

A background image showing two men in suits shaking hands in front of a large clock tower. The image is faded and serves as a backdrop for the text.

# Annual General Meeting 2010

**Amsterdam, 21 April 2010**

# AGENDA

1. Results 2009
2. Strategy
3. Update Q1 2010

# KEY POINTS - 2009

- Operational profit €21 m (+12%) with stable revenues, 3% lower cost and no government support
- Total profit €24.6 m, due to non operational positive results on investments and loans
- Strong balance sheet:
  - BIS-ratio 24% (2008:18%)
  - Tier 1-ratio 21% (2008:15%)
  - Total Equity €193 m (+15%)
- Dividend pay out 61% (€0.73) of operational profits (2008:€ 0.45)

# FINANCIAL TARGETS\*

Ratio	Target	2009	2008
Leverage income versus cost	≥ 3%	2.4%	-6.3%
Efficiency ratio	70-77%	79%	81%
RoE	10-year interest rate** + 5-8%	12%	9%
Growth in earnings per share	> 8%	13%	-20%
Dividend pay-out	60-80%	61%	35%
Average BIS-ratio	≥ 12.5%	21%	15%

\* Excl. exceptional items

\*\* 10-year interest 2009: 3.7%, 2008: 4.2%

# INCOME\*

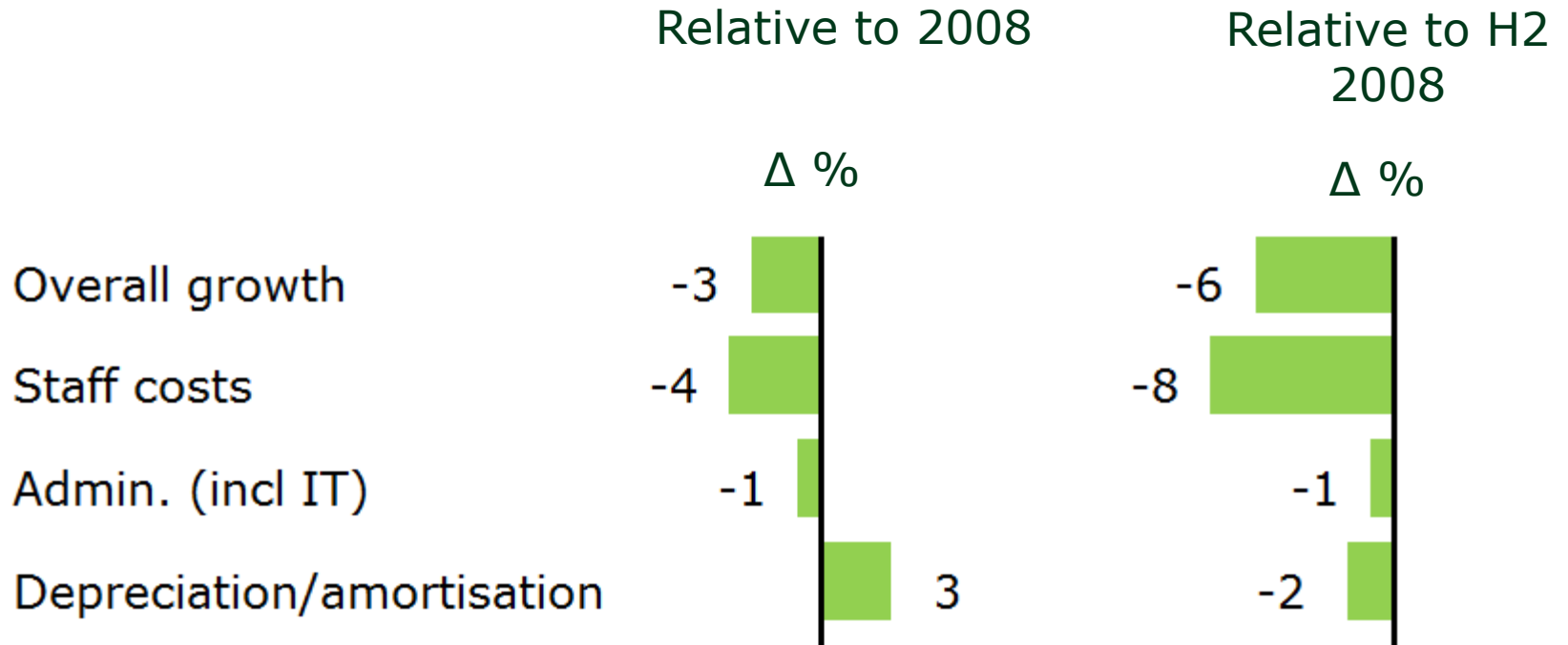
€ million	2009	2008	Δ
Revenues	132.0	132.3	0%
▪ Interest income	30.6	28.9	6%
▪ Commission income	75.3	89.2	-16%
▪ Trading/investments	24.1	13.5	79%
▪ Other	2.0	0.7	186%

