. The Restrained Remuneration Policy Regulations (Financial Supervision Act) 2011 (*Regeling beheerst beloningsbeleid Wft 2011*), the Banking Code (*Code Banken*) and various other initiatives (e.g. no employment contract for directors, maximizing the variable remuneration, etc.) respond to this.

Although KAS BANK did not receive support from the Government at any time over the past five years and its business model does not make it co-responsible for the causes of the crisis in any way, the bank feels it has a social obligation to make a direct contribution to restoring social confidence in the financial sector.

In a European context, a proposal was made in early 2013 to fix the upper limit of the variable remuneration of directors of European banks to a maximum of one times the annual salary, with the option that this may be increased to twice the annual salary by the shareholders. There has been a limit of 100% for the Dutch financial sector since the introduction of the Banking Code in 2010. The legislative proposal for the Remuneration policy for financial companies announced a further reduction to a maximum of 20%.

Principles Remuneration Policy 2014

The remuneration of the Management Board consists of (1) a base salary, (2) a variable remuneration, and (3) a pension scheme. A leasing scheme and a mortgage scheme are also part of the remuneration policy.

The remuneration policy is designed to be able to attract, motivate and retain qualified and expert managers, including in the future. The remuneration policy takes into account the long-term interests of all stakeholders involved in the bank, including shareholders, customers, employees and society. KAS BANK responds to the social developments surrounding executive pay at banks in its new remuneration policy. The total remuneration of the directors is slightly below the median level for comparable positions within and outside the financial sector.

The bank conducts a careful and controlled remuneration policy that takes into account its strategy and risk appetite, as well as taking into account the long-term interests of the bank, the relevant international context and the level of social support. The remuneration policy has been tested against scenario analyses and the pay differentials within the company.

The Supervisory Board determines the remuneration of individual directors in accordance with the remuneration policy determined by the General Meeting of Shareholders. The General Meeting of Shareholders determined the remuneration policy of the Management Board for the last time on 3 November 2010.

The proposed remuneration policy is in line with the European Capital Requirement Directive III, which is elaborated in the guidelines of the Committee of European Banking Supervisors (CEBS) and is included in the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2011 (RBB) by DNB.

Comparison with the market

The Supervisory Board assesses the total remuneration of the directors every two years compared to the developments in the market. In principle, once every four years the remuneration package is assessed by a remuneration expert. When drafting the proposed remuneration policy, the Supervisory Board has not used an external expert.

The proposed market comparison was compiled by an external expert (Towers Watson) in 2010 and parts have recently been updated for the benefit of the new remuneration policy MB. The benchmark is broadly based and consists of two reference groups listed below. The reference group is based on similar positions within and outside the financial sector.

The reference groups consist of:

1. A financial/specific reference group consisting largely of companies in the financial sector, including the international context and reference group of (parts of) European financial institutions, which are comparable to KAS BANK in terms of services provided and/or size;
2. A cross-industry reference group, consisting of companies included in the AScX Index at the time of the determination of the remuneration policy.

The reference groups have been classified into two parts in order to assess conformity with comparable positions within and outside the financial sector in accordance with the Banking Code.

An overview of the reference groups is found below:

Financial/specific labour market reference group

ABN Amro	ING Retail Banking Nederland
AEGON Nederland	JP Morgan Worldwide Securities Services
APG Groep	LCH.Clearnet
ASR Nederland	Mn Services
Bank Of New York Mellon Asset Servicing (EU)	NIBC
Binckbank	Northern Trust Corporate & Institutional Services (EU)
BNP Securities Services (EU)	NYSE Euronext
De Goudse Verzekeringen	PGGM
Delta Lloyd	Robeco
Delta Lloyd Bank	SNS Reaal
Deutsche Bank Global Transaction Banking (EU)	SNS Bank
Deutsche Börse	Societe Generale Securities Services (EU)
Euroclear	Statestreet Investment Servicing (EU)
Friesland Bank	Van Lanschot
HSBC Securities Services (EU)	

