

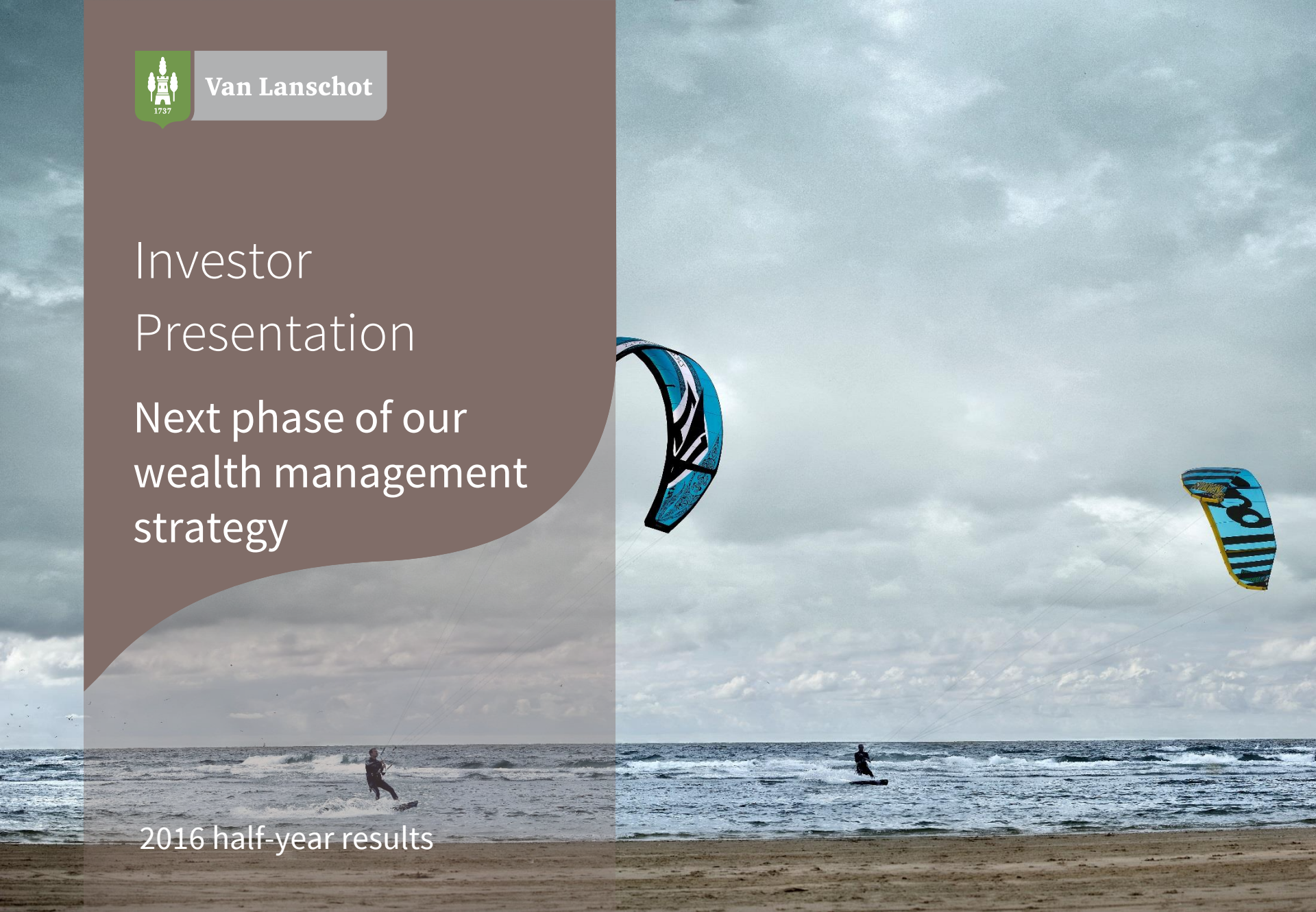


Van Lanschot

# Investor Presentation

Next phase of our  
wealth management  
strategy

2016 half-year results



# Van Lanschot at a glance

## Van Lanschot's profile

- Clear choice for wealth management targeting institutional and private clients
- Strong brand names, reliable reputation, rich history
- Mutually reinforcing core activities with their own distinct culture and positioning as niche players
- Straightforward governance model with highly experienced Executive Board
- Capital increasingly freed up by winding down corporate loan portfolio
- Strong balance sheet, capital ratios, cash reserves and diversified funding mix

## April 2016 strategy update

- Next phase of wealth management strategy: building on a strong foundation, adapting to a changing world, taking advantage of opportunities and creating value for clients
- Launch of €60m investment programme for mid 2016-19 to implement omnichannel Private Bank, accelerate *Evi* development and finalise IT transformation
- Efficiency gains to result from partnerships for standardised universal banking services, streamlining of operations and support functions, and transfer to omnichannel Private Banking offering
- Continued run-off of Corporate Bank
- 2020 financial targets and revised capital and dividend policy defined