\* Excluding non-operating items

# DEVELOPMENT COMMISSION INCOME

€ million	2009	2008	Δ
Custody and IMS	30.1	28.7	5%
Clearing and Settlement	33.8	37.6	-10%
Other	6.3	5.7	11%
<b>Sub total</b>	<b>70.2</b>	<b>72.0</b>	<b>-3%</b>
Securities Lending	5.1	17.2	-70%
<b>Total commission income</b>	<b>75.3</b>	<b>89.2</b>	<b>-16%</b>

# COSTS\*



\* Excluding non-operating items

# RISK PROFILE - INVESTMENT PORTFOLIO

	<b>31-12-09</b>	<b>%</b>	<b>31-12-08</b>	<b>%</b>
Aaa - Aa3	1,339	93%	537	75%
A1 - A3	37	2%	35	5%
Baa1 - Baa3	40	3%	10	1%
P1 - P2	0	0%	100	14%
Equities	28	2%	33	5%
<b>Total</b>	<b>1,444</b>	<b>100%</b>	<b>715</b>	<b>100%</b>



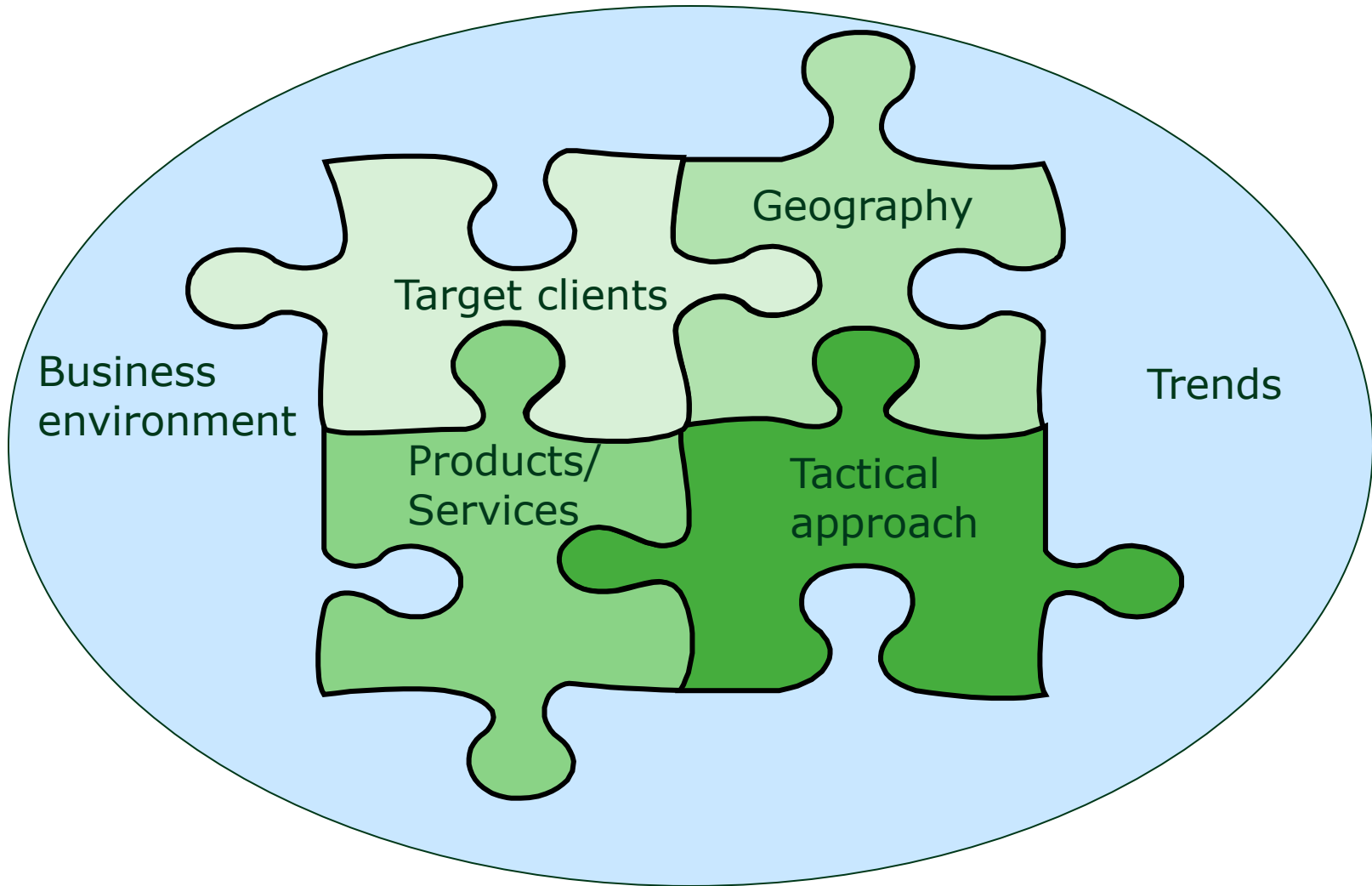
# RISK PROFILE – SOLVENCY / LIQUIDITY

	<b>31-12-2009</b>	<b>31-12-2008</b>
BIS-ratio	24%	18%
Tier 1-ratio	21%	15%
RWA	707 mn	940 mn
Surplus Liquidity	1.6 bn	1.5 bn

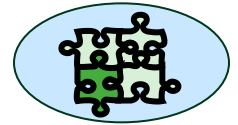
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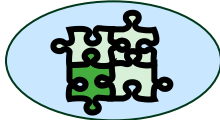
# STRATEGY



# OUR CORE SERVICES

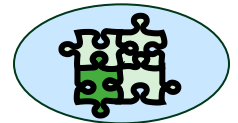


- Asset servicing
- Transaction servicing
- Institutional Services
  - NAV & Participant services
  - Asset Manager services
  - Sub- and global custody services
  - Clearing & Banking services
  - Broker services