Cross-industry labour market reference group (AScX companies, as at September 2013)

Accell Group	Telegraaf Media Groep
Antonov	TKH Group
Arseus	Unit 4
Ballast Nedam	Vastned Offices/Industria
Beter Bed Holding	Amsterdam Commodities
Brunel	AND International
Exact Holding	Batenburg Techniek
Fornix Biosciences	BE Semiconductor
Gamma Holding	Brill
Grontmij	Crown Van Gelder
Homburg Invest	Cryo Save Group
Innoconcepts	Doc Data
Kardan	Holland Colors
Macintosh Retail Group	ICT Automatisering
Nieuwe Steen Investments	Kendrion
Pharming Group	NEDAP
Phoenix Group Holdings	Ordina
Prologis European Prop.	Value8
Qurius	Wessanen
Sligro Food Group	Xeikon

Base salary

Based on the results of the market comparison, the policy level for the base salary of the Chairman of the Management Board will continue to be € 390,000 per year and the other members € 285,000 per year. The base salary includes holiday allowance and 13th month.

It is proposed not to offset an increase in the base salary of the directors by reducing the variable remuneration. If this is necessary at some point, the base salary will be further assessed with respect to market development and the development of the benchmark.

Variable remuneration

It is proposed that the total variable remuneration of the directors is reduced from the current maximum of 100% of the base salary to a maximum of 20% of the base salary.

The proposed amendment is in line with the legislative proposal to cap variable remuneration in the financial sector at 20% of the base salary (Draft Act on the Remuneration policies of financial undertakings). This fits in with the current social development of a more austere remuneration policy that will contribute to further restoring confidence in the financial sector and bring down labour costs further.

The remuneration policy for the Management Board, as determined by the General Meeting of Shareholders in 2010, assumes a variable remuneration of a maximum of 100% of the base salary in line with the Banking Code. To satisfy the public debate on variable remuneration and to take into account the anticipated change in this area, the bank believes that an adjustment of the variable remuneration is in place. This adjustment will also bring the total income of the directors in better proportion to the remuneration policy adopted by the bank.

As a result of the adjustment of the remuneration policy for the Management Board, there will be a reduction in the total fixed remuneration (maximum gain) and variable remuneration of 40% for the Management Board. Based on the average actual variable remuneration for four years (2009-2012), this is a reduction of 20% for the Management Board Chairman and 16.4% for the Management Board members. See the diagram below.

Based on the maximum achievable variable remuneration:

	Current			Proposed			Difference
	base salary	variable max. 100%	total remuneration (max.)	base salary	variable max. 20%	total remuneration (max.)	
Chairman MB	390,000	390,000	780,00	390,000	78,000	468,000	- 40%
Member MB	285,000	285,000	570,000	285,000	57,000	342,000	- 40%

Based on the average actual variable remuneration for four years (2009-2012): Chairman MB 50% and member MB 43.5%.

	Current			Proposed			Difference
	base salary	variable average (chairman 50%; member 43.5%)	total remuneration (average)	base salary	variable max. 20%	total remuneration (max.)	
Chairman MB	390,000	195,000	585,000	390,000	78,000	468,000	- 20%
Member MB	285,000	124,000	409,000	285,000	57,000	342,000	- 16.4%

It is proposed to simplify the system of variable remuneration by merging the short and long-term variable remuneration and only formulating the three performance criteria.

The performance criteria are linked to three targets. The weighting of the three elements is the same:

- Achievement of the budget; this target is determined annually on the basis of two quantitative criteria: return on equity and Efficiency Ratio. Both these criteria are given equal weight.
- Strategic progress; this target is determined annually on the basis of a number of quantitative and qualitative criteria. These are related to the sustainable development of the market position and progress in the area of risk management, administrative organization, customer satisfaction, etc.
- Operational progress; this target is also determined annually on the basis of a number of quantitative and qualitative criteria. These are related to the operational development and progress in the area of employee satisfaction, ISAE 3402, DNB reports, etc.

