RHJ INTERNATIONAL

Corporate Presentation

For the year ended 31 December 2013

# Disclaimer

This presentation contains certain forward-looking statements concerning RHJ International's ("the Company") operations, economic performance and financial condition. Such forward-looking statements are based on management's current expectations, estimates and projections and are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company has no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.

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# BHF transaction

# Strategic Rationale: A highly complementary combination to drive profitable growth in core markets

**Acquisition of BHF with high quality, complementary franchise in Private Wealth, a strong Asset Management and a promising value proposition in Financial Markets and Corporates**

**A major step forward in RHJI's growth strategy to become a leading private and corporate banking group**

| | |
|---|---|
| **Scale in Private Banking** | ▪ Quality franchise with substantial scale across European core markets<br>▪ Strengthens unique value proposition to our sophisticated client base |
| **Complementary skills in Asset Management** | ▪ Differentiated product range from highly regarded portfolio management teams with strong investment performance track record<br>▪ Well positioned in corporate, pensions, SWF[1] and sub advisory segments |
| **German Corporate Banking Access** | ▪ A solid, clear and simple business model connecting international capital with the successful German 'Mittelstand'<br>▪ "Mittelstand" one of the key drivers of the German (export-) economy |
| **Strong cultural fit** | ▪ BHF and KB have compatible cultures focusing on client service excellence<br>▪ Client-centric approach to preserve and grow the wealth of our clients with best-in-class solutions |
| **Mid and back office synergies** | ▪ Critical mass to expand core businesses and grow client base profitably<br>▪ Leveraging scale from outsourcing the back-office and support functions in Wealth Management |

1. Sovereign Wealth Fund (KBI only)
Source: RHJI/Kleinwort Benson/BHF management



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# KBG's key performance indicators YE 2013

(excluding potential revenue and cost synergies)

**The combination of the two banks gives the Kleinwort Benson Group critical mass in capital, assets under management and revenues**

**Figures are year ended 31 December 2013 for Kleinwort Benson and BHF-BANK (except preliminary NAV as at 28 Feb 2014)**

| | Kleinwort Benson Operating Entities | | BHF BANK PRIVAT SEIT 1854 | | Kleinwort Benson Group |
|---|---|---|---|---|---|
| Private Banking and Asset Management AuMs | €12.5bn | + | €38.5bn[1] | = | €51.0bn |
| Lending volumes | €0.5bn | + | €2.9bn[3] | = | €3.4bn |
| NAV[2] (IFRS) | €280m | + | €494m | = | €774m[4] |
| Tier 1 ratio (Basel III) | 19.8%[5] | + | 15.0%[7] | = | 16.3%[6] |
| FTE's | 714 | + | 1,072 | = | 1,786 |
| Revenues | €111.1m | + | €199.1m[8] | = | €310.2m |

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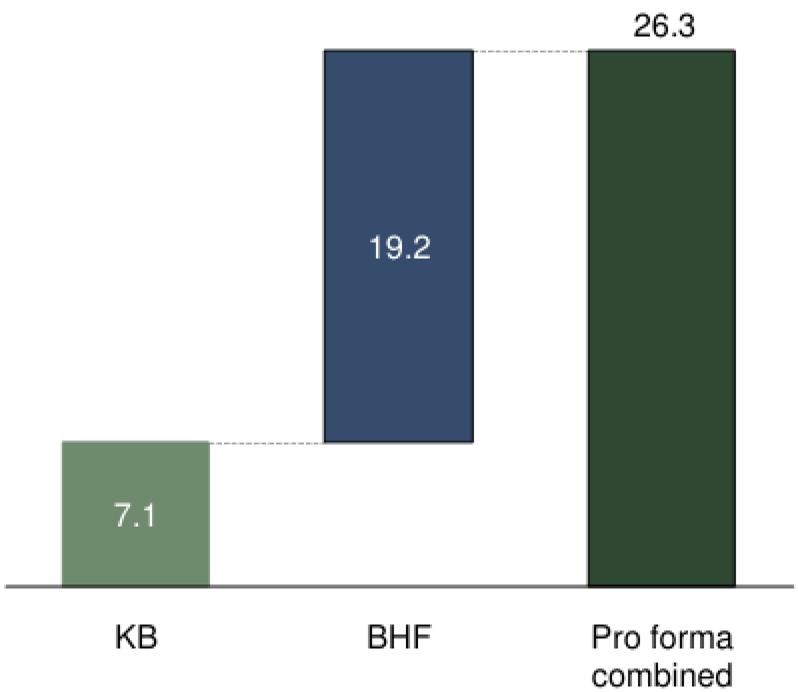
1. Assets under Management in BHF include institutional client deposits within the Corporates business (€2.7bn) 2. IFRS net asset value comprises 100% of BHF's preliminary net asset value of €494m and 100% of KBG's preliminary net asset value pre-capital increase of €280 million 3. Incl. €0.5bn for Private Banking and €2.4bn for Corporates 4. Preliminary valuation, subject to closing purchase price adjustments 5. Figures for Kleinwort Benson Group relate to the Wealth Management operations only 6. Combined figures for Tier 1 capital, RWAs and Tier 1 ratio represent a simple pro forma aggregation and are not intended to reflect a true consolidated figure 7. Pro-forma Basel III 8. Excl. €20.8m income in segment Other/ Consolidation Note: fx rate £ to € is 1.178 for [redacted] for year to 31. Dec 2013 and 1.19947 for B/S as at 31. Dec 2013

# Private Banking: High quality Wealth Mgmt franchise

## Creating significant scale in our core Private Banking business

### PWM AuM at 31.12.2013 (€bn)




| | KB | BHF | Pro forma combined |
|---|---|---|---|
| Revenues (€m) | **65.8**[1] | **82.1** | **147.9** |

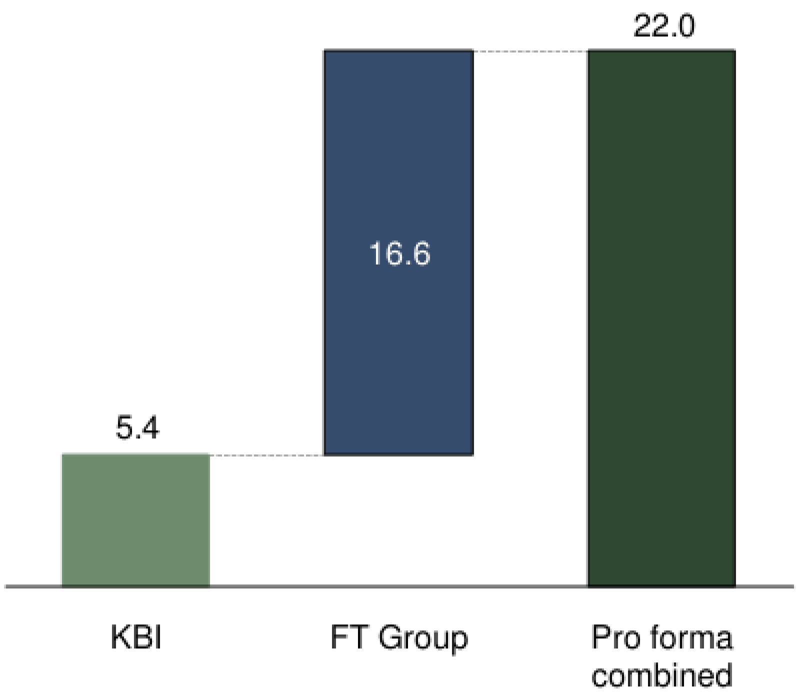
### Comments

- Pro forma AuM of combined entity 3.5 times higher at €26bn overall
- Pro forma revenues up 125% to €147.9m per end of 2013
- BHF one of the largest independent private banking franchise in Germany and …
- … ranked No. 1 Private Bank for 8 times in succession (Elite Report 2014)
- Strong brands in our core European markets
- Private banking and wealth management has been our heritage for more than 200 years
- Strengthens a unique value proposition to our sophisticated client base of (U)HNWIs
- Use of cross selling potential with other business divisions and/or client segments
- Strong cultural fit with deep talent pool of highly dedicated and motivated employees

1. KB Wealth Management operations include family office (€1.4m), fiduciary (€19.8m) and other (€0.2m)
Source: RHJI/Kleinwort Benson/BHF management
Note: fx rate £ to € is 1.178 for [redacted] for year to 31. Dec 2013 and 1.19947 for B/S as at 31. Dec 2013

# Asset Management: Complementary capabilities, channels and focus

## Asset Mgmt. per 31.12.2013 (€bn)




| | KBI | FT Group | Pro forma combined |
|---|---|---|---|
| Revenues (€m) | **15.6** | **31.8** | **47.4** |

## Comments

- Pro forma AuM up ~300% to €22bn and pro forma revenues up ~200% to €47.4m per end of 2013
- Stable experienced teams with separate and distinctive investment processes
- KBI focusing on global equity strategies and FT specialising in European equity, multi asset and fixed income – potential cross-selling opportunities
- KBI has made successful inroads with global consultancy firms and both businesses have products with top ratings from Lipper/Morningstar/ FWW FundStars
- Existing distribution for both firms can be leveraged further – KBI's channel focus in US, Asia and UK and FT's strength in continental Europe
- Ongoing opportunity for both firms to collaborate with wealth management in BHF/KB
- Both companies will operate separately with no cost synergies, but potential upside on revenues

Source: RHJI/Kleinwort Benson/BHF management
Note: fx rate £ to € is 1.178 for [redacted] for year to 31. Dec 2013 and 1.19947 for B/S as at 31. Dec 2013



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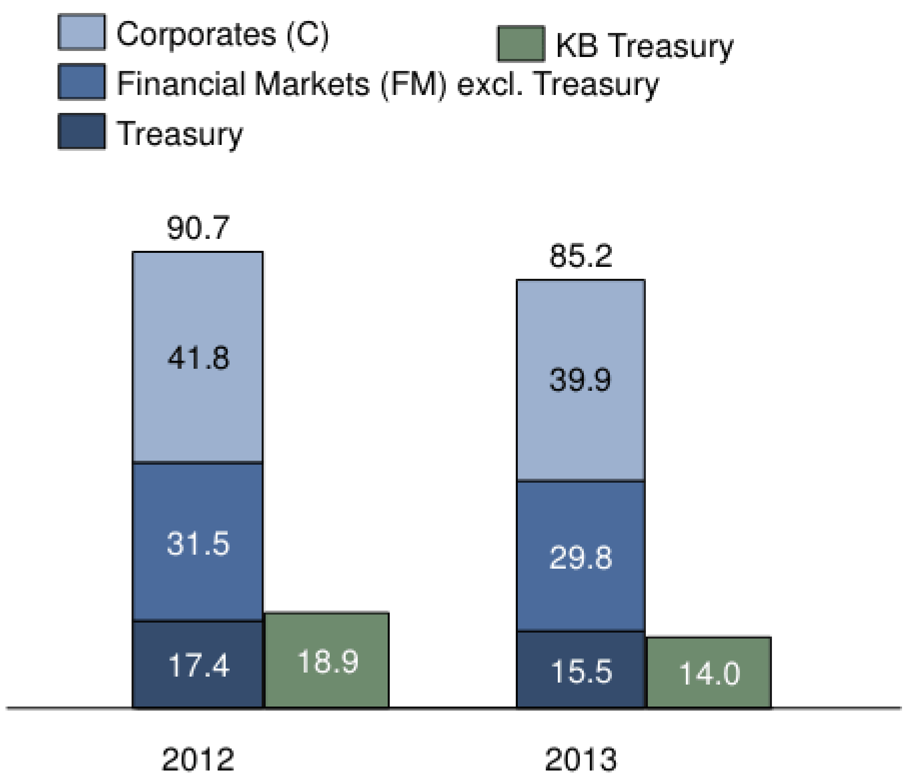
# Financial Markets and Corporates: Significant potential to leverage offering for sophisticated KB clients

## Fin. Markets & Corporates income[1] (€m)



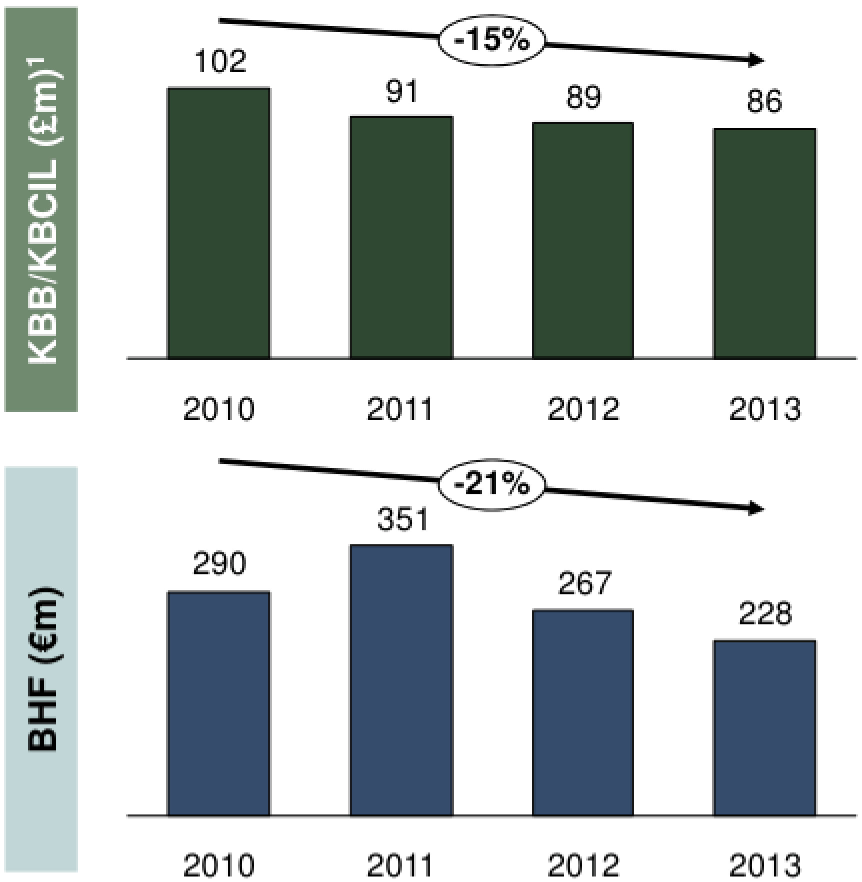

## Comments

- BHF income down 6% to €85m per end of 2013 due to lower size of bond portfolio in 2013 in Financial Markets, and reduced loan portfolio for Corporates (due to overlap in client and credit basis with parent, negative impact of loan loss provisions and higher allocation of IT/ service centre costs). Hence result before tax down 25% to €17.3m in 2013
- Strong track record in commodity finance for commodity producers
- Financial Markets offers expertise in German equity markets, interest rate related investments and currency related investments
- Strong position in customer advisory (sales and execution and financial markets research)
- Long-standing customer relationships through personalized advice
- Due to complementary nature of business attractive proposition for sophisticated KB clients