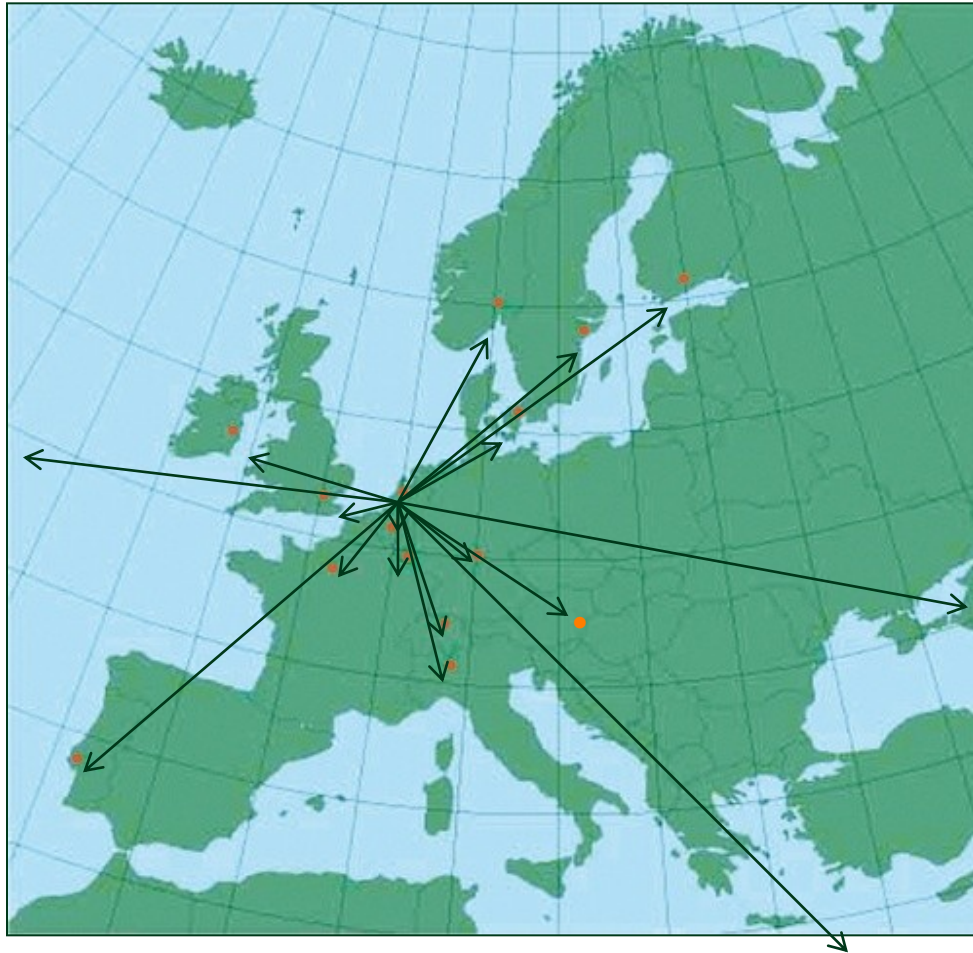


# ASSET SERVICING





# TRANSACTION SERVICING



## EUROPE

Exchanges: 76% (2008:88%)

- Amsterdam
- Brussels
- Copenhagen
- Dublin
- Frankfurt
- Helsinki
- Lisbon
- London
- Luxembourg
- Milan
- Oslo
- Paris
- Stockholm
- Vienna
- Zurich

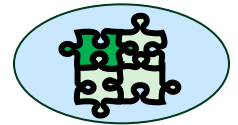