## Solid performance on all key financials

	H1 2016	H2 2015	H1 2015
• Net profit	€31.5m	€5.1m	€37.7m
• Underlying result	€37.7m	€22.4m	€37.7m
• CET I ratio	17.3%	16.3%	14.6%
• CET I ratio, fully loaded	16.9%	15.4%	13.6%
• Total capital ratio	18.2%	17.0%	15.3%
• Leverage ratio, fully loaded	6.4%	6.1%	5.7%
• Funding ratio	94.0%	94.3%	94.8%
• Client assets	€66.2bn	€63.0bn	€ 59.6bn
• AuM	€54.3bn	€50.3bn	€45.7bn
• Loan book	€10.3bn	€10.5bn	€10.8bn

## Financial targets

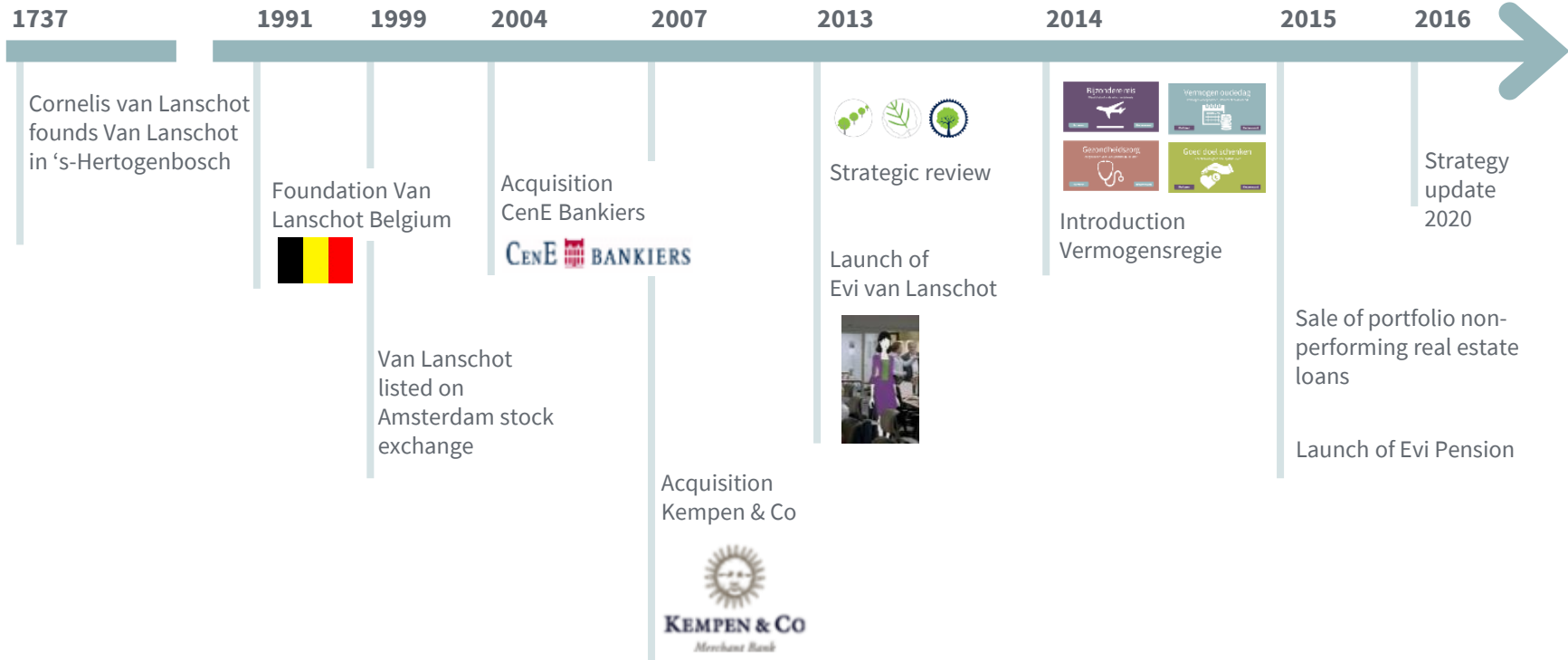
	H1 2016	Target 2020
• Common Equity Tier I ratio	17.3%	15% - 17%
• Return on CET I	6.8%	10% - 12%
• Efficiency ratio	81.1%	60% - 65%

**Van Lanschot expects to build up excess capital of at least €250 million up to 2020 and is committed to return this to its shareholders, subject to regulatory approval**



Van Lanschot is a specialist, independent wealth manager

# Van Lanschot's rich history reaches back over 275 years



# As a wealth manager Van Lanschot builds on the experience of its core activities



Van Lanschot



## Private Banking

- Private Bank for entrepreneurs, family businesses and high net-worth individuals
- Specialist services for business professionals and executives, healthcare professionals, and foundations and associations
- A strong network with local presence having 4 regional offices and 23 client reception facilities in the Netherlands, 8 in Belgium and 2 in Switzerland (onshore)
- AuM value of €17.2 billion\*
- Loan book of €8.3 billion

## Evi van Lanschot



- Online savings and investment service, playing into the trend of increased individual responsibility for pensions, healthcare and other needs at all levels of society
- Targeting the younger generation and mass affluent clients preferring an online solution