1. Includes treasury income and result from treasury
Source: RHJI/BHF management
Note: fx rate £ to € is 1.178 for [redacted] for year to 31. Dec 2013 and 1.19947 for B/S as at 31. Dec 2013

## Leveraging scale from outsourcing the back-office and support functions in Wealth Management

### Cost reductions achieved




### Comments

- Management and key staff with extensive integration experience
- Successful acquisition integration track record: KB Close integration
- Both entities with proven track record in reducing costs: KBB/KBCIL, BHF Germany and Switzerland
- Vigilant approach with experienced team to ensure successful integration
- *Further details to be provided at the Earnings Call on 15 May 2014*

***Additional scale benefits of €20+m in Wealth Management targeted for combined entity***

1. Excluding growth initiatives (2010: £0.5m, 2011: £2.8m, 2012: £3.3m, 2013: £6.4m)
Source: RHJI/Kleinwort Benson/BHF management



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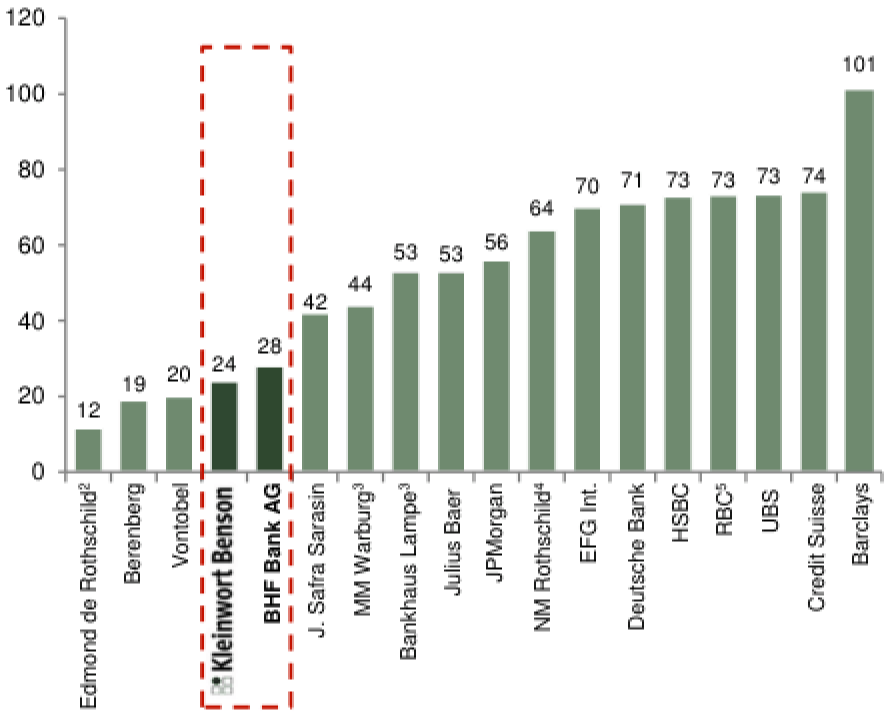
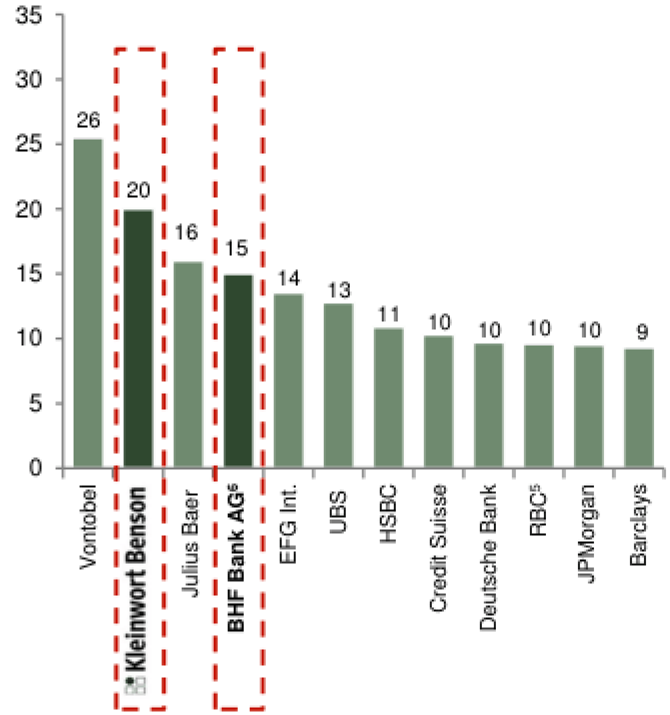
## Strong balance sheet of both KB and BHF

### Loan to deposit ratio (%)




*Low loan to deposit ratio creates capacity for profitable growth*

### Tier 1 ratio[1] (%)




*KB is one of the best capitalised private banks with a Tier 1 ratio well in excess of both internal and regulatory targets*

Source: Company information
Note: All figures as of December 31, 2013, unless otherwise stated
1. Figures as reported under Basel III fully-loaded; 2. As of June 30, 2013; 3. As of December 31, 2012; 4. As of March 31, 2013;
5. As of October 31, 2013; 6. Based on pro-forma Basel III

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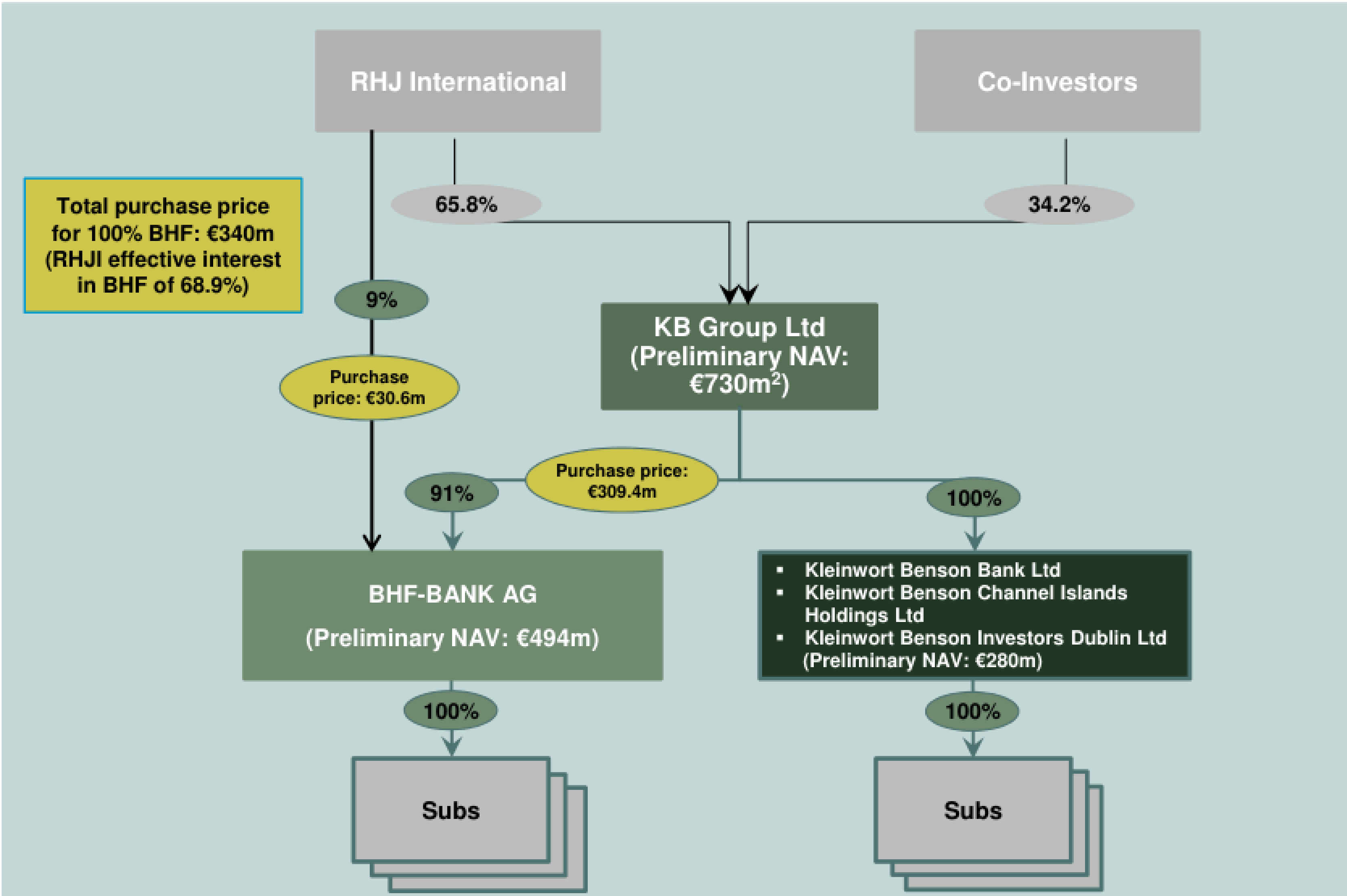
# Transaction structure of BHF acquisition[1]




1. Based on preliminary valuations of KBG and BHF, subject to post-closing adjustments 2. NAV comprises 100% of existing KBG NAV (€280m) and 91% of BHF NAV (€494m)
Source: RHJ/Kleinwort Benson management



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# BHF acquisition – an attractively priced transaction[1]

## Breakdown of transaction valuation parameters

| *(in € millions)* | BHF | KBG | Total |
|---|---|---|---|
| NAV[2] | 494 | 280 | **774** |
| Intangibles | 35 | 39 | **74** |
| TNAV[3] | 459 | 241 | **700** |
| Purchase price (PP) | 340 | 194 | **534** |
| PP/NAV | 0.69 | 0.69 | **0.69** |
| PP/TNAV | 0.74 | 0.80 | **0.76** |

## Comments

- Acquisition of BHF (100%) for €340M represents an attractive multiple of 0.69x to €494M net asset value ("NAV")
- And is 0.74x its tangible net asset value ("TNAV") of €459M
- Pro forma purchase price of the BHF reduced to €340M from ~€354M in Oct 2013 due to non-operating adjustments to BHF's NAV
- RHJI's 100% stake in KBG was valued at €194M and is in line with the equivalent multiple of 0.69x NAV that was used to value BHF

1. Based on preliminary valuations of KBG and BHF, subject to post-closing adjustments 2. Net asset value, based on a 100% of BHF 3. Tangible net asset value
Source: RHJI/Kleinwort Benson



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# 91% of BHF-BANK acquired through Kleinwort Benson Group (KBG)[1]

## Breakdown of KBG valuation and ownership

**Uses (valuation in €m)**

| BHF-BANK 91% stake | | Kleinwort Benson | | KB / BHF Group | | Transaction costs | | KB / BHF Group (incl. trans. costs) |
|---|---|---|---|---|---|---|---|---|
| €309.4m | + | €194.3m | = | €503.7m | + | €10.0m | = | €513.7m |

| | Investor | Investment (pre transaction costs) | Transaction costs | Total investment | KBG ownership |
|---|---|---|---|---|---|
| 1 | RHJ International | €331.3m investment (o/w Kleinwort Benson valued at €194.3m and €137.0m in cash) | €6.6m | €337.9m | 65.78% |
| 2 | Windmere and Collins Trust | €13.3m cash investment into KBG | €0.3m | €13.6m | 2.65% |
| 3 | Fosun | €96.6m cash investment into KBG | €1.9m | €98.5m | 19.18% |
| 4 | AQTON SE[2] | €62.4m cash investment into KBG | €1.2m | €63.7m | 12.40% |
| | **Total** | **€503.7m** | **€10.0m** | **€513.7m** | **100.0%** |

€513.7m

1. Based on preliminary valuations of KBG and BHF, subject to post-closing adjustments 2. AQTON SE 100% owned by Mr Quandt
Source: RHJI/Kleinwort Benson

# Recap: RHJI strategy to build European Financial Services proposition

| | |
|---|---|
| **Focus on PWM, AM and Corp Banking** | ▪ Become a leading wealth management and corporate banking platform in Europe<br>▪ Target sophisticated private and corporate clients and family offices<br>▪ Experienced Asset Mgmt. with complementary capabilities, channels and focus |
| **Leverage international platform** | ▪ International platform to leverage each others products, distribution and expertise<br>▪ Strong franchise based on ties to wealth creators in respective domestic markets |
| **Client centricity** | ▪ Client-centric service excellence with talented and motivated employees<br>▪ Experienced and committed management team |
| **A focused business model** | ▪ A solid, clear and simple business model connecting international capital with our targeted (U)HNWI client segments<br>▪ Solid platform built around strong, well established brands with a clear heritage |

Source: RHJI/Kleinwort Benson/BHF management

# Conclusion: a very strong proposition

**Management and organisation focused on executing the integration**

**Vigilant approach with experienced team to ensure successful integration**

| | |
|---|---|
| **Strategic fit** | ▪ Acquisition in line with Corporate Strategy to become a strong Anglo-German private and corporate banking group aligned with quality asset management capabilities |
| **Client fit** | ▪ Client-centric approach to preserve and grow the wealth of our clients with best-in-class solutions |
| **Cultural fit** | ▪ BHF and KB have compatible cultures focusing on stability and continuity for clients and employees |
| **Business fit** | ▪ Business models similar along key dimensions with opportunity to drive scale benefits in Wealth Management of €20m+ |
| **Financial fit** | ▪ Strong balance sheet proactively managed with low-risk business profile, providing additional capacity for growth |

Source: RHJI/Kleinwort Benson/BHF management

# Results for the year to 31 December 2013

# Results summary – Segment overview in 2013

## RHJI Segments for the year to 31 December 2013 (€m)

| *(In EUR millions)* | Financial Services[1] | Holding Segment[1] | **Sub-Total** | Reclassifications[2] | **Total** |
|---|---|---|---|---|---|
| Net interest income | 15.7 | - | **15.7** | 0.2 | **15.9** |
| Net fee and commission income | 95.8 | - | **95.8** | - | **95.8** |
| Other operating income | 0.9 | 1.9 | **2.8** | - | **2.8** |
| **Operating income** | **112.4** | **1.9** | **114.3** | **0.2** | **114.5** |
| Operating expenses | (123.8) | (30.6) | **(154.4)** | (2.3) | **(156.7)** |
| **Core operating segment result** | **(11.4)** | **(28.7)** | **(40.1)** | **(2.1)** | **(42.2)** |
| Other non-recurring items[3] | (2.3) | - | **(2.3)** | 2.3 | **-** |
| **Operating profit (loss) before tax** | **(13.7)** | **(28.7)** | **(42.4)** | **0.2** | **(42.2)** |
| Net loss on disposal of available for sale assets | | | | | **(3.0)** |
| Net finance income | | | | | **(6.0)** |
| Share of profit (loss) of equity accounted investees | | | | | **0.5** |
| **Profit (loss) before income tax** | | | | | **(50.7)** |
| Income tax benefit (expense) | | | | | **(0.3)** |
| (Loss) from discontinued operations | | | | | **(15.4)** |
| **Profit (loss) for the period** | | | | | **(66.4)** |

- Consolidated loss across the Group reduced by 21% to €66.4 million (2012: €84.4 million).
- Losses related to non-core and discontinued operations reduced from €41.0 million to €26.3 million.
- Core operating segment loss across the Financial Services and Holding segments 8% lower at €40.1 million (2012: €43.4 million).
- 14% growth in AuM to £5.9 billion (€7.1 billion). Within our Wealth Management operations. Segment loss of £11.7 million (€13.8 million). Balance sheet strong with a tier 1 capital ratio of 19.8%.
- 49% growth in AuM at Kleinwort Benson Investors to €5.4 billion. Segment profit of €2.5 million over eight times higher than 2012.
- Holding Company costs across RHJI and Kleinwort Benson Holdings reduced by 40% to €30.6 million (2012: €51.0 million).

