

14 December 2011

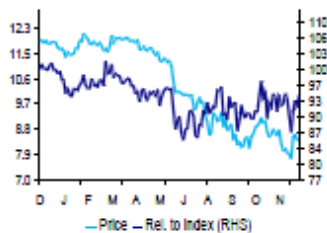
## KAS BANK

### Partnership with DWP Bank in securities services

FINANCIAL SERVICES  
NETHERLANDS

CURRENT PRICE € 8.48  
TARGET PRICE € 12.50

**ACCUMULATE**  
RATING UNCHANGED



Source: Thomson Reuters Datastream

Bloomberg KA NA  
Reuters KASNA.S  
www.kasbank.com

Market Cap € 133.1m  
Shares outst. 15.7m  
Volume (daily) € 80,174  
Free float 51.5%

Next corporate event

Results FY11: 2 March 2012

(€ m)	2010	2011E	2012E
NBI	117	110	114
GOP	20	18	26
Net profit	18	14	22
Adj. EPS (€)	0.81	0.81	0.90
DPS (€)	0.73	0.73	0.80
P/E (x)	15.5	10.5	9.4
P/BV (x)	1.1	0.7	0.8
Dividend yield	5.8%	8.6%	9.4%

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#### News:

KAS BANK and dwpbank (Deutsche WertpapierService Bank AG) have established a partnership to further develop the German, Netherlands and European securities services markets. Dwpbank and KAS BANK will create a securities platform for the Dutch financial services sector, based on dwpbank's technology and the securities services know how of KAS BANK. Dwpbank plans to open a branch in Amsterdam by mid-2012.

KAS BANK and dwpbank will approach the institutional client base of dwpbank to offer wholesale value added services and jointly to further develop the German market.

The Dutch market is characterised by a relatively low level of outsourcing. Approximately 50 banks and other financial institutions with c. 5 million securities accounts could therefore profit from a bundled securities processing platform.

The expectation is that c. 160 KAS BANK securities specialists will be moving to the new branch.

#### Our View:

Both parties target cost advantages as well as quality improvements for the participating Dutch financial institutions. So far, KAS BANK's earnings model suffered from weak top-line and a rather rigid cost base (low staff churn) which could be helped by the transfer of 160 FTEs to the joint-venture to be created. This should allow to improve profitability in time.

#### Conclusion:

We maintain our Accumulate rating and € 12.50 target price.

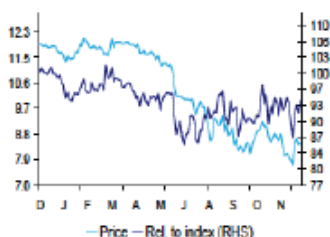
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