## Asset Management

- Specialist European investment management boutique with a sharp focus and a clear investment philosophy
- Focus on a number of investment strategies: small caps, property, high-dividend equities, fixed-income securities and funds of hedge funds
- Targeting open architecture-based banks and asset managers, pension funds, insurers, and foundations and associations
- Offering institutional clients a fiduciary service that provides them with fully comprehensive asset management solutions
- Offices in Amsterdam, London and Edinburgh
- AuM value of €45.9 billion\*\*

## Merchant Banking

- Offers specialist services including equities research and trading, acquisitions & mergers services, capital market transactions and debt advisory services to institutional investors, corporates, financial institutions and public and semi-public entities
- Has adopted a niche strategy aimed at the Benelux market and European life sciences & healthcare and property
- Develops and offers structured products to Van Lanschot Private Banking clients and other national and international private banks and brokers
- Offices in Amsterdam and New York

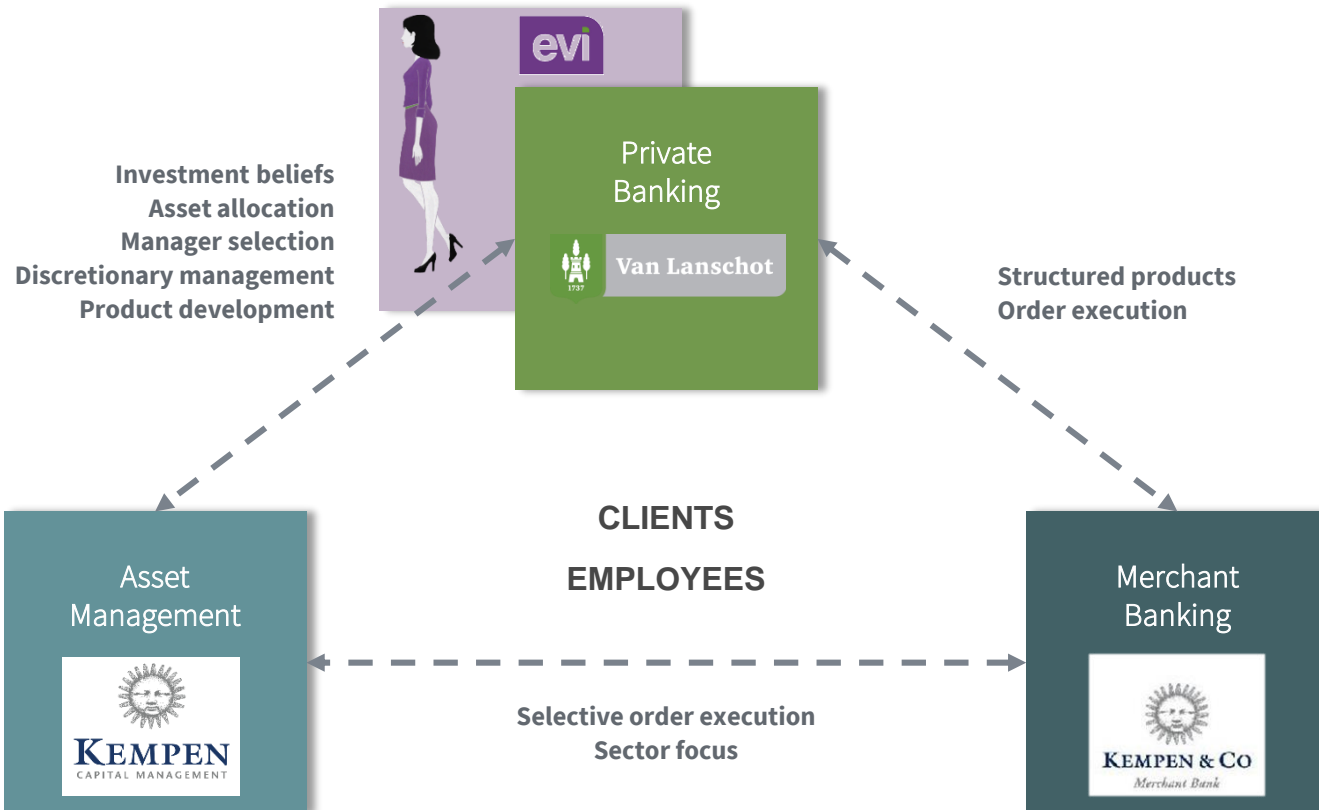


Van Lanschot

\* Including Evi

\*\* As of 30 June 2016. AuM of Asset Management including €8.8 billion of AuM managed for Van Lanschot Private Banking

# Van Lanschot's core activities have individual strengths which are mutually reinforcing



# Our strategic update of April 2016 is about how we are responding to a changing world

## *For our clients*

## *For our industry*

Low yield environment

Increasing individual responsibilities

Pensions

Regulation

Technological changes & digitalisation

## **Opportunity for Van Lanschot**

Appetite for investment products

Increased client needs for advice and wealth planning

Attractiveness of Evi online offering

Development of omni-channel private banking

Growth in fiduciary asset management

# Next phase of our wealth management strategy

Key themes for core activities:

## Private Banking

- Enhance client experience through omni-channel servicing model
- Foster AuM growth by enhancing front-line effectiveness