1. Kleinwort Benson Holdings has been removed from the Financial Services segment and is now reflected in the Holding Segment. Prior year figures have been restated
2. Includes reclassifications of exceptional and other non-recurring items
3. Non-recurring items principally relate to restructuring provisions connected with the outsourcing of Back Office functions in the Wealth Management business

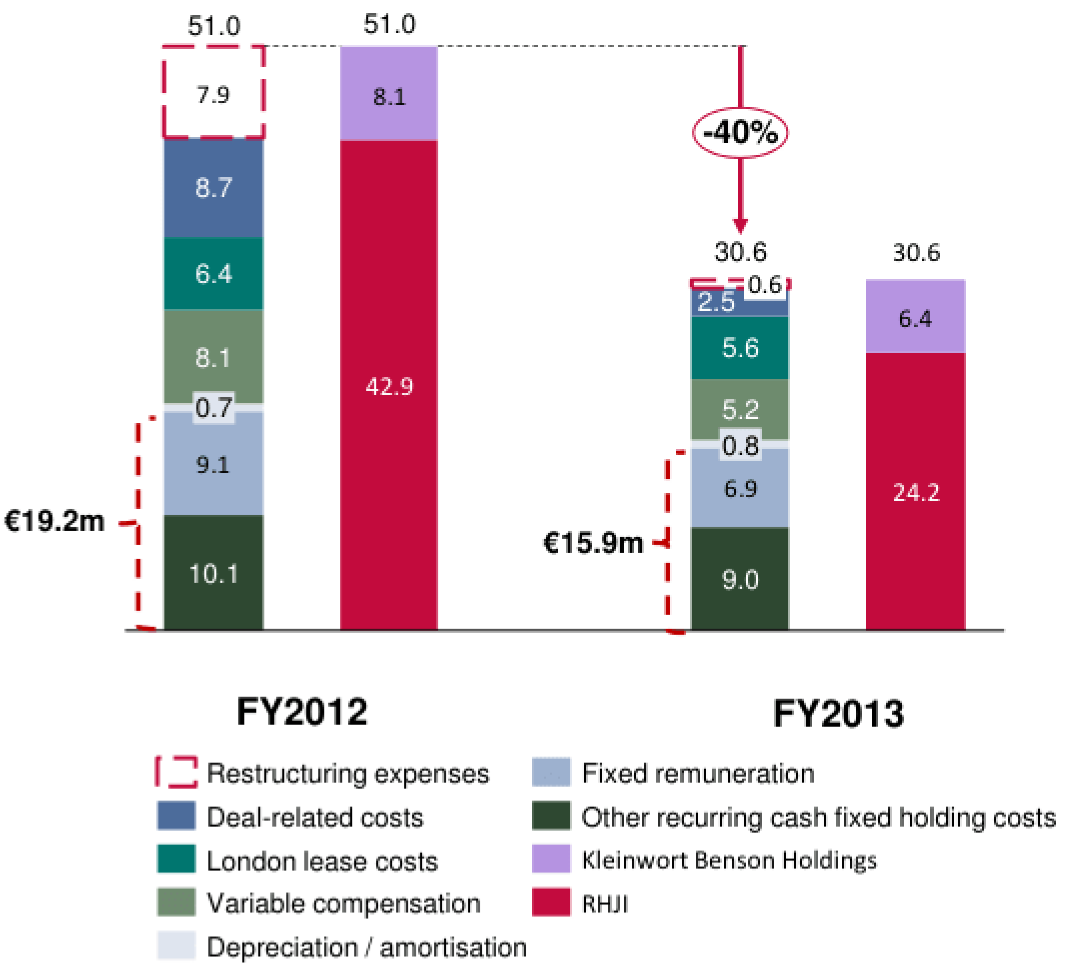
# RHJ International – Key Highlights

| | |
|---|---|
| 1 **Holding Company Costs** | • 40% reduction in total Holding Company costs to €30.6 million (2012: €51.0 million)<br>• Transformation costs (deal-related and restructuring) down 81% to €3.1 million – 2014 will be higher due to BHF costs at completion<br>• Cash fixed holding costs[1] reduced by 17% to €15.9 million<br>• We remain focused on the simplification of the corporate structure to achieve the targeted run rate of cash fixed holding costs excluding London lease costs |
| 2 **Legacy Portfolio** | • 39% stake in Shaklee sold via a share buyback transaction for gross consideration of €39.8 million<br>• 21.8% stake in SigmaXYZ sold for total proceeds of €17.0 million.<br>• Merchant banking business conducted by Ripplewood successfully spun-off. RHJI retains 19% stake in KBA. Final capped payment of $5 million (€3.6 million) with a firm commitment not to fund future expenses. |
| 3 **Financial Services** | **Kleinwort Benson Wealth Management**<br>• 14% increase in AuM to £5.9 billion (€7.1 billion) – over half of growth due to positive net inflows.<br>• 19% growth in loan portfolio to £446 million – low loan to deposit ratio provides capacity for future profitable growth<br>• Balance sheet remains strong – tier 1 ratio of 19.8% amongst highest across European peer set<br>• Segment loss of £11.7 million (€13.8 million) reflects impact of challenging economic environment on operating income and £6.4 million investment in growth initiatives. Underlying expenses reduced by 3%.<br>**Kleinwort Benson Investors ("KBI")**<br>• 49% growth in AuM to €5.4billion – 76% of growth due to strong net inflows of €1.4 billion<br>• Marked shift in geographic distribution of client base – North American and European client each now account for 31% of AuM<br>• Segment profit of €2.5 million over eight times higher than 2012 – Reflects highly scalable business model, with operating margin strengthened from 3% to 16% |

1. Excluding London lease costs

# 40% reduction in Holding Company costs

## Breakdown of Holding Company costs in 2012 and 2013




- Total holding company costs reduced by 40% to €30.6 million (2012: €51.0 million)
- Restructuring and deal-related expenses 81% lower at €3.1 million) – 2014 deal-related expenses will be higher due to BHF acquisition completion costs.
- Fixed cash fixed holding costs excluding London lease costs reduced by 17% to €15.9 million – Includes remuneration costs which were 23% lower at €6.9 million principally due to headcount reduction.
- Variable compensation also 36% lower at €5.2 million - lower individual awards reflect commitment to reduce costs and Company's financial performance.
- Delays in BHF transaction have had a knock-on effect on the corporate and legal simplification process.
- Short-term priority is to integrate BHF and drive efficiencies

1. Excluding London lease costs



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# RHJ International – Key Highlights

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# Spin-off of Ripplewood merchant banking business

| Spin-off transaction | |
|---|---|
| **Spin-off transaction** | • Merchant banking activities conducted by Ripplewood spun-off into a separate legal entity in December 2013<br>• RHJI holds a 19% minority stake in the new entity - This will continue to operate under the name "Kleinwort Benson Advisors, LLC." ("KBA")<br>• RHJI retains access to future investment products and services through its 19% equity stake in KBA,<br>• RHJI has made a capped and final cash payment of US$5.0 million (€3.6 million) as consideration for its 19% equity stake and as a contribution to the costs of winding down Ripplewood Holdings LLC.<br>• Wind down process includes realisation of the Ripplewood Fund's remaining portfolio assets – this process is virtually complete following realisation of interest in GoGo Inc, one of the fund's last remaining investments<br>• Merchant banking business reclassified as discontinued - €13.8 million loss in 2013 reflects impact of uncertain economic environment on ability of the business to execute its strategy and develop exceptional investment opportunities, coupled with the €3.6 million contribution to the wind-down expenses of the Ripplewood Fund.<br>• RHJI will not fund any future expenses associated with the merchant banking business |
| **Ripplewood Fund** | • All obligations associated with RHJI's 13% stake in the General Partner of the Ripplewood Fund fully satisfied by the distribution-in-kind of GoGo shares in December 2013.<br>• Under this distribution RHJI received 665,474 GoGo shares – share price of US$31.06 at date of distribution equates to market value of €21.1 million<br>• GoGo shares had a year-end market value of €12.0 million.<br>• Going forward no restrictions on RHJI's ability to sell these shares at an appropriate time to maximise proceeds |

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1. Excluding London lease costs



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# Kleinwort Benson Wealth Management

# Kleinwort Benson Wealth Management – FY 2013 highlights

| | |
|---|---|
| 1 AuM | • AuM 14% higher at £5.9 billion – Over half of the growth due to positive net inflows, with strong gross inflows from our senior banker hires and a £260 million advisory mandate secured by the Family Office<br>• Year-on-year growth reflects £399million of net inflows and £321 million of positive market movements<br>• 81% of outflows relate to retained clients, with growth of 10% in client numbers in our core HNW / UHNW segments |
| 2 Profitability | • 12% reduction in operating income – significant tightening of credit spreads across the markets leading to a 29% reduction in net interest income to £13.2 million (2012: £18.5 million)<br>• 4% reduction in net fee and commission income to £67.6 million (2012: £70.3 million) – principally reflects the sale of pension wrapper business in 2012, with a slight improvement in transactional activity<br>• Segment result also reflects £6.4 million of investment in growth initiatives, with underlying expenses 3% lower than 2012 |
| 3 Investment performance and momentum | • Good investment performance – "balanced" and "steady growth" categories have outperformed the peer group over last four years.<br>• New bankers continuing to gain traction in the market, with a good pipeline in the Family Office and Corporate Advisory businesses |
| 4 Costs | • 3% reduction in operating expenses from £88.7 million to £86.4 million prior to investment in growth initiatives<br>• Key savings arising from headcount reductions in the Offshore business and outsourcing of Back Office functions<br>• Investment of £6.4 million (2012: £3.3 million) in banker hires as well as systems and process improvements |
| 5 Balance Sheet | • Modest re-balancing of the asset allocation within our treasury portfolio has led to a slight increase in net interest income in the second half of the year<br>• 19% growth in the loan portfolio from £37 4 million to £446 million – loan to deposit ratio of 24% provides significant capacity to continue to grow the loan book profitably<br>• Robust capital position with Tier 1 ratio of 20%, being one of the strongest across the European banking peer set |



EFTA01116095

# A mixed year – strong operating momentum and AuM growth not yet reflected in profitability

## Key [redacted] figures and KPIs

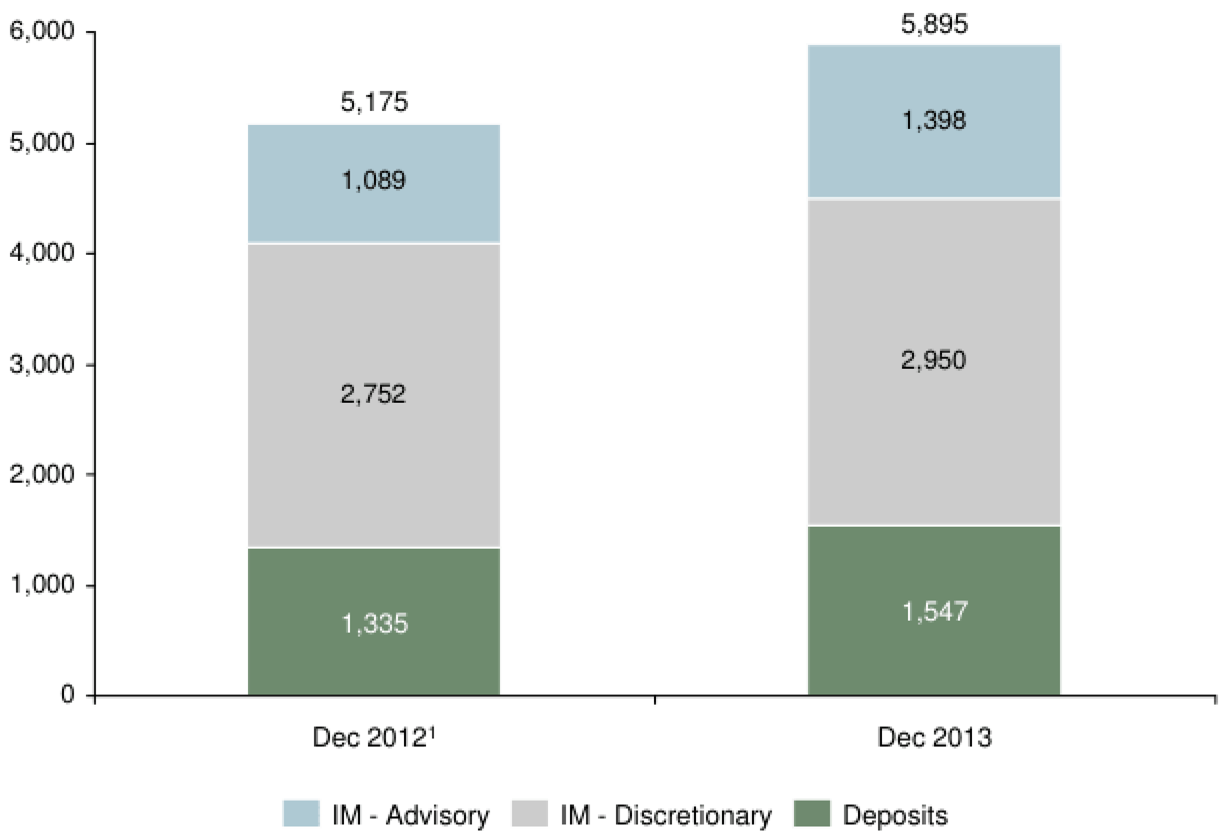
| | (In GBP millions) | FY 2012 | FY 2013 |
|---|---|---|---|
| [redacted] | Net interest income | 18.5 | **13.2** |
| | Net fee and commission income | 70.3 | **67.6** |
| | Fair value movements | 0.7 | **0.1** |
| | Other operating income | 2.8 | **0.2** |
| | **Operating income** | **92.3** | **81.1** |
| | Operating expenses | (92.0) | **(92.8)** |
| | **Segment result** | **0.3** | **(11.7)** |
| | Exceptional items – fair value movements | 9.2 | **-** |
| | Other non-recurring items[1] | (8.1) | **(2.0)** |
| | **Operating profit (loss) before tax** | **1.4** | **(13.7)** |
| KPIs | Operating cost / income ratio | 101% | **113%** |
| | **Assets under Management (AuM)** | **5,175** | **5,895** |
| | Equity (IFRS) | 210 | **196** |
| | Risk Weighted Assets (RWA) | 849 | **922** |
| | Tier 1 Capital | 191 | **183** |
| | **Tier 1 Ratio** | **23%** | **20%** |
| | FTE | 750 | **664** |