Alternatives (MTF, OTC): 24% (2008:12%)

- Chi-X
- Turquoise
- Nasdaq OMX
- Bats
- Nyse Arca
- SmartPool
- Equiduct
- Burgundy
- Quote

## GLOBAL

- US
- Dubai
- Hong Kong

# OUR TARGET CLIENTS



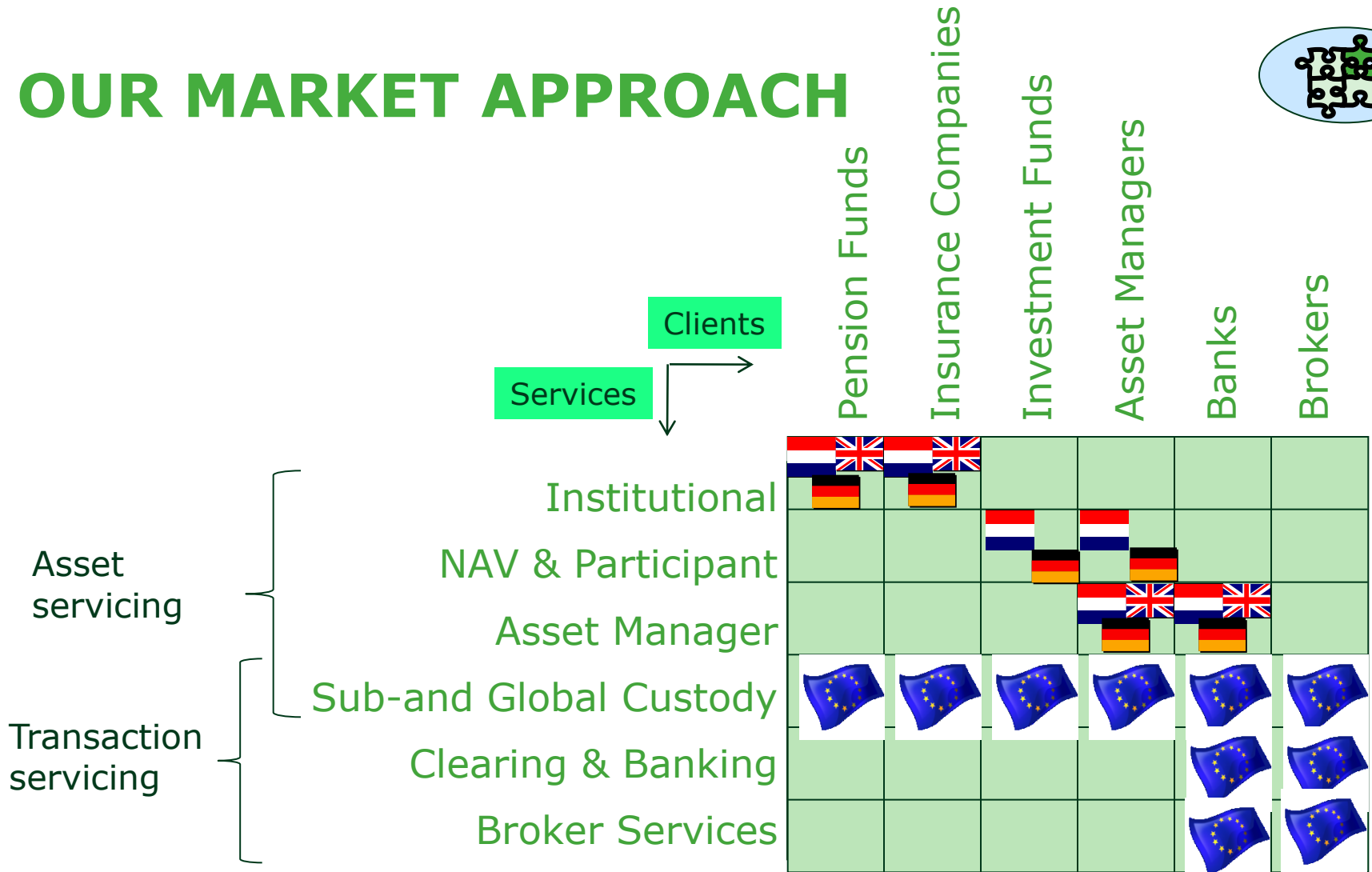
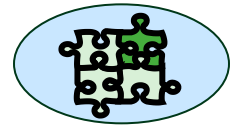
Institutional Investors