## Asset Management

- Intensify distribution
- Launch new strategies
- Further develop UK as second home market

## Evi

- To play into trend of increased individual responsibility for pensions and other needs
- Will become a separate segment to realise its full potential

## Merchant Banking

- Continue capital light operating model
- Build on solid, sustainable position in selected niches

Supported by:

Continued run-off of  
Corporate Bank

Rightsizing support  
functions and  
streamline operations

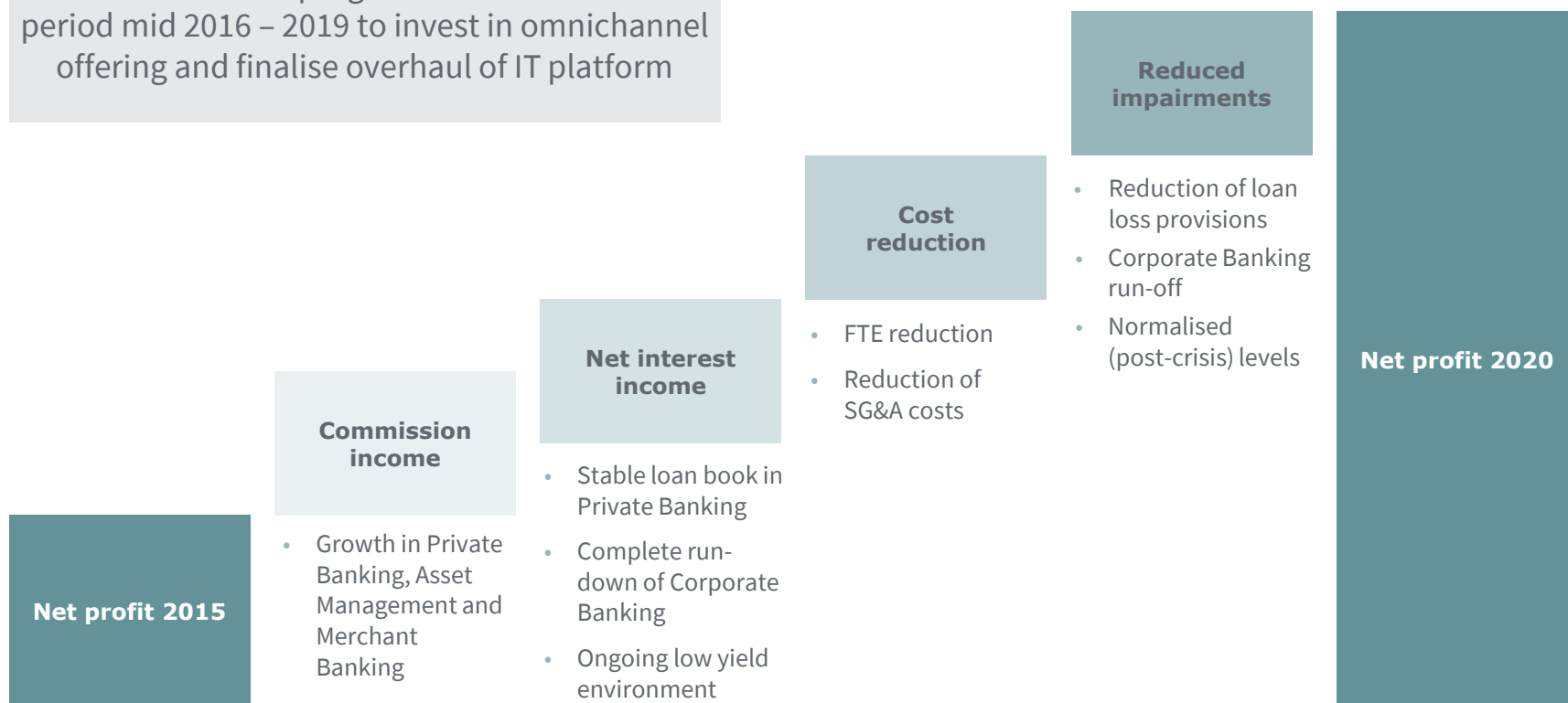
Finalise transformation  
of IT platform

Outsourcing  
standardised 'universal'  
banking services



# Key drivers of result development

One-off investment programme of €60 million for period mid 2016 – 2019 to invest in omnichannel offering and finalise overhaul of IT platform



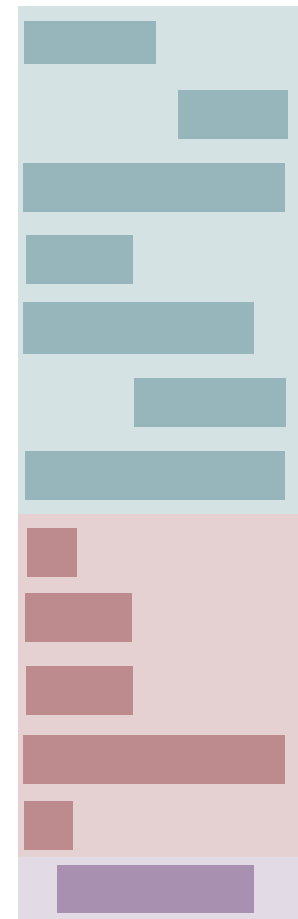
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# On balance, costs expected to decrease (excluding €60 million investments)