- 14% increase in AuM to £5.9 billion, driven by strong net flows and positive market movements
- Segment loss of £11.7 million reflects challenging economic environment and investment in growth opportunities.
- 3% reduction in underlying operating expenses prior to investment in growth initiatives
- Balance sheet remains strong with a tier 1 capital ratio of 20%
- Operational changes being implemented across the business to drive sustained improvement in financial performance – positive impact will be boosted by scale benefits and revenue opportunities from BHF-BANK acquisition

1. Other non-recurring items in 2013 principally relate to the outsourcing of back office functions.

# 14% growth in AuM driven by strong net inflows

**AuM by source (£m)**




- 14% growth in AuM – more than half attributable to positive net flows across both deposits and investing assets
- Net inflows of £399 million and £321 million of positive market movements
- Adverse impact of challenging low yield environment more than offset by positive net flows from new bankers as they gain traction in the market and a £260 million advisory mandate secured by the Family Office.
- 81% of gross outflows relate to retained clients who have had to access capital to supplement their income in the low yield environment – 10% growth in client numbers in core HNW / UHNW segments

1. Cash on investment portfolio accounts reclassified from Deposits to Advisory/ Discretionary assets to provide like for like comparison with Dec 2013. £3m immaterial impact to total AuM

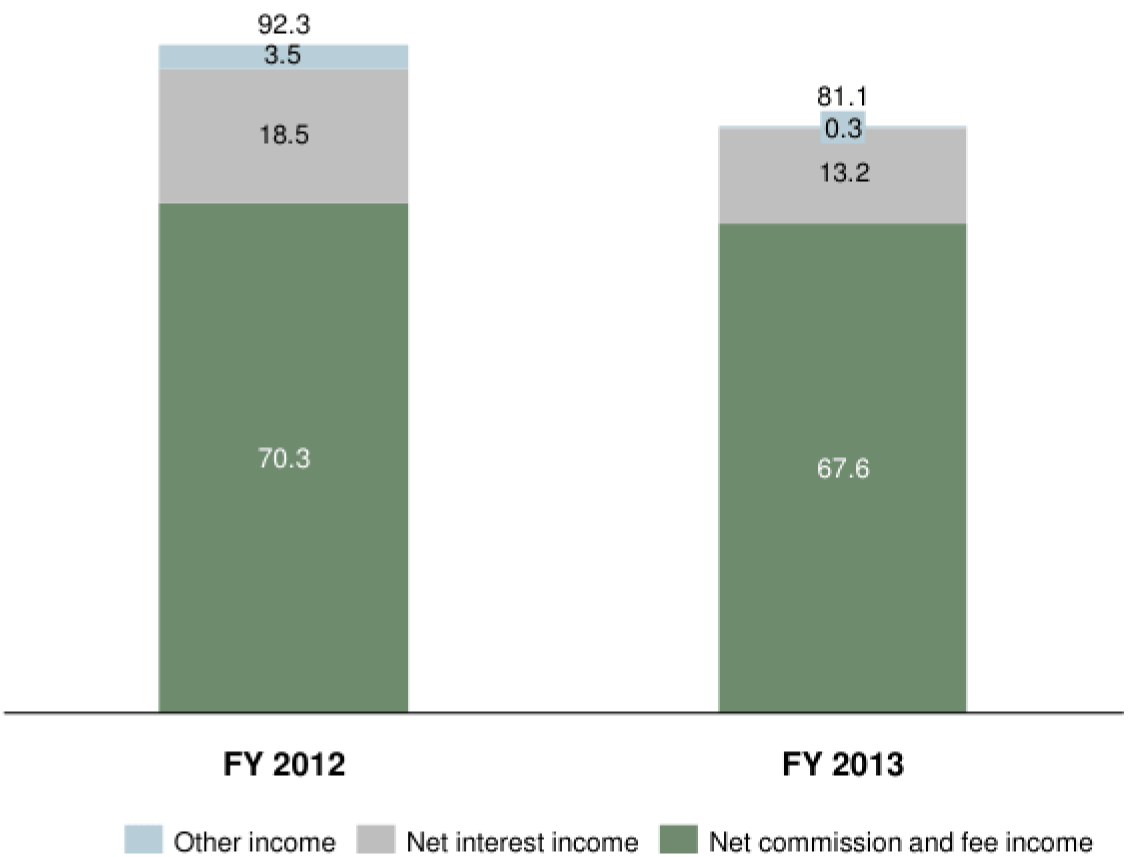


EFTA01116097

# Operating income – 12% lower at £81.1 million

## *Principally reflects significant contraction of credit spreads*

### Operating income by driver (£m)




- Net interest income 29% lower at £13.2 million:
  - Principally due to tightening of credit spreads – leading index of 3-year European CDS down from 105bps in 2012 to 40bps
  - Also reflects prudent balance sheet management and competitive pricing pressure in deposit market
- Net fees and commission income 4% lower at £67.6million:
  - Principally reflects sale of small pension wrapper business in 2012
  - Adjusting for this, revenues have remained resilient , with a slight improvement in transactional activity.



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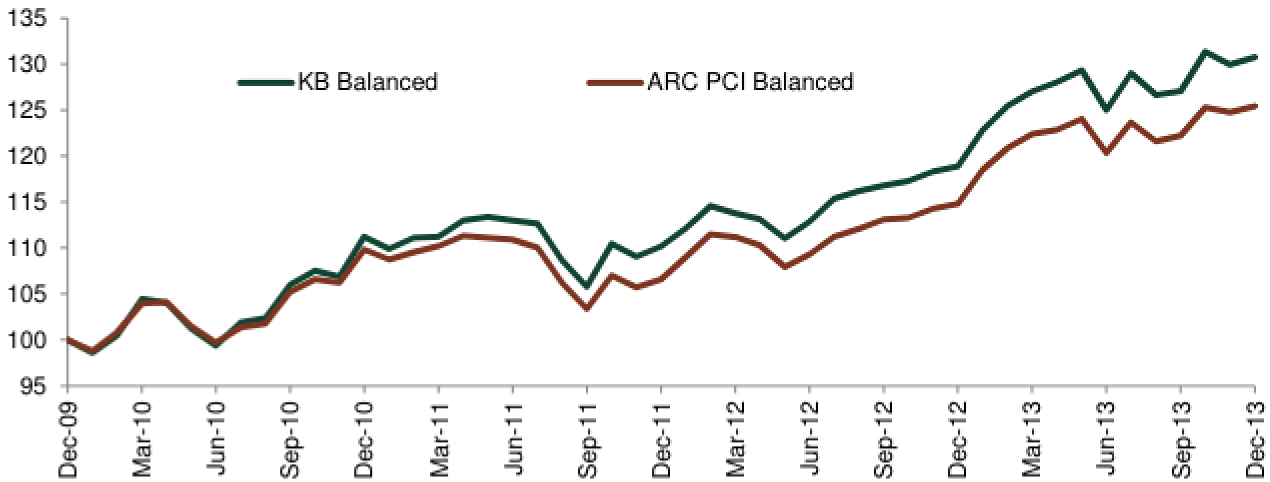
# Award- winning investment performance

## Performance of KB's Sterling Balanced Index relative to the ARC PCI




| Cumulative return % (3 years) | |
|---|---|
| 25th Percentile | 17.61 |
| 50th Percentile | 15.04 |
| 75th Percentile | 12.64 |
| KB GBP Balanced PCI | 17.58 |

**Awards won**

*Winner of the Platinum Award for Best Cautious Portfolio in the Large category at the inaugural Portfolio Adviser Wealth Manager Awards.*

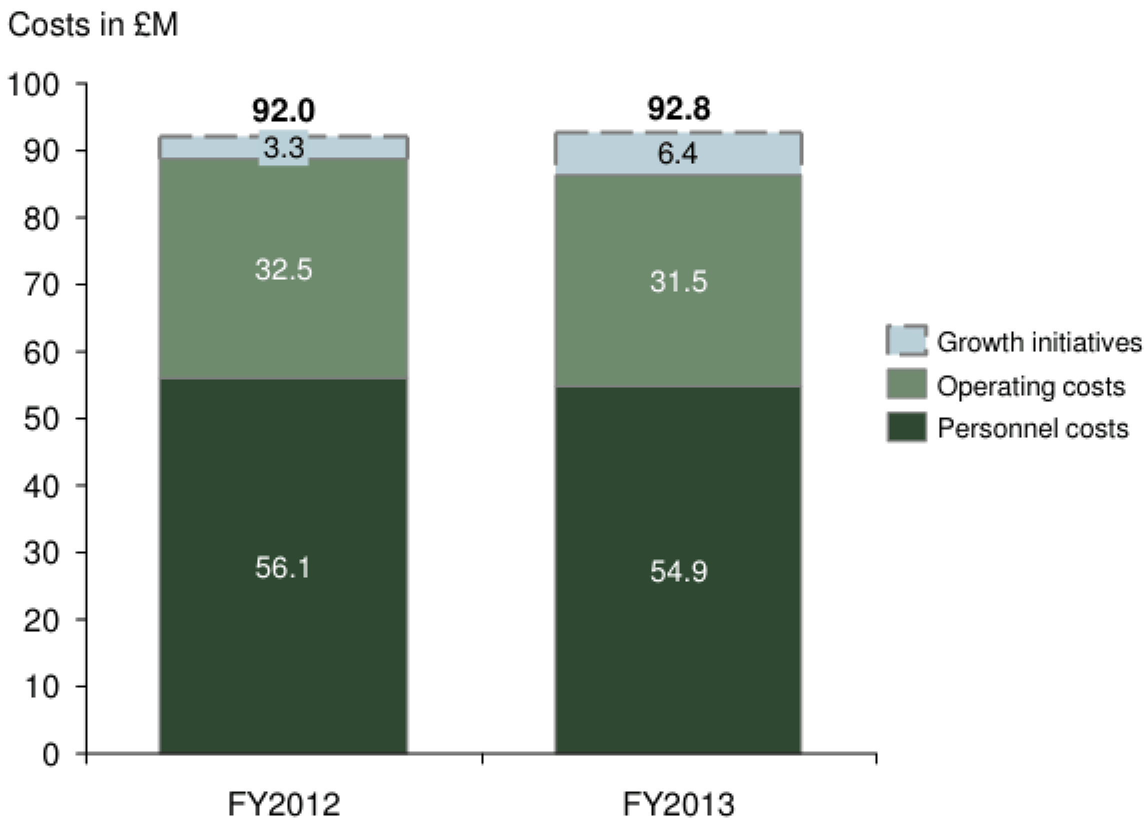
*Winner of the Image and Reputation Award (HNW) category at the 2013 UK PAM awards.*

- Robust investment processes and performance are at the core of our value proposition to our clients
- Our investment strategy is focused on achieving clients' objectives over the long term
- Our "balanced", "cautious" and "steady growth" strategies have all outperformed the peer group over the last three years
- Our balanced portfolios have delivered top quartile performance relative to the peer group
- Awards for investment performance and franchise strength in early 2013

Source: ARC, as at 31 December 2013. Based on Q4 2014 PCI report produced by ARC. All figures above quoted in GBP. ARC Private Client Indices ("PCI") are based on historical information and past performance is not indicative of future performance. The Private Client Indices (PCI) as compiled by Asset Risk Consultants provide an insight into the actual returns being generated by investment managers for a sample of their UK discretionary private client portfolios. The PCI performance series is based on real performance numbers provided by participating investment managers. PCI provides a reflection of the returns that a private client could expect for a given risk appetite and if they had been invested in the strategies for the time periods shown. The PCI shows a composite of the performance of many portfolios and as such actual performance of individual portfolios will have varied over the time period/s shown

# Underlying expenses reduced by 3% prior to investment in growth initiatives

## Underlying costs and growth initiatives




- Headline operating expenses broadly flat at £92.8 million
- Efficiency savings have created capacity to invest in growth initiatives such as banker hires as well as systems and process improvements
- Investments in growth initiatives have increased from £3.3 million in 2012 to £6.4 million in 2013
- Prior to this investment, underlying cost base reduced by 3% from £88.7 million to £86.4 million.
- Savings generated by headcount reductions in the Offshore business and the outsourcing of back office functions



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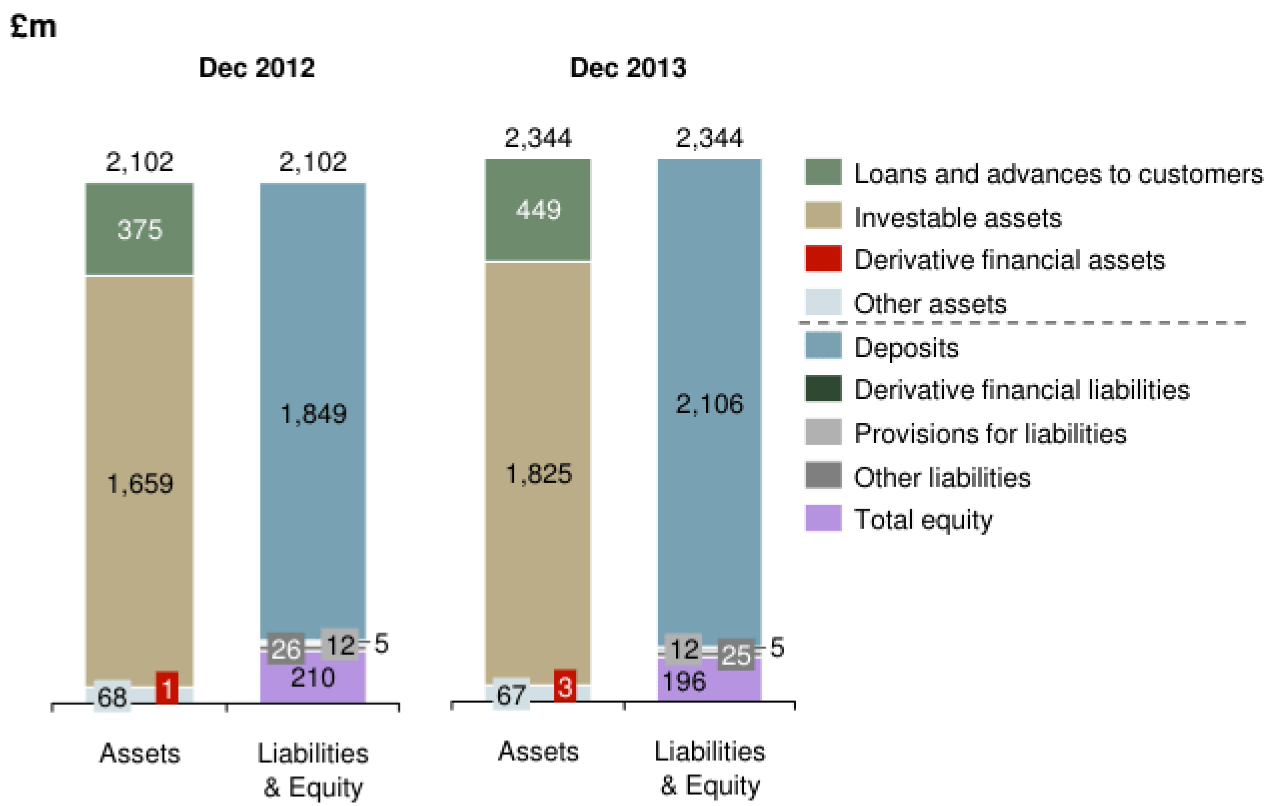
# Strong balance sheet and capital position

