



Solid performance first half 2017

Analyst meeting H1 2017

Amsterdam, 8 September 2017

Key points first half year 2017

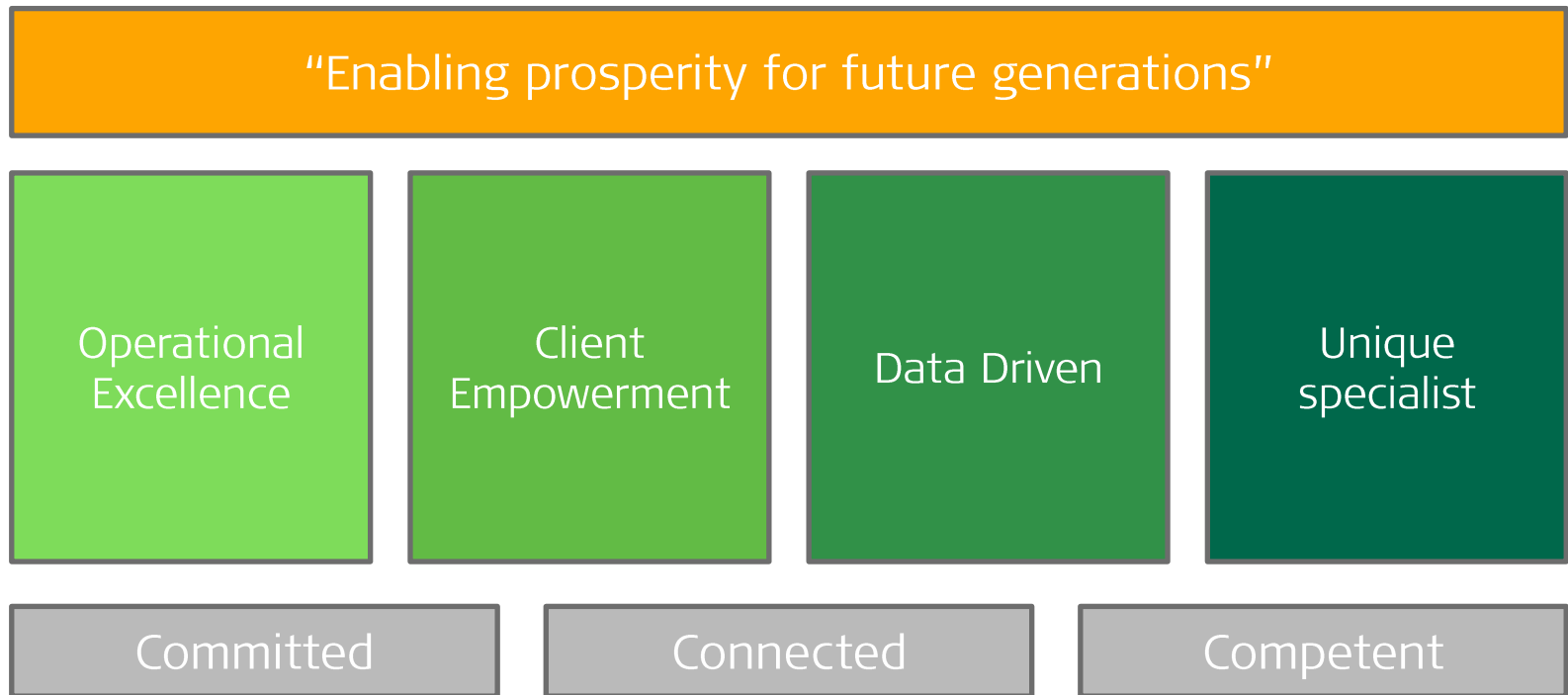
1. Net result of EUR 8.5 million (H1 2016: EUR 0.9 million).
2. Operating income increased by 4% to EUR 53.6 million (H1 2016: 51.6 million).
3. Operating expenses are 17% lower at EUR 42.4 million (H1 2016: EUR 51.2 million).
4. Distribution of an interim dividend of EUR 0.33 (interim dividend 2016 nil).
5. Capital ratio of 35% and the liquidity coverage ratio of 214% remain strong.

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- 1** KAS BANK's strategy
- 2 Our financial performance
- 3 Operational Excellence
- 4 Outlook H2 2017

KAS BANK's Strategy

Becoming the best administration bank



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Results

Solid performance first half 2017

€ m	H1 2017	Δ	H1 2016
Operating income	53.6	4%	51.6
Operating expenses	-42.4	-17%	-51.2
Impairment results	0.2		0.0
Tax expense	-2.9		0.5
Net result from operations	8.5		0.9

€ m	H1 2017	H1 2016
Net result for the period	8.5	0.9
Revaluation Available for Sale portfolio	4.7	-5.9
Net total comprehensive income	13.2	-5.0

Financial targets

Most of the ratios much better than target; efficiency ratio above target but improving

	Target	H1 2017	H1 2016
Leverage income versus cost	$\geq 3\%$	21%	-17%
Efficiency ratio	70% - 77%	79%	99%
Return on Equity	10-year* +5-8%	8%	1%
Growth in earnings per share	$> 8\%$	867%	-89%
Capital ratio	$\geq 20\%$	35%	30%

*10-year: H1 2017 0.5% (H1 2016 0.3%)

Operating income

Asset Servicing and FX growth continues, decrease in securities lending income

€ m	H1 2017	Δ	H1 2016
Asset Servicing	19.8	3%	19.3
Transaction Servicing	10.8	0%	10.8
Treasury	4.5	-21%	5.7
Commission income	35.1	-2%	35.8
Interest	7.4	-8%	8.0
Result on investments:			
- FX transactions	8.1	27%	6.4
- Investment portfolio/Trading	2.7	200%	0.9
Other	0.3	-40%	0.5
Operating income	53.6	4%	51.6

Operating expenses

Operating expenses down successfully

€ m	H1 2017	Δ	H1 2016
Personnel	23.7	-30%	33.8
IT expenses	11.9	37%	8.6
Other expenses	6.1	-15%	7.2
Depreciation and amortisation	0.7	-56%	1.6
Operating expenses	42.4	-17%	51.2

Capital and liquidity

Continuous strong capital and liquidity ratios

€ m	30 June 2017	31 December 2016
Capital ratio (year end)	35%	30%
Common equity tier 1	213 m	199 m
Risk weighted assets	607 m	660 m
Leverage ratio (year end)	4.3%	4.3%
Liquidity Coverage Ratio	214%	225%

based on CRD IV

€ m	H1 2017
Equity as per 31 December 2016	225.0
Revaluation reserve AFS	4.7
Purchase/sale of treasury shares	-0.1
Dividend 2016	-9.4
Profit	8.5
Equity as per 30 June 2017	228.7

based on IFRS

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Operational Excellence

Our ambition is to become the best administration bank

1. For 10 processes, Robotics has been implemented.
2. At the moment, we are applying Robotics to 12 processes, and our aim is to do 35-40 processes per year.
3. An example is Robotics in the Corporate Actions process.



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Outlook H2 2017

- No major changes in the macro-economic conditions;
- we see an ongoing consolidation in the Dutch pension and insurance market, this will also impact KAS BANK;
- we are increasing our efforts to increase organic growth;
- we are making increased investments in robotics and innovation;
- to strengthen our position as market leader and adapt to the changing needs of our clients.



 **KAS BANK**
COMMITTED SINCE 1806