- ↓ Regionalisation of Private Banking branch network
- ↓ Optimising mortgages and payments; shut down mainframe
- ↓ IT run & change costs
- ↓ Combination support staff / integration Van Lanschot/Kempen
- ↓ Corporate Bank run-off
- ↓ Streamlined mass affluent offering
- ↓ Depreciation
- ↑ Regulatory expenses and levies
- ↑ Evi expansion
- ↑ Expand distribution capacities Asset Management
- ↑ Variable compensation (contingent upon success)
- ↑ Full year KCM London
- ↑ One-off investment program

## Indicative timing

2016      2020



# One-off investment programme of €60 mn to finalise transformation and develop omnichannel platform

€60 million additional IT expenditure

- Period: mid 2016 – 2019
- Rationale: finalise IT transformation of the Private Bank

Comprising:

- Digital transformation to omnichannel servicing model
- Accelerate Evi development
- SaaS solution for payments administration to improve service, reduce costs and comply with PSD2 and other upcoming legislation
- Phase out mainframe
- Outsourcing of mortgages servicing and administration

Investments to yield a reduction in recurring IT cost, efficiency gains in mid and back office at both Private Banking as well as at Group level and an improvement in service level

# Excess capital expected of at least €250 million up to 2020, to be returned to shareholders

- CET I ratio at 17.3 % (16.9% fully loaded) per 30 June 2016
- Corporate bank run-off offers further upside potential (RWA H1 2016 = €1.6 bn)
- Impact Basel III tightening not known yet but RWA increase expected to be lower than decrease due to CB run-off
- Net profit (after one-off investment program) will also have positive impact on capital
- No transformational M&A planned (selective add-on acquisitions may be considered)
- Commitment to return excess capital to shareholders, subject to regulatory approval
- Target pay-out ratio raised from 40-50% to 50-70% as of 2016

## Risk-weighted assets

€ billion



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# 2016 half-year results

The background of the slide features a financial report with a calculator and a line graph. The calculator is a silver and black handheld device with a screen and several buttons, including 'MC', 'M+', and 'OFF'. The line graph shows a fluctuating trend with a peak and a subsequent decline. The financial report contains various numerical data points, some of which are circled in red.

27,20	12,57	16,63	1,02
30,85	9,18	1,57	
30,22	0,22	1,48	
15,40	2,00	1,40	
40,75	11,36	3,68	
48,12	14,59	2,94	
15,69	9,87	11,96	
35,13	13,00	0,73	
22,68	19,03	0,85	
6,03	34,75	1,55	
6,62	16,59	1,24	
24	21,01	1,82	
06	21,54	1,19	
3	14,51	2,66	
1	19,69	8,88	
	28,32	2,53	
	11,05	1,88	
	10,75	1,87	
	18,40	0,99	
	17,98		

60,55	+1,34	-4,19	15,69	16,00
5,69	-0,11	-12,40	23,73	41,39
	-5,37	+17,35	0	23,46
		+2,57	11,98	56,30
		+11,44	-16,44	64,00
	-2,04		8,19	39,16
40,95	-1,72	-3,07	8,98	55,39
52,10	+1,35	+14,56	14,12	8,99
56,90	+0,75	+4,94	17,68	25,11
37,53	+0,96	-24,89	9,17	265,50
52,52	-4,31	-17,53	13,65	190,75
5,84	-0,93	-16,75	22,79	66,64
18,61	+0,14	-10,79	9,51	19,47
205,63	-0,58	-2,79	14,22	65,50
178,90	-0,26	+0,64	19,12	40,10
58,10	-1,76	-12,68	35,40	
16,50	-2,53	+44,71		
49,70	+2,91			
39,29				