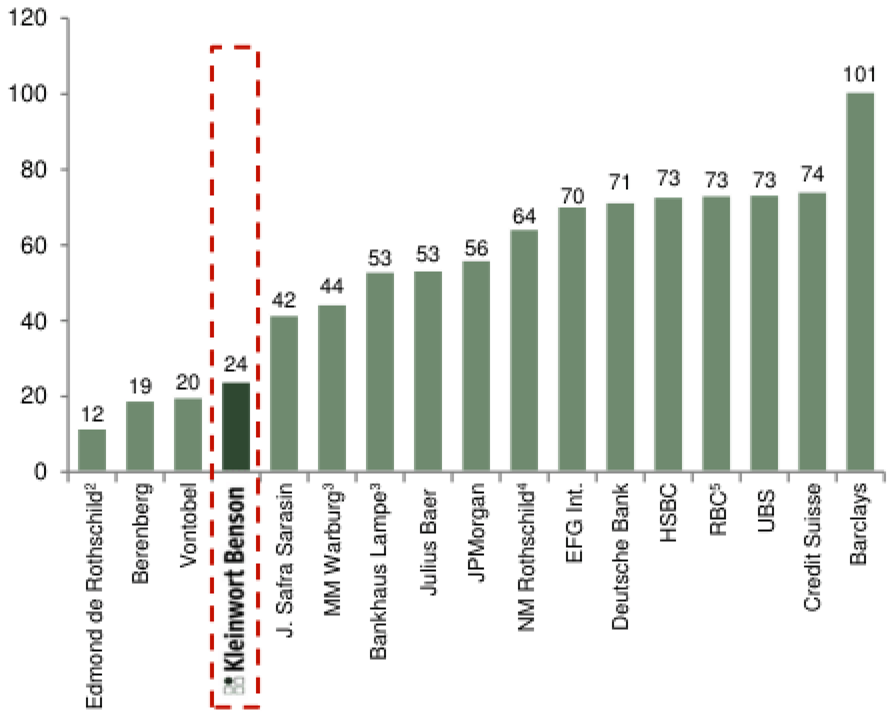
## Balance Sheet Overview (£m)




- One of the best capitalised banks in Europe – Tier 1 ratio of 20%
- No reliance on wholesale funding to cover our liquidity needs
- Loans and advances to customers increased by 19% despite repositioning of the portfolio onto a more profitable basis
- Loan to deposit ratio of 24% - provides capacity to continue to grow the loan book profitably

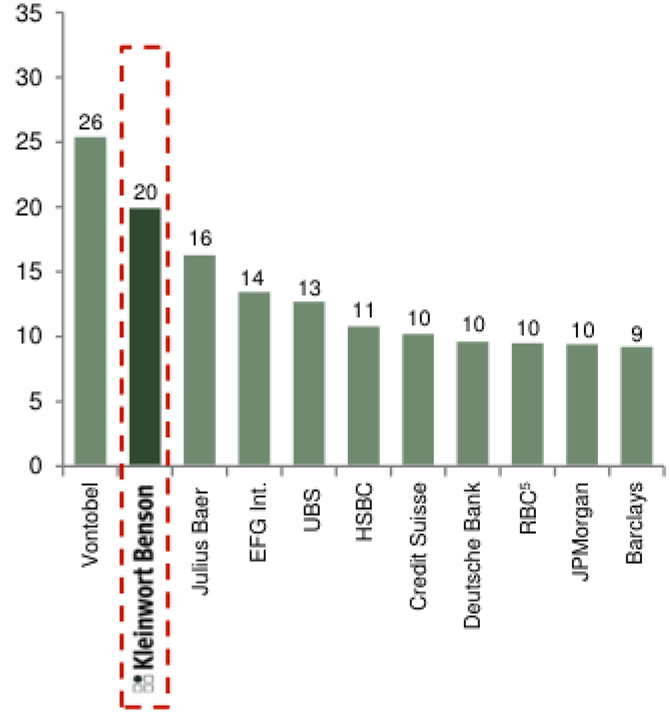
# Kleinwort Benson remains one of the best capitalised banks

## Loan to deposit ratio (%)




*Low loan to deposit ratio creates capacity for profitable growth*

## Tier 1 ratio (%)[1]

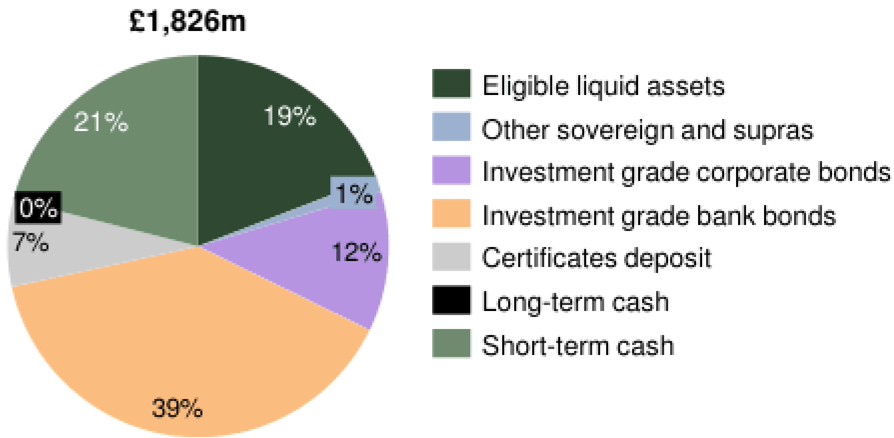



*KB is one of the best capitalised private banks with a Tier 1 ratio well in excess of both internal and regulatory targets*

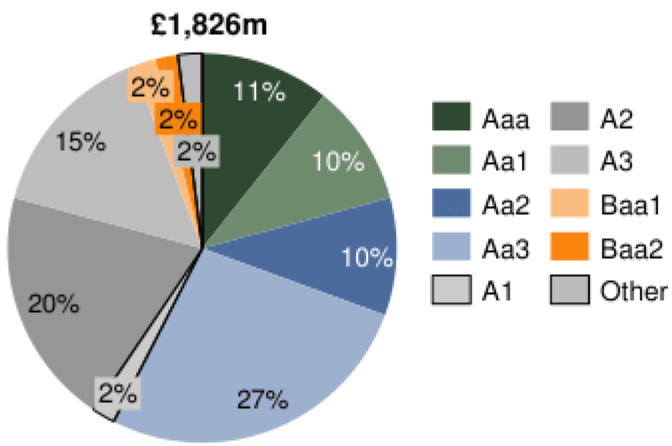
Source: Company information
Note: All figures as of December 31, 2013, unless otherwise stated
1. Figures as reported under Basel III fully-loaded; 2. As of June 30, 2013; 3. As of December 31, 2012; 4. As of March 31, 2013; 5. As of October 31, 2013

# A high quality Treasury book

## Treasury book composition as at 31 December 2013




## Treasury book by credit rating[1] as at 31 December 2013




**We have a high quality treasury book**

- Weighting of cash and eligible liquid assets reduced from 57% to 40% in second half of year while adhering to prudent investment policy and risk appetite.
- Weighting of Aaa– Aa3 rated assets has increased from 42% to 58%

**Market environment**

- Average credit spreads narrowed considerably in 2013 – Index of 3 year Euro CDS down from 105bps in 2012 to 40bps in 2013



1. According to Moody's

Source: RHJI and KBB/KBCIH management; Bloomberg



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## Wealth Management – Outlook

# Wealth Management Outlook

| Short-term profitability | <ul><li>Financial performance expected to remain challenging in the short-term</li><li>Positive profit impact of operational changes being implemented across the business offset by the adverse effects of the low interest rate and tight credit spread market environment</li><li>Encouraged by the new business being generated by recent banker hires – expect this to increase as they gain traction in the market</li></ul> |
|---|---|
| **Longer-term outlook** | <ul><li>We will continue to drive efficiency savings across the business</li><li>BHF combination transformational – efficiencies from economies of scale and revenue synergies expected to lead to a cost structure more in line with industry average</li><li>We are well-positioned to capture the significant long-term growth that is expected in UK Wealth</li></ul> |



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# KB Investors

# KB Investors – 2013 highlights

| | |
|---|---|
| 1 AuM | ▪ 49% increase in AuM to €5.4 billion – driven by net flows, which accounted for 76% of the growth<br>▪ Wholesale distribution gathering momentum in the year with new partners starting to deliver volume<br>▪ Good wins from quality institutional names as consultant coverage continues to grow<br>▪ Year-end pipeline of over €1.0 billion – includes €630 million European mandate that funded in January |
| 2 Profitability | ▪ 25% increase in operating income to €15.6 million principally driven by AuM growth<br>▪ Scalable business model leading to sharp uplift in profits and profitability<br>▪ Segment profit of €2.5m - Over eight times higher than €0.3m generated in 2012<br>▪ Operating margin strengthened from 3% to 16% in 2013 – further margin strengthening expected in 2014 |
| 3 Investment performance | ▪ Longer term track record enhanced by solid investment performance in 2013 - double-digit gains delivered by almost all specialist equity strategies.<br>▪ Winner of the World Finance Investment Management Company of the year (Ireland) - for second consecutive year |
| 4 Costs | ▪ 7% increase in operating costs to €13.1 million<br>▪ Largely driven by performance-related pay<br>▪ Other increases due to staff hires and other new business development activity as we grow the business |
| 5 Balance sheet | ▪ Conservative balance sheet with a significant buffer over minimum regulatory capital and working capital requirements |



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# Kleinwort Benson Investors – Significant increase in profitability, reflecting AuM growth and scalability of the business

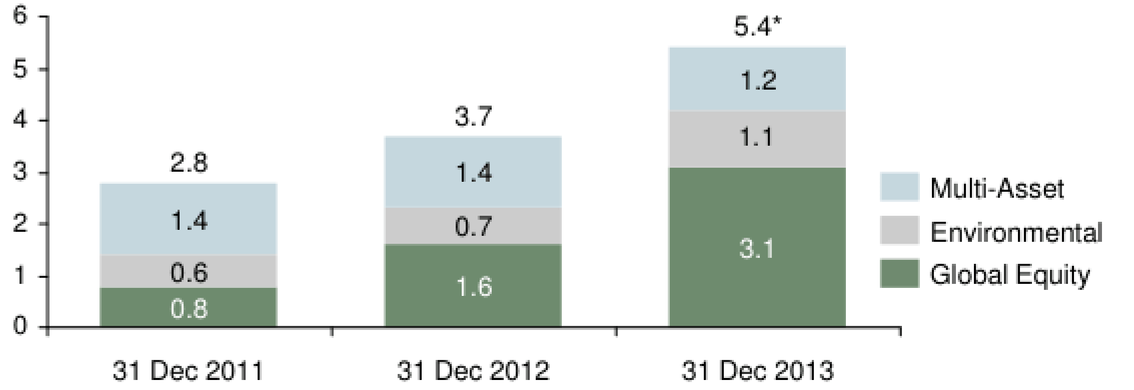
## Key [redacted] figures and KPIs

| [redacted] | (in EUR millions) | FY 2012 | FY 2013 |
|---|---|---|---|
| | Operating income | 12.5 | **15.6** |
| | Operating expenses | (12.2) | **(13.1)** |
| | **Segment result** | **0.3** | **2.5** |
| | Other non-recurring items | (0.1) | **-** |
| | **Operating profit before tax** | **0.2** | **2.5** |
| **KPIs** | Operating margin | 3% | **16%** |
| | **Assets under Management** | **3,644** | **5,420** |
| | FTE | 47 | **50** |

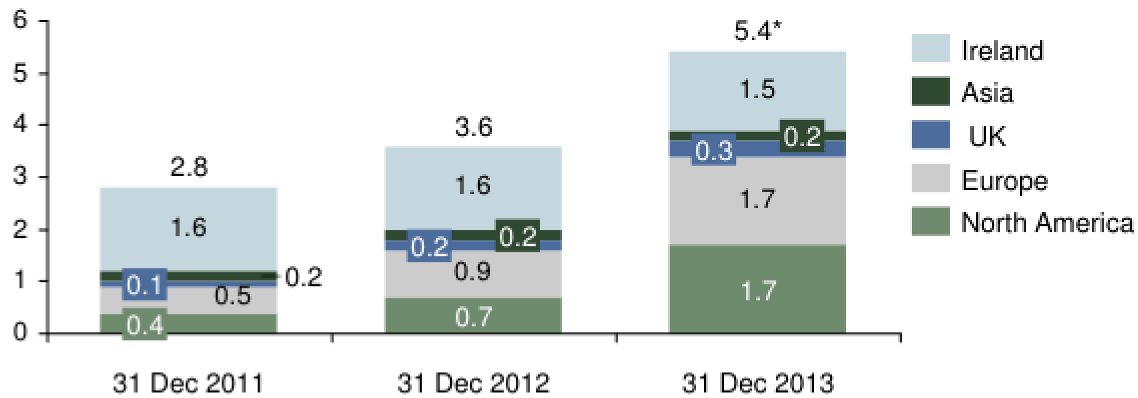
- Segment profit of €2.5 million over eight times higher than 2012 profit of €0.3 million
- Reflects strong growth in AuM, healthy margins and scalability of the business model
- Operating margin strengthened from 3% in 2012 to 16% in 2013.

# 49% growth in Client AuM since YE2012

## AuM by source (€bn)




## AuM by region (€bn)




*Includes €1.4bn assets under advisement

- €5.4bn of Client AuM – a 49% increase since the end of 2012 and 92% higher than the end of 2011
- 76% of growth in 2013 due to higher net inflows – driven by wholesale distribution partners and institutional mandates.
- North American and European AuM now the two regions with highest AuM across the portfolio – accounting for 31% of total AuM each.
- Decline in Irish multi-asset AuM reflects industry-wide de-risking and wind-up of defined benefit pension schemes.
- Global equity and Environmental specialist equity strategies now account for 77% of total AuM – up from 50% at the end of 2011.