Depending on the degree of achievement of the performance criteria, the Supervisory Board sets the variable remuneration.

- Achievement of less than 67.7% of the performance criteria: no variable remuneration
- Achievement of the performance criteria in full (100%): variable remuneration is 16% of the base salary
- When the performance criteria is surpassed (133.3%): variable remuneration is a maximum of 20% of the base salary.

Payment will be made on a gliding scale.

Supervisory Board	Current		Proposed		
	at target	maximum	under target (<67.7%)	at target (100%)	maximum (133.3%)
STI	41.7%	50%			
LTI	25%	50%			
Total variable	66.7%	100%	0%	16%	20%

The total variable remuneration will be fully paid in shares. The directors may sell shares granted in order to comply with tax obligations in respect of these shares. The variable remuneration will be paid in accordance with the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2011 and the current laws and regulations at any time.

Pension scheme

The pension scheme for directors is based on a defined contribution system. The scheme is in line with the market based on the scale of defined contribution tax offset. The contribution is determined on the basis of net contributions taking into account cost and contribution mark-up. Costs and contribution mark-ups are paid by the company. The scale of defined contribution tax offset remains applicable to the directors.

Other emoluments

The other conditions of employment of the directors are in line with what is customary in the market, such as a leasing scheme and a contribution to the mortgage in accordance with the scheme for employees. The directors have waived any general expenses allowance.

Severance pay

In principle, any severance pay for a director will not amount to more than one year's salary taking reasonableness and fairness into account. The basic premise is that there will never be a 'reward for failure'.

Effective Date

It is proposed that the new remuneration policy of the Management Board take effect from 1 January 2014.

Note on item 10 - Composition of the Supervisory Board**a. Notification vacancy Supervisory Board****b. Reappointment of Mr R. Icke**

The General Meeting of Shareholders is advised of the vacancy arising on the Supervisory Board following the retirement of Mr R. Smit per 23 April 2014. For health reasons Mr Smit is not eligible for reappointment.

The General Meeting of Shareholders is advised of the vacancy arising on the Supervisory Board following the retirement of Mr R. Icke per 24 April 2013. Mr Icke is eligible for reappointment.

The General Meeting of Shareholders will be given an opportunity to recommend candidates for both vacancies for appointment to the Supervisory Board. Candidates should match the Supervisory Board profile that can be found on the [website](#) of the bank. Apart from satisfying the requirements of the profile, candidates must meet the following profile characteristics.

For the first vacancy to match the Supervisory Board profile, a business person is sought who possesses expertise and experience in the national and international financial sector, and experience or affinity with international business and knowledge and experience of institutional investors and financial institutions. The Supervisory Board is in the process of fulfilling the vacancy.

For the second vacancy to match the Supervisory Board profile, a business person is sought who possesses expertise and experience of risk control and management systems and financial accounting and control, experience with international business and with knowledge and experience of social policy and human resources.

If the General Meeting of Shareholders does not recommend a candidate, the Supervisory Board will nominate Mr R. Icke for reappointment to the Supervisory Board by the General Meeting of Shareholders. The KAS BANK Workers' Council has not exercised its right to recommend a candidate for appointment by the General Meeting of Shareholders. The Supervisory Board expects to come with a nomination soon to fulfil the vacancy left by the departure of Mr Smit.

The Supervisory Board nominates Mr R. Icke for reappointment to KAS BANK's Supervisory Board as of 23 April 2014 (effective from the adjournment of the General Meeting of Shareholders) for a period of four years (up to

and including the General Meeting of Shareholders in 2018). Mr Icke excellently fits in the profile requirements of the Supervisory Board.