# Highlights 2016 half-year results

**Stable underlying net result of  
€37.7 million in challenging  
market**

**Client assets €66.2 billion (+5%)**

**Assets under management  
€54.3 billion (+8%)**

**Capital ratios continue  
to improve**

**CET I ratio: 17.3% (+1.0%)**

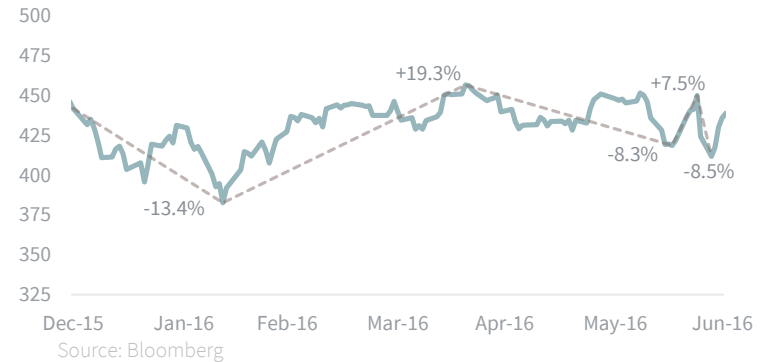
**Good progress on Strategy 2020**

**Acquisition private banking  
activities Staalbankiers**

# Market developments at a glance

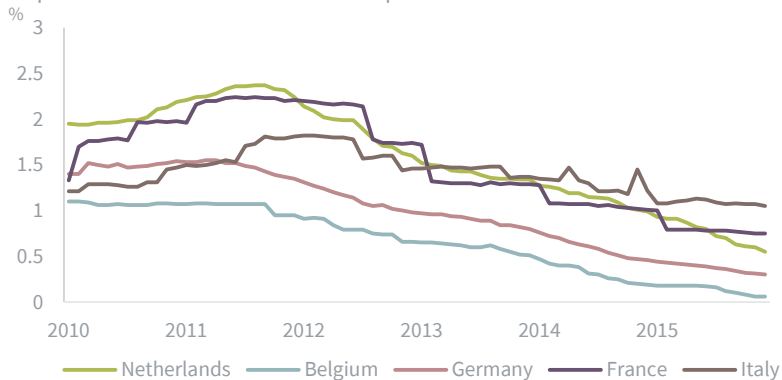
- First half of 2016 has seen major volatility for equity markets, e.g. uncertainty on China, oil and Brexit
- Meanwhile, bond markets are still strongly affected by ECB monetary policy
- Savings rates in the Dutch market have come down significantly, but there is scope for a further decrease
- Going forward, markets look set to be dominated by politics rather than economics

## AEX Index

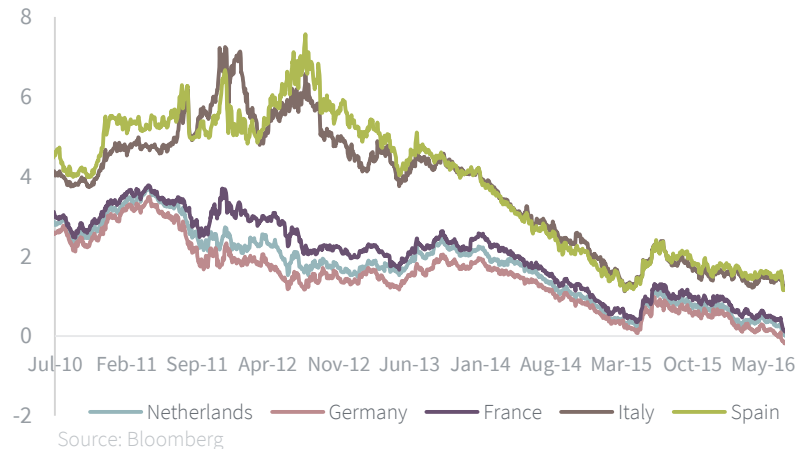


## European savings rates

Deposits redeemable on demand of up to 3 months



## European government bonds (10yr)



# Summary of 2016 half-year results

## Stable result in challenging markets

### Underlying net result stable at €37.7 million (H1 2015: €37.7 million)

- Net result amounts to €31.5 million (H1 2015: €37.7 million)
- Commission income under pressure due to less trading activity by clients, especially at Merchant Banking
- Operating expenses fairly stable at €194.8 million, with underlying structural reduction achieved
- Improving credit quality leads to net release of loan loss provision of €1.7 million (H1 2015: net addition of €31.9 million)

## Capital position further strengthened

### Strong balance sheet

- Further reduction of Corporate Banking RWA by €0.3 billion to €1.6 billion
- CET I ratio (phase-in) increases to 17.3% (FY 2015: 16.3%)
- CET I ratio (fully loaded) reaches 16.9% (FY 2015: 15.4%)
- Fully loaded leverage ratio amounts to 6.4% (FY 2015: 6.1%)

## Strategy 2020 started

### First steps made in Strategy 2020

- Agreement with Stater on the servicing and administration of mortgages, to be finalised in the course of 2017
- Acquisition of private banking activities of Staalbankiers announced
- Sales force of Kempen Capital Management strengthened
- New niche at Kempen Merchant Banking: Financial Institutions & FinTech



# 2016 half-year results by segment

## Private Banking

### **Strong profit improvement, assets under management stable**

- Underlying net result increases to €16.8 million (H1 2015: €4.5 million) on the back of substantially lower loan loss provisioning and cost reduction
- Assets under management stable at €17.2 billion (-1%)
- Commission income under pressure (€52.4 million vs €57.3 million in H1 2015) due to reduced client trading activity

## Asset Management

### **New mandates lead to growth in assets under management and lower average margin**

- €37.1 billion of assets under management (+13%) due to net inflow of €2.7 billion and market performance
- Commission income +7% to €43.4 million; mix effect and margin pressure lead to lower average margin
- Underlying net result lower at €5.5 million (-38%) as costs increase following integration of KCM London

## Merchant Banking

### **Low activity on European capital markets puts pressure on income**

- Commission income -52% to €19.3 million
- Underlying net result at €2.1 million (H1 2015: €15.1 million)