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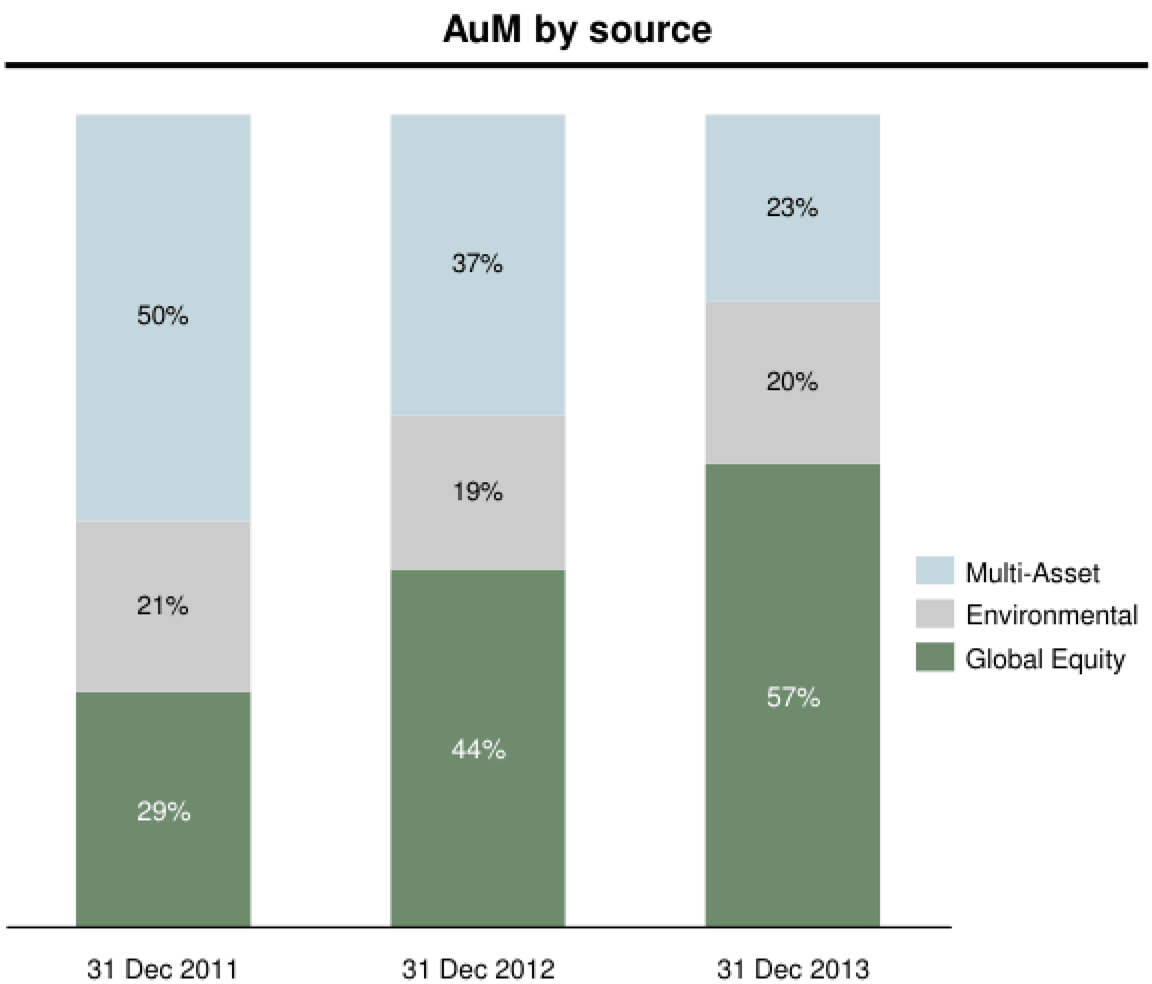
# Strong growth in specialist equity strategies




- Strong inflows into Global Equity and Environmental Strategies
- A number of significant new mandate wins, particularly in our Global Equity strategies
- Outflows from Multi-Asset strategies reflect continued de-risking and wind-ups of defined benefit pension schemes in Irish market

*2013 includes assets under advisement of €1.4bn



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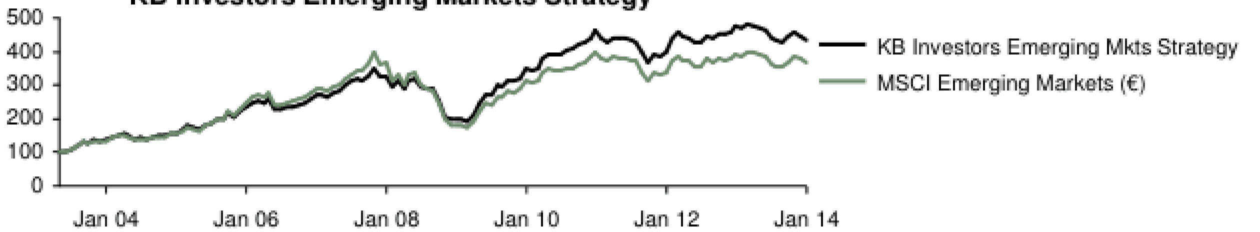
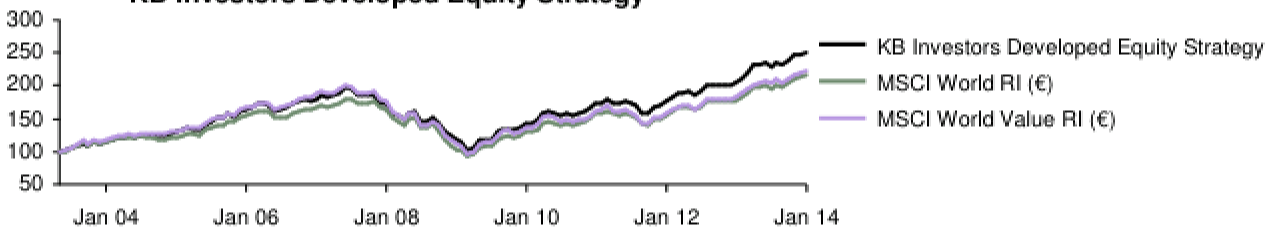
# Kleinwort Benson Investors – investment performance in 2013

*Indexed performance across selected strategies*

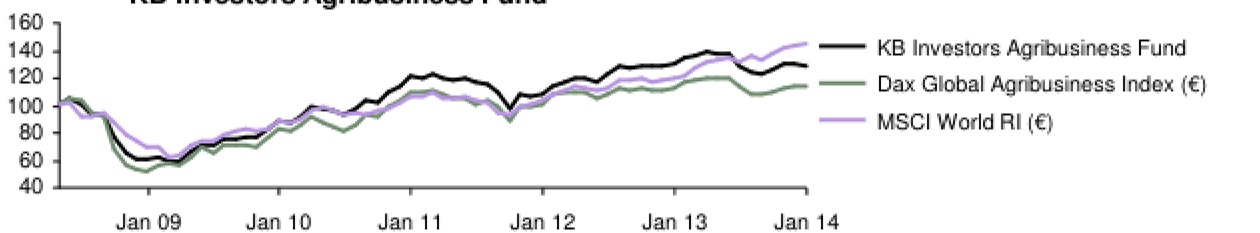
**KB Investors Emerging Markets Strategy[1]**



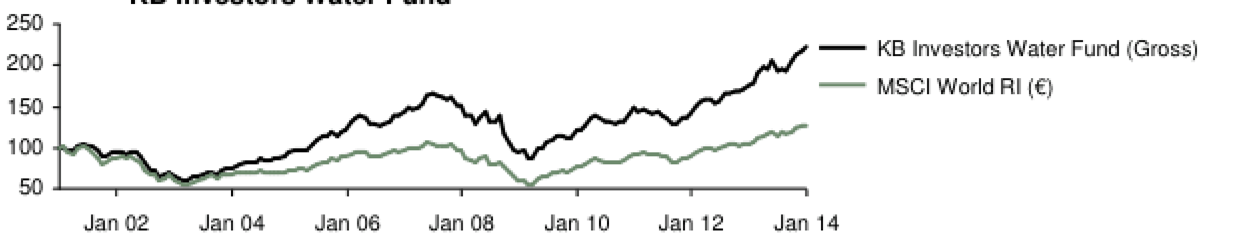

**KB Investors Developed Equity Strategy**




**KB Investors Agribusiness Fund**




**KB Investors Water Fund**




- KBI Emerging Markets Strategy: (1.0%) behind the benchmark in 2013, but maintains a strong track record since inception
- KBI Developed Equity strategy (The Flagship Global equity strategy) outperformed benchmark by 1.2% during 2013, maintaining its excellent track record. The strategy has outperformed its benchmark in 9 out of its 11 years history
- KB Investors Agribusiness Fund had a difficult year in 2013 versus the broad global equity benchmark. Against peer Agribusiness competitors however we maintained our strong long term track record
- KB Investors Water Fund outperformed the global equity index by 4% and peers during 2013. In so doing maintained its outstanding long term record
- Winner of the World Finance Investment Management Company of the year, Ireland – Award won for the second year running in 2013

1. The period return to July 2010 is a measurement of the security universe derived from the investment process, and returns from August 2010 are live strategy returns



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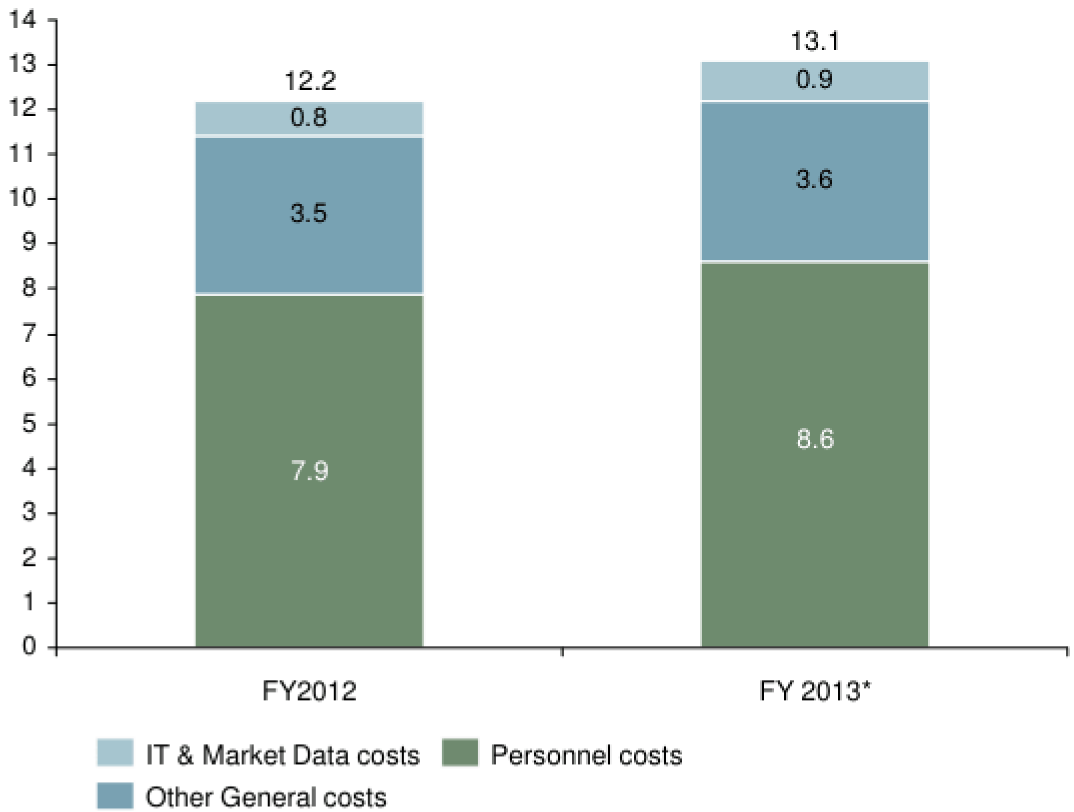
# Operating costs 7% higher – reflects performance-related pay and business development activity

## Operating cost breakdown (€m)




- The business continues to focus on managing its operating costs
- Increased personnel costs in 2013 principally due to performance-related pay
- Slight uplift in Other General costs reflects increased business development activity as we grow the business



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# Kleinwort Benson Investors – Outlook

# KB Investors – Growth initiatives provide solid platform for future growth

| | |
|---|---|
| **Mandate wins** | ▪ Institutional search activity buoyant – KBI being invited to participate in searches on the back of good longer term investment returns<br>▪ A significant number of notable mandate wins including government mandates and sovereign wealth funds<br>▪ Strong pipeline includes circa €1bn of mandates that have been won but not yet funded |
| **Distribution partnerships** | ▪ Continued sales growth through existing wholesale distribution partners across the two specialist equity ranges<br>▪ New distributor relationships put in place in 2013 should accelerate momentum in 2014 |
| **Portfolio mix** | ▪ Rebalancing in product portfolio and geographic mix expected to continue<br>▪ Specialist equity product managed for international investors expected to continue to drive profitability growth |

## BHF-BANK – Overview

# BHF-BANK – Key facts and figures

| | |
|---|---|
| **Overview** | • Modern, innovative bank with long-standing positions in trade finance, private and corporate banking and a strong heritage stretching back to 1854.<br>• The largest German independent Private Banking franchise with a particular focus on the needs of entrepreneurs in the German "Mittelstand" segment.<br>• Headquartered in Frankfurt am Main, with 12 other branch offices across Germany and international offices in Abu Dhabi, Geneva, Luxembourg and Zurich |
| **Business segments** | • Business organised across four key segments:<br>➢ Private Banking<br>➢ Asset Management<br>➢ Financial Markets<br>➢ Corporates |
| **Strong performance** | • Ranked No. 1 in Handelsblatt's Elite Report of 350 portfolio managers across German-speaking countries for 8 years running<br>• Consistently one of the top performers in the "firstfive" performance ranking across all risk categories and investment periods |
| **Key figures** | • €38.5 bn of Client AuM - €19.2 bn in Private Banking, €16.6 bn in Asset Management and €2.7 bn in Corporates<br>• 2013 income before US/UK tax and restructuring of €220 million<br>• Well-capitalised, comprehensively restructured balance sheet and low leverage:<br>➢ Balance sheet reduced to €6.7bn from €12.7bn in 2010<br>➢ Tier 1 ratio of 17.8% (Basel II) and 15.0% under Basel III (pro forma basis)<br>➢ Loan to deposit ratio of 28%<br>• 1,072 staff worldwide – a 30% reduction since 2010. |

# BHF's key business segments – Meeting the needs of discerning entrepreneurs and their families

## Wealth Management

### Private Banking

- Second largest independent provider of Private Banking services in Germany – **Top 2** (EAB €20bn)
- Quality leadership – **Top 1**
- Clear focus on entrepreneurial UHNW-clients

### Asset Management

- **Top 10** player mutual funds
- **Top 10** institutional Asset Manager for non-captive assets under management (total AuM €16.6bn)
- Innovative market player – Leading quantitative asset manager


## Corporates

### Corporates

- Comprehensive wholesale banking product offering – focusing on "Deutscher Mittelstand"
- High-quality loan portfolio
- Leading position in export financing – **Top 5**