- Pension Funds
- Insurance Companies
- Investment Funds

Financial Institutions

- Asset Managers
- Banks
- Brokers

# OUR MARKET APPROACH





# TRENDS



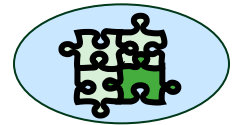
## Institutional Investors

- Evolving governance structure and risk management issues
- Outsourcing issues
- Consolidation of pension funds (UK,NL) and KAG's (Germany)

## Financial Institutions

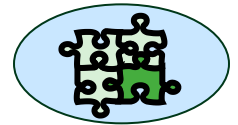
- Integration of front and back-office due to changing trading techniques and cost issues
- Europeanization through MIFID and changing infrastructure
- Skill-issues: complexity and risk management

# TACTICAL APPROACH

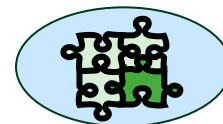


- Pure play business model
- Active player in European consolidation
- Focus on growth opportunities in rapidly changing markets

# PURE PLAY



- No conflict with our clients' primary business: no active asset management, no active (proprietary) trading, no internal Chinese Walls
- Focus on core values
  - Neutral
  - Transparent
  - Low risk
- Client driven: flexible; more and better integration with clients due to focus on specialism



# EUROPEAN CONSOLIDATION

- Complexity/specialisation as key drivers for divesting/outsourcing
- Strategic importance of neutrality and independence increasing; other than KAS BANK, there are no independent European players
- Two successful bolt-on acquisitions in the German institutional market completed in 2008 and 2009

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# OVERVIEW Q1 2010

- Operational net result Q1 2010 of € 4.4 m (Q1 2009: € 4.4 m); Total result of € 5.6 m (Q1 2009: € 4.4 m)
- Stable revenues
- Costs about 5 percent lower than Q4 2009

# OPERATIONAL RESULT

- Recovery securities lending slower than expected
- Lower interest margin because of ECB-liquidity in the markets and historical low interest levels
- Non-operational result of € 1.2 m by market results in the investment portfolio ('perpetuals')
- Solvability and liquidity remain at strong levels

# STABLE REVENUES

- Interest income lower; balance sheet management leads to additional revenue; revaluation reserve approximately equal to 31-12-2009
- Fee income slightly lower
- Assets under Administration (AuA) increased with €21% to € 250 bn



# COST DEVELOPMENT

- Further reduction of 5 % due to ongoing cost programs; external efficiency ratio still above target
- Total staff in line with budget down to 760 FTE's
- Q1 2010 includes operational cost of German acquisition in H2 2009

# OUTLOOK 2010 - COMMERCIAL

- Growing importance of risk management tools within pension fund governance
- Continued role within KAG-consolidation
- Increasing focus on client satisfaction and individualized service offering

# OUTLOOK - FINANCIAL

- Cost containment
  - Increasing HR flexibility (-> employability, reduction external staff)
  - Converting fixed costs into variable costs -> outsourcing mainframe, specialised platforms and services
- Active balance sheet management
  - Continuing low risk profile
  - Optimizing risk/return on interest income
- Based on the first quarter results in combination with continuing uncertainty in the markets, the Managing Board does not provide financial forecasts for 2010



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