# Key figures 2016 half-year results

€ million	H1 2016	H1 2015	H1 2016 vs. H1 2015
Commission income	117.4	141.0	-17%
Interest income	110.3	102.0	8%
Other income	12.5	31.1	-60%
<b>Income from operating activities</b>	<b>240.2</b>	<b>274.1</b>	<b>-12%</b>
Operating expenses	-194.8	-193.9	0%
<b>Gross result</b>	<b>45.4</b>	<b>80.2</b>	<b>-43%</b>
Loan loss provisioning	1.7	-31.9	
Other impairments	-0.5	-2.8	-84%
Operating profit before tax of non-strategic investments	3.1	5.4	-42%
<b>Operating profit before one-off gains / losses and tax</b>	<b>49.8</b>	<b>50.9</b>	<b>-2%</b>
Recovery framework interest rate derivatives	-8.0	0.0	
Other one-off gains / losses	-2.0	-0.7	
Strategy 2020 Investment programme	-0.3	0.0	
<b>Operating profit before tax</b>	<b>39.5</b>	<b>50.1</b>	<b>-21%</b>
Income tax	-8.0	-12.4	-36%
<b>Net profit</b>	<b>31.5</b>	<b>37.7</b>	<b>-16%</b>
<b>Underlying result*</b>	<b>37.7</b>	<b>37.7</b>	<b>0%</b>
Efficiency ratio (%)	81.1%	70.7%	

\* Underlying net result H1 2016 excludes one-off costs related to the interest rate derivatives recovery framework and the Strategy 2020 investment programme

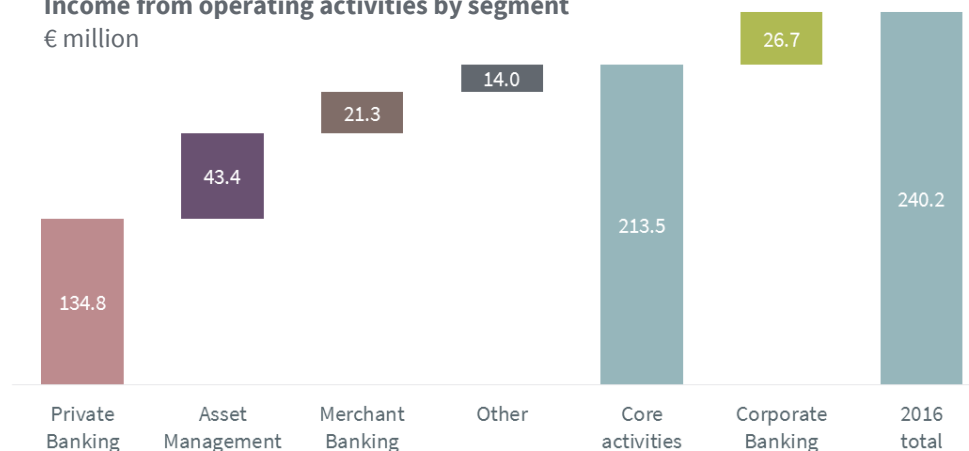
# All activities contribute to underlying net result

**Underlying net result amounts to €37.7 million (H1 2015: €37.7 million)**

- Core activities Private Banking, Asset Management and Merchant Banking generate 83% of combined income from operating activities (2015: 82%)
- Strong increase in underlying net result at Private Banking and Corporate Banking due to low level of loan loss provisioning and reduced costs
- Income at Asset Management positively impacted by growth in assets; however, higher costs have a dampening effect
- Low activity in European capital markets results in lower revenues at Merchant Banking

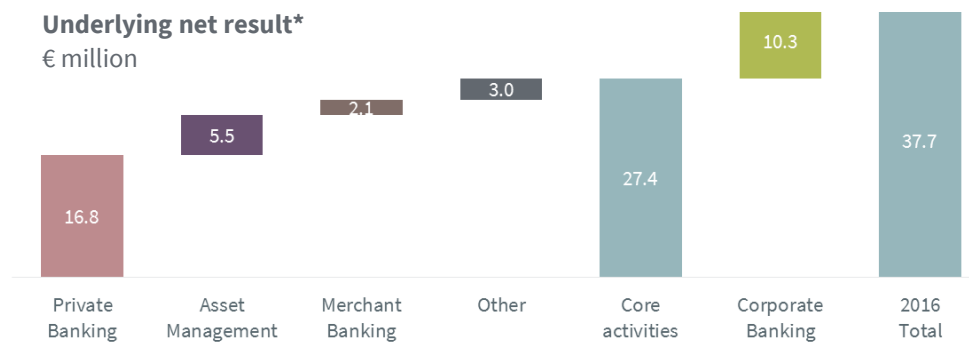
## Income from operating activities by segment