Particulars of Mr R. Icke:

Current principal position	None
Previous principal position	Chief Executive Officer (CEO) of USG People N.V.
Other positions	Member of the Supervisory Board and chairman of the Audit Committee of Heijmans N.V.; chairman of the Supervisory Board of DPA Group N.V.; advisor of the Board of orizon Holding GmbH; advisor of the Supervisory Board of Kinderopvang Nederland B.V.; member of the Supervisory Board of the Dutch Land Registry and VvAA Groep B.V.; member of the Investment Committee of the Project Holland Fund; chairman of the Supervisory Board of Ormit Holding B.V. and orizon GmbH; board member Stichting Administratiekantoor V.O.Zee
Nationality	Dutch
Date of birth	1950
First appointed	2010
Shares KAS BANK	None

According to the schedule, at the General Meeting of Shareholders in 2015 no supervisory members will resign by rotation. According to the schedule, at the General Meeting of Shareholders in 2016 it is the turn of Mr Frijns to resign by rotation.

Note on item 11 – Appointment external auditor (resolution)

It is proposed to appoint PricewaterhouseCoopers Accountants N.V. (PwC) as new external auditor of the company with effect from the audit for the financial year 2014. The change of external auditor is driven by law. The proposal has been carefully prepared and looked after by the Audit Committee of the Supervisory Board.

Note on item 12 - Authorisation of the Managing Board (resolution)

a. To issue shares

It is proposed that the Managing Board be designated for a period of eighteen months, commencing on 23 April 2014, as the competent body to decide to issue shares, including the granting of rights to acquire shares, as well as to restrict or exclude the pre-emptive rights pertaining to the issue of shares, including the granting of rights to acquire shares. A decision by the Managing Board to issue shares or to restrict or exclude the pre-emptive rights pertaining to the issue of shares will be subject to the approval of the Supervisory Board. It is proposed to restrict the Managing Board's mandate to issue shares, including the granting of rights to acquire shares, or to restrict or exclude the pre-emptive rights pertaining to the issue of shares, including the granting of rights to acquire shares, to:

- i. 10% of the issued share capital of the company on 23 April 2014; and
- ii. an additional 10% of the issued share capital of the company on 23 April 2014, if the issue of this additional 10% is in connection with a merger or acquisition.

At the General Meeting of Shareholders on 24 April 2013, the Management Board was designated as the competent body to decide to issue shares, subject to the approval of the Supervisory Board. This designation applies to the issue of a maximum of 10% of the issued share capital of the company for a period of eighteen

months. At the meeting of 23 April 2014, a proposal will be made to amend the authority of the Management Board to issue shares in order, where appropriate, for the issue of shares to take place more quickly and appropriately. This authority will only be exercised if necessary in the interests of the company, its related enterprise and all stakeholders. The Managing Board has as yet not exercised the authority to issue shares which was granted last year.

The authorization replaces the authorization granted by the General Meeting of Shareholders on 24 April 2013.

b. To repurchase own shares

It is proposed that the Managing Board be authorised for a period of eighteen months, commencing on 23 April 2014, subject to the approval of the Supervisory Board, to repurchase own shares up to a maximum of 10% of the issued share capital. Such acquisition may be effected by means of any type of contract, including stock exchange transactions and private transactions.

The price must lie between the nominal value of the shares and an amount equal to 110% of the market price. By 'market price' is understood the average of the highest prices reached by the shares on each of the five stock exchange business days preceding the date of acquisition, as evidenced by the Official Price List of NYSE Euronext Amsterdam N.V.

This authorisation is intended primarily to enable the company to repurchase its own shares or depositary receipts in order to meet its obligations under the stock scheme and/or the long-term variable remuneration. Other circumstances may arise in which it is desirable for the company to repurchase its own shares.

The authorization replaces the authorization granted by the General Meeting of Shareholders on 24 April 2013.

Amsterdam, 12 March 2014

Managing Board and Supervisory Board
KAS BANK N.V.

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