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Subject: Financials Daily Dec 14: FRENCH BANKS, GENERALI, KASBANK, Snippet

Wednesday, 14 December 2011

ING stories

- [FRENCH BANKS: Downgrade France = Downgrade Europe](#)
 - [GENERALI: Downgraded by 3 notches to A- by Fitch](#)
 - [KASBANK: Teams up with dwpbank for new securities platform](#)
 - [ING Research and Calendar](#)
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Snippets

- KAS BANK: With DWPbank to introduce new pan-European securities platform, also holds analyst day today, starts at 09.00cet
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[KASBANK: Teams up with dwpbank for new securities platform](#)

This morning, KAS announced to further strengthen the Dutch and German market via a partnership with dwpbank (a German securities processing servicer). It is difficult to say what the bottom line impact will be as all financial details are lacking, but at today's press conference (9.00h CET) we hope to gain some insights in (1) structure / strategy, (2) costs / price / upfront investments and (3) synergies. Clearly, management has a positive stance regarding this deal and they see it as a breakthrough to enter the German market, while strengthening its Dutch position.

We believe the focus is to offer custodian services to the Dutch and German retail and wholesale market via the partnership channel and in due course also pension services such as PPIs (new market opportunity). Dwpbank currently manages 7.5m securities accounts and a technically managed volume of €2tn (growing at a CAGR FY08-10 11.2% versus KAS AuA of €275bn). However, dwpbank's earnings appear to be rather volatile with net profits of €11.1m in FY07, €6.8m in FY08, €4.5m in FY09 and €12.7m in FY10 and therefore not a natural hedge versus KAS's volatile earnings profile. In our view the team-up could be promising but clearly more guidance and details on the partnership are needed to estimate future potential profit contribution.

Price: €8.5. Last published: target price: €13; recommendation: BUY

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