### Financial Markets

- Partner and Service Unit for Private Banking, Asset Management and Corporates
- Specialist for German market

# BHF-BANK – Results for the year ended 31 December 2013

# BHF-BANK – Results for the year to 31 December 2013

## Key [redacted] figures and KPIs

| [redacted] | | 1-12 / 2013<br>€ m | 1-12 / 2012<br>€ m |
|---|---|---|---|
| | **Total income** | **219.9** | **275.8** |
| | Net interest income | 44.1 | 52.2 |
| | Net fee and commission income | 129.0 | 126.2 |
| | Trading result | -2.2 | 6.9 |
| | Investment income | 15.0 | 5.6 |
| | Other operating income | 34.1 | 84.9 |
| | **Loan loss provisions** | **1.6** | **0.9** |
| | **Total expenses** | **-224.1** | **-266.9** |
| | **Operating profit before US/UK tax & Restruct.** | **-2.5** | **9.8** |
| | US/UK Tax Switzerland / Restruct. | -14.6 | 0.0 |
| | **Profit before tax** | **-17.1** | **9.8** |

| KPIs | | 1-12 / 2013 | 1-12 / 2012 |
|---|---|---|---|
| | Cost / income ratio (bef. US/UK tax & Restruct.) (%) | 101.9 | 96.8 |
| | Assets under Management (AuM) (€m) | 38,451 | 37,354 |
| | Equity (IFRS) (€m) | 469 | 500 |
| | Risk Weighted Assets (RWA) (€m) | 2,628 | 2,837 |
| | Tier 1 Capital (€m) (Basel II) | 469 | 480 |
| | Tier 1 Ratio (%) (Basel II) | 17.8 | 17.0 |
| | FTE | 1,072 | 1,129 |

- Income in 2012 substantially driven by one single effect
- Operating result before US/UK tax and restructuring amounts to €(2.5) million
- Impact of US/UK tax agreements already considered in 2013
- Staff layoff in subsidiaries provisioned in 2013
- Increased net fee and commission income due to increased AuM
- Successful cost saving program leads to decreasing expenses
- Capital ratios continue to be very robust



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# BHF-BANK – Segmental analysis of operating profit before US/UK tax & Restructuring

**Year ended 31 December 2013**

| **2013 €m** | Private Banking | Asset Management | Financial Markets & Corporates | Other/ Consolidation | Profit before US/ UK tax & restructuring | US/UK tax, Switzerland / restructuring | **BHF-BANK Group** |
|---|---|---|---|---|---|---|---|
| Total income | 82.1 | 31.8 | 85.2 | 20.8 | 219.9 | -10.3 | **209.6** |
| Net interest income | 5.6 | 0.0 | 37.5 | 0.9 | 44.1 | - | **44.1** |
| Net fee and commission income | 74.6 | 31.3 | 27.1 | (4.0) | 129.0 | - | **129.0** |
| Trading result | (0.6) | - | (1.6) | - | (2.2) | - | **(2.2)** |
| Investment income | - | - | 10.5 | 4.5 | 15.0 | - | **15.0** |
| Other operating income | 2.5 | 0.5 | 11.8 | 19.3 | 34.1 | (10.3) | **23.7** |
| Loan loss provisions | - | - | (1.9) | 3.5 | 1.6 | - | **1.6** |
| Total expenses | (70.7) | (18.1) | (66.2) | (69.1) | (224.1) | (4.3) | **(228.4)** |
| **Profit /(Loss) before tax** | **11.4** | **13.7** | **17.3** | **(44.8)** | **(2.5)** | **(14.6)** | **(17.1)** |

# BHF-BANK – Private Banking

# BHF Private Banking - Increased asset base & net fee and commission income - further reduction of general administrative expenses

## Key figures

| €m | 2012 | 2013 |
|---|---|---|
| Net interest income | 7.3 | 5.6 |
| Net fee and commission income | 72.8 | 74.6 |
| Trading result | (0.4) | (0.6) |
| Investment income | 2.4 | 0.0 |
| Other income | 1.3 | 2.5 |
| **Operating income** | **83.3** | **82.1** |
| General administrative expenses | (71.9 | (70.7) |
| Provision for risk | 0.6 | 0.0 |
| **Result before tax** | **12.0** | **11.4** |

| | | |
|---|---|---|
| **Earning Asset Base** | **19,390** | **19,691** |
| AuM | 18,887 | 19,210 |
| Loans | 503 | 481 |

- Increase in net fee and commission income due to growth of higher margin discretionary portfolio management
- Cost-reduction measures continue to take effect – general administrative expenses reduced by approx. 2%
- Successful restructuring of Swiss business unit leads to significantly improved result - further improvement expected
- Earning asset base growth and further shift from lower to higher margin AuM will lead to increased future income



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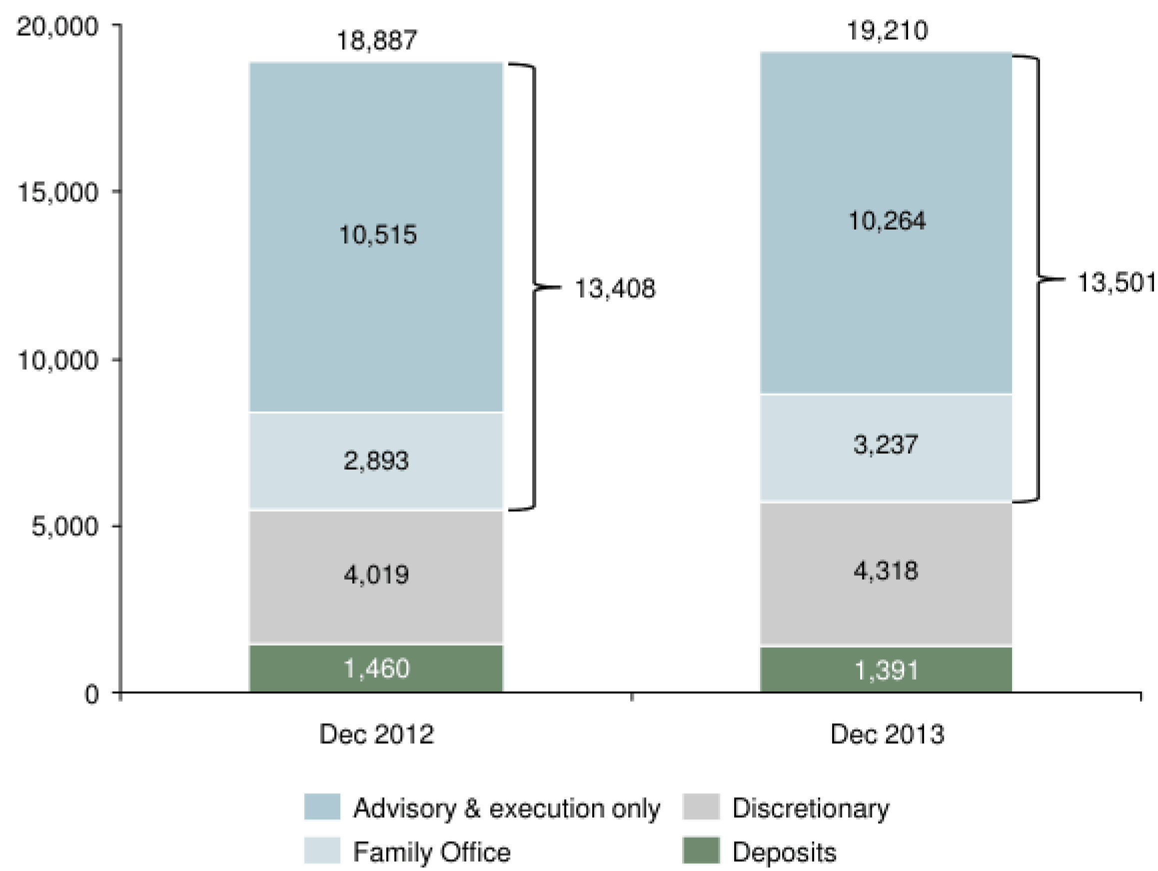
# BHF Private Banking – AuM growth despite massive uncertainty and shift to higher margin discretionary portfolio management

## AuM by source (€m)




- Growth in AuM despite massive uncertainty - growth clearly slowed by unstable shareholder structure
- Further significant shift from lower margin advisory to higher margin discretionary portfolio management (+7.5%)
- Resolved change of ownership structure presents opportunities - enables return to historical growth path
- Numerous impartial market surveys once again confirm outstanding performance of portfolio management

# BHF-BANK – Asset Management

# BHF Asset Management – Significant increase of Result before tax

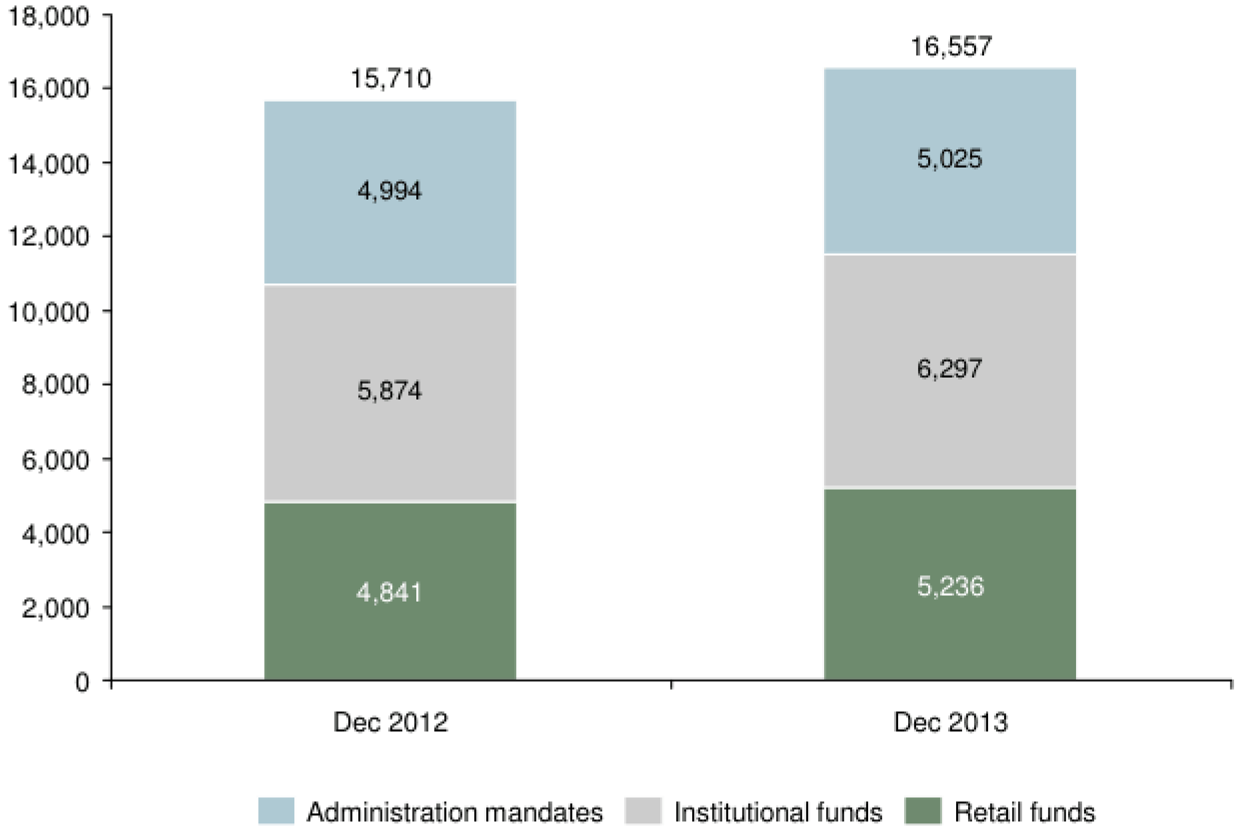
## Key [redacted] figures

| €m | 2012 | 2013 |
|---|---|---|
| Net interest income | 0.1 | 0.0 |
| Net fee and commission income | 29.4 | 31.3 |
| Trading result | 0.0 | 0.0 |
| Investment income | 0.0 | 0.0 |
| Other income | 0.6 | 0.5 |
| **Operating income** | **30.1** | **31.8** |
| General administrative expenses | (19.4) | (18.1) |
| Provision for risk | 0.0 | 0.0 |
| **Result before tax** | **10.7** | **13.7** |
| **Assets under Management** | **15,710** | **16,557** |

- Increase of +6% in net fee and commission income driven by long-term asset gathering, especially on retail funds
- Continuing focus on administrative expense reductions pays off – further reduction of – 7%
- Focusing on higher margin products and additional distribution channels

# BHF Asset Management – 5% growth in AuM

## AuM by source (€m)




- Increase of AuM to € 16.6bn despite ownership crisis and sales process
- Intensified cooperation with Private Banking on multi-asset wealth management solutions pays off, € 252m net flows in 2013
- Completion of BHF Total return fund range offers a market leading and award winning line-up of sought after wealth management funds
- Resolved change of ownership offers further opportunities for growth, especially in the institutional business



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# BHF-BANK – Financial Markets

# BHF Financial Markets- Stable result before tax

## Key [redacted] figures

| €m | 2012 | 2013 |
|---|---|---|
| Net interest income | 19.9 | 15.1 |
| Net fee and commission income | 11.6 | 10.8 |
| Trading result | 7.6 | -1.6 |
| Investment income | 3.2 | 9.8 |
| Other income | 6.6 | 11.3 |
| **Operating income** | **48.9** | **45.3** |
| General administrative expenses | (39.0) | (35.4) |
| Provision for risk | 0.2 | (0.3) |
| **Result before tax** | **10.1** | **9.7** |

- Result before tax nearly in line with previous year
- Decrease in income compensated by successful cost-reduction measures
- Growth of customer related business from cooperation with Private Banking, Asset Management und Corporates

# BHF-BANK – Corporates Segment

# BHF Corporates – Slight decrease of income due to negative impact of external factors

## Key [redacted] figures

| €m | 2012 | 2013 |
|---|---|---|
| Net interest income | 24.3 | 22.4 |
| Net fee and commission income | 17.5 | 16.3 |
| Trading result | 0.0 | 0.0 |
| Investment income | 0.0 | 0.7 |
| Other income | 0.1 | 0.5 |
| **Operating income** | **41.8** | **39.9** |
| General administrative expenses | (28.5) | (30.8) |
| Provision for risk | (0.3) | (1.6) |
| **Result before tax** | **13.1** | **7.6** |

- Reduction of credit volume due to overlap in client and credit basis with shareholder
- Slight decrease in net fee and commission income due to postponement of several Corporate Finance transactions into 2014
- First months in 2014 show significant increase in business volumes with substantial pipeline ahead, generating positive impact on both – net interest income and net fee and commission income