€ million



## Underlying net result\*

€ million



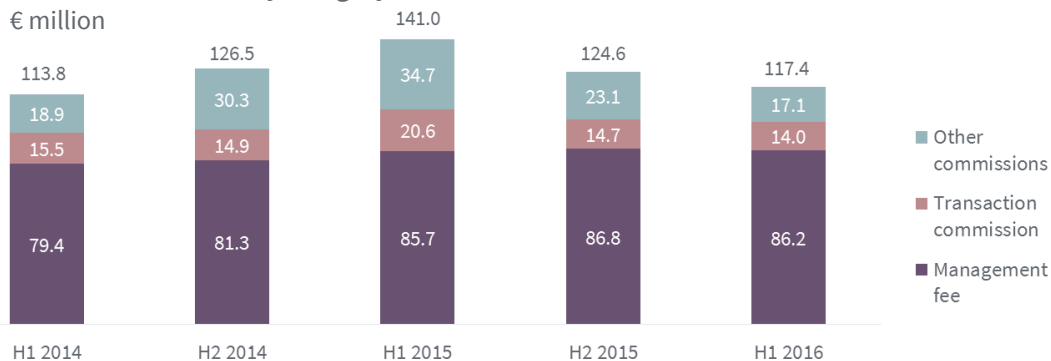
\* Underlying net result H1 2016 excludes one-off costs related to the interest rate derivatives recovery framework and the Strategy 2020 investment programme

# Management fees hold up well, while market circumstances put pressure on commission income

- Total commission income down 17% as transaction fees and other commissions are under pressure in uncertain markets
- Less trading activity by clients at Private Banking the main reason for the decrease in commission income compared with H1 2015
- Commission income at Asset Management benefits from higher levels of assets under management; mix effect and margin pressure lead to lower average margin
- Slow European capital markets and the resulting lower level of client activity cause substantial drop in commission income at Merchant Banking, compared with a very strong H1 2015

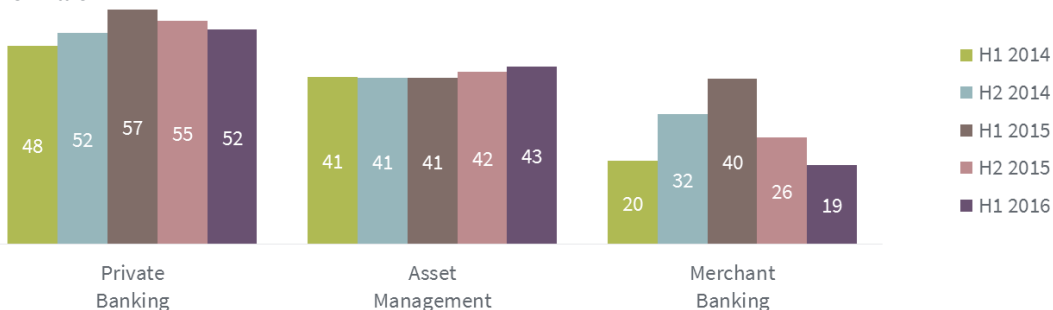
## Commission income by category

€ million



## Commission income by segment

€ million



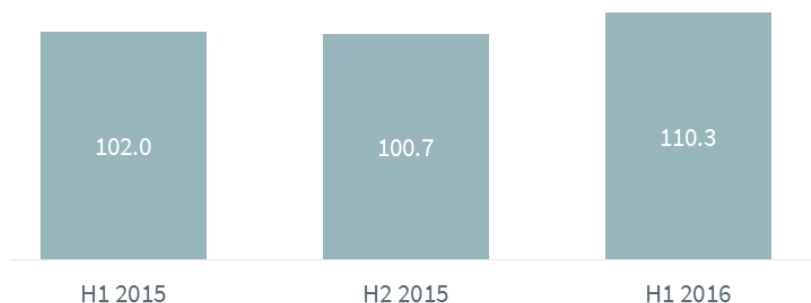
# Interest margin improves on the back of lower cost of hedges and active balance sheet management

Increase in net interest income and net interest margin due to:

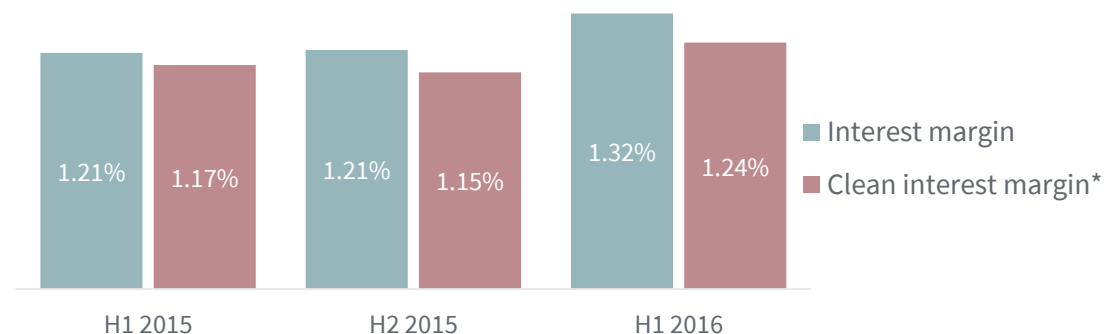
- Lower amortisation costs on discontinued interest hedges
- Lower savings rates
- Active balance sheet management

These developments offset the impact of the reduction of the loan book

**Interest income**  
€ million



**Interest margin (12m moving average)**  
%



\* Clean interest margin is interest margin adjusted for factors including initial loan commission and penalty interest

# Other income decreases to €12.5 million

## Profit on financial transactions

- Profit on financial transactions in H1 2016 decreases compared with H1 2015 as a result of lower profit on the investment portfolio

## Income from securities and