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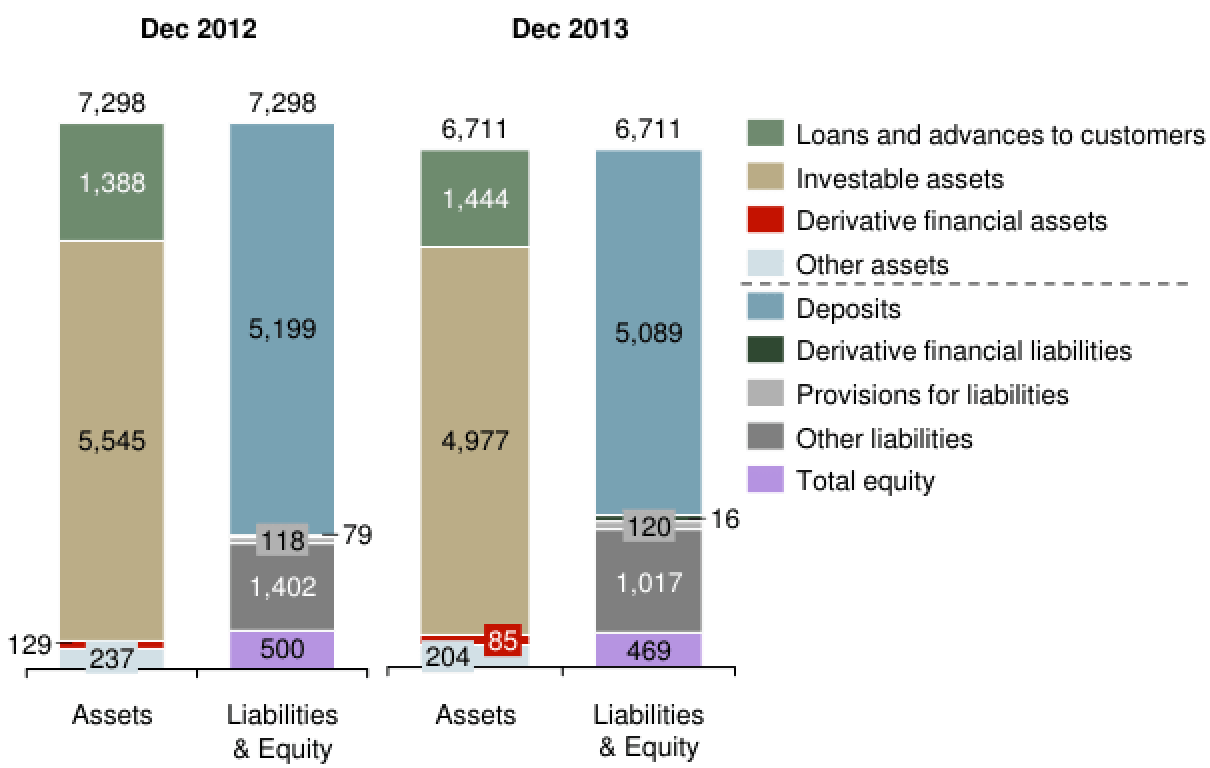
# BHF-BANK – Group balance sheet

# BHF-BANK – Clean balance sheet with strong capital ratios

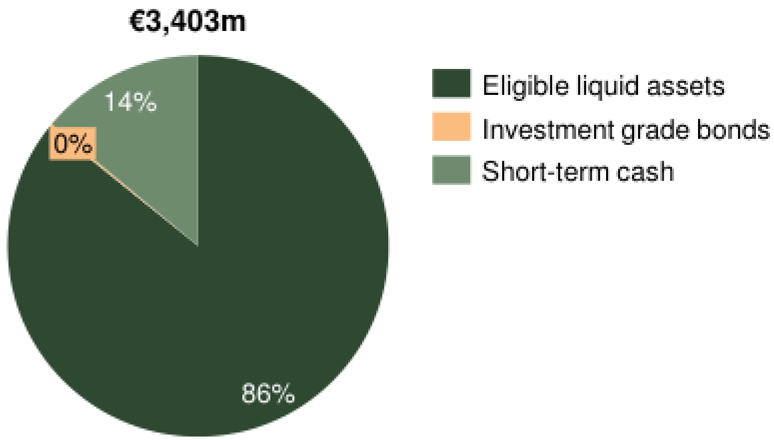
## Balance Sheet Overview (€m)



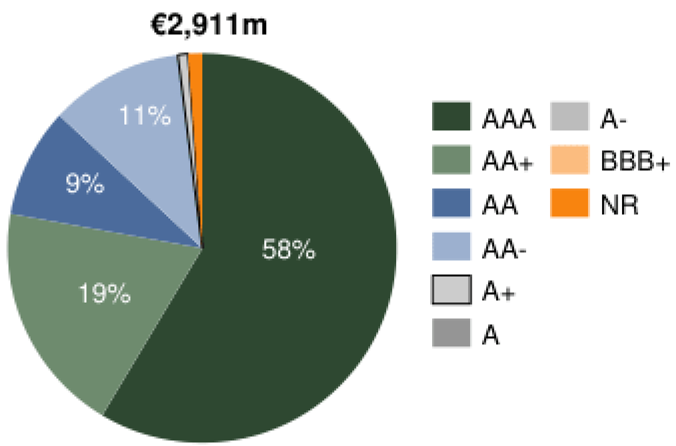

- Further reduction in balance sheet to €6.7bn
- Solid Tier 1 ratio of 17.8% under Basel II and 15.0% under Basel III in 2013 (pro-forma basis)

# A high quality Treasury book

## Treasury book composition as at 31 Dec 2013




## Treasury book by credit rating as at 31 Dec 2013




**A high quality treasury book**

- 100% cash or eligible liquid assets
- Thereof 95% High Quality Liquid Assets according to Basel III with a LCR[1] of 140% per year end 2013

1. LCR = Liquidity Coverage Ratio



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# BHF-BANK – Successes

# BHF-BANK – Successes

| | |
|---|---|
| 1 Business turnaround since 2010 | • Balance sheet reduced to €6.7billion from €12.7 billion<br>• Core capital ratio strengthened from 12.4% to 17.8% (Basel II), 15.0% Basel III and total capital 20.5% (pro forma basis)<br>• FTE headcount reduced by 30% and cost reduced by 21% by year end 2013 |
| 2 Investment performance | • Investment outperformance against benchmarks across all "total return", fixed income, equity / bonds and equity fund ranges over critical 5 year period<br>• 69.3% return generated by BHF Flexible Allocation FT over 5 year period compared to 29.7% and 28.1% benchmark and peer group returns respectively |
| 3 Awards | • Winner of Elite Report Portfolio Manager of the Year award for the 8th year running<br>• Winner of EuroTest Top Quality in Private Banking award in 2013<br>• First place in FirstFive ranking (December 2013) – ranked No. 1- 5 in 31 out of 32 categories, ranked No. 1 or 2 in 21 categories |
| 4 Performance in 2014 | • Good momentum in 2014 with significant net new asset growth in Private Banking<br>• Several attractive corporate mandates won to IPO their businesses or seek other growth opportunities |



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# Appendix

# Results summary – Segment overview in 2012

## RHJI Segments end of for the year to 31 December 2012 (€m)

| *(In EUR millions)* | Financial Services[1] | Holding Segment[1] | **Sub-Total** | Reclassifications[2] | **Total** |
|---|---|---|---|---|---|
| Net interest income | 23.0 | - | **23.0** | (0.5) | **22.5** |
| Net fee and commission income | 100.4 | - | **100.4** | (3.0) | **97.4** |
| Other operating income | 5.1 | 3.2 | **8.3** | 18.4 | **26.7** |
| **Operating income** | **128.5** | **3.2** | **131.7** | **14.9** | **146.6** |
| Operating expenses | (127.9) | (47.2) | **(175.1)** | (24.4) | **(199.5)** |
| **Core operating segment result** | **0.6** | **(44.0)** | **(43.4)** | **(9.5)** | **(52.9)** |
| Investment in new business lines | (4.3) | - | **(4.3)** | 4.3 | **-** |
| Exceptional fair value movements[3] | 11.3 | - | **11.3** | (11.3) | **-** |
| Other non-recurring items[4] | (14.5) | (3.9) | **(18.4)** | 18.4 | **-** |
| **Operating profit (loss) before tax** | **(6.9)** | **(47.9)** | **(54.8)** | **1.9** | **(52.9)** |
| Net finance income / (expense) | | | | | **(2.0)** |
| Share of profit (loss) of equity accounted investees[4] | | | | | **1.2** |
| **Profit (loss) before income tax** | | | | | **(53.7)** |
| Income tax benefit (expense) | | | | | **0.4** |
| (Loss) from discontinued operations[4] | | | | | **(31.1)** |
| **Profit (loss) for the period** | | | | | **(84.4)** |

1. Kleinwort Benson Holdings has been removed from the Financial Services segment and is now reflected in the Holding Segment
2. Includes reclassifications of exceptional and other non-recurring items
3. The €11.3 million of exceptional fair value movements reflected in the table above relate to the reversal of fair value losses recognised in 2011.
4. Other non-recurring items relate to restructuring costs (€3.2m), asset impairments (€9.5m) and [redacted], integration and sales related costs (€1.8m).

## RHJI Portfolio as at December 31, 2013 – Pro forma for BHF acquisition

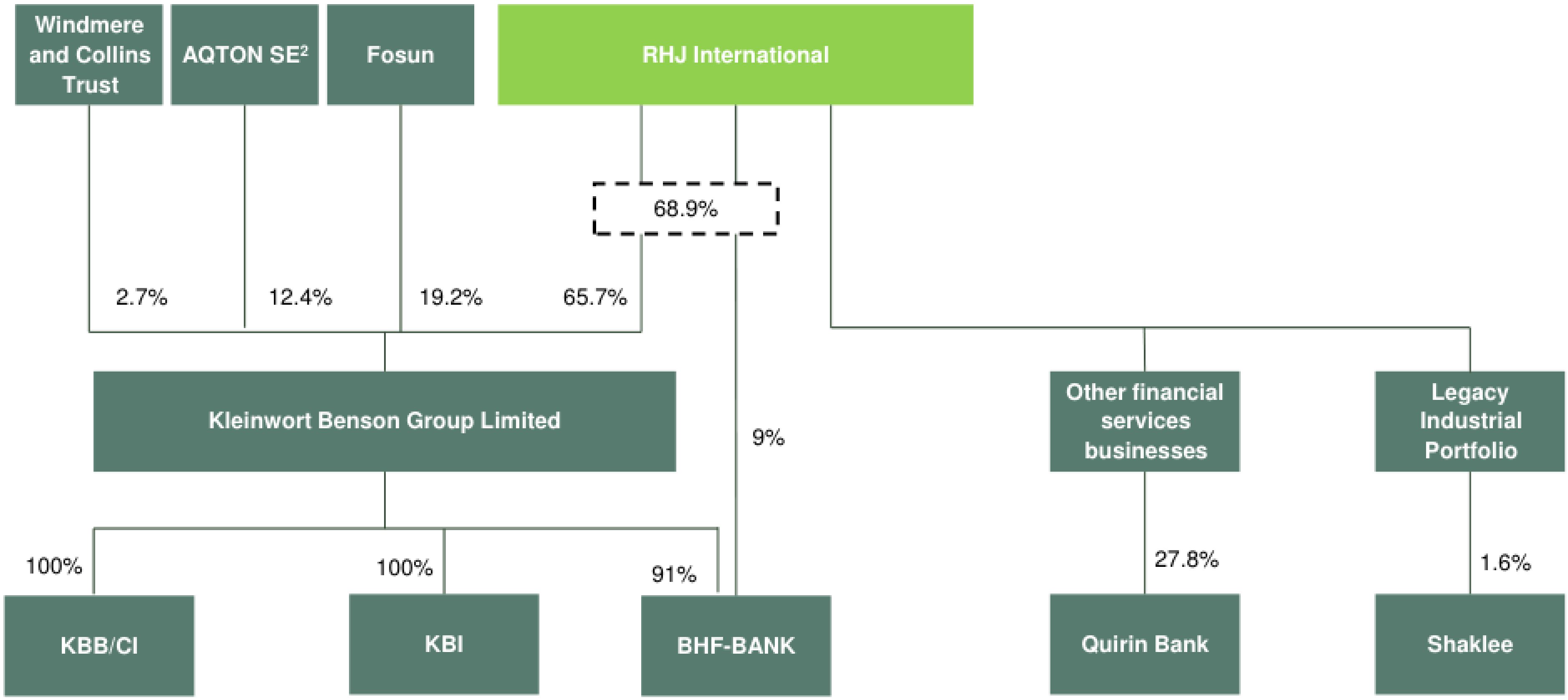
**Evolution of Book Value**[1]

*(In EUR millions)*

| | Ownership | Jan 1, 2013 | Increases/ (Decreases) | **Dec 31, 2013** | **BHF acquisition** | Ownership | **Dec 31, 2013 (Pro Forma)** |
|---|---|---|---|---|---|---|---|
| **Investments in financial services** | | | | | | | |
| Kleinwort Benson Group | 100% | 319.7 | (25.7) | **294.0** | 143.6 | 65.78% | **437.6** |
| BHF-BANK | - | - | - | **-** | 30.6 | 9.0% | **30.6** |
| Quirin | 27.8% | 19.3 | - | **19.3** | - | 27.8% | **19.3** |
| | | **339.0** | **(25.7)** | **313.3** | **174.2** | | **487.5** |
| **Investments in legacy portfolio** | | | | | | | |
| Ripplewood (General Partner interest) | 13.0% | 14.5 | (14.5) | **-** | - | - | **-** |
| GoGo | 0.8% | - | 12.0 | **12.0** | - | 0.8% | **12.0** |
| SigmaXYZ | 21.8% | 8.6 | (8.6) | **-** | - | - | **-** |
| Shaklee | 1.6% | 45.7 | (44.1) | **1.6** | - | 1.6% | **1.6** |
| | | **68.8** | **(55.2)** | **13.6** | **-** | | **13.6** |
| **Total investments** | | **407.8** | **(80.9)** | **326.9** | **174.2** | | **501.1** |
| **Cash and other liquid resources**[2] | | **219.2** | **(9.9)** | **209.3** | **(143.6)** | | **65.7** |
| **Loans** | | **0.8** | **7.1** | **7.9** | **-** | | **7.9** |
| **Total portfolio** | | **627.8** | **(83.7)** | **544.1** | **30.6** | | **574.7** |
| **Number of outstanding shares** | | **85.5** | **-** | **85.5** | **5.5** | | **91.0** |
| **Book value per share (in EUR)** | | **7.3** | **(1.0)** | **6.4** | **(0.1)** | | **6.3** |

1. On a non-consolidated basis
2. Other liquid resources comprise deposits >3 months and investment securities

# RHJI group structure post completion of BHF acquisition[1]






1. Co-investor's shareholding in KB Group Ltd. and RHJ International holding in BHF-Bank subject to post closing adjustments 2. AQTON SE 100% owned by Mr Quandt
Source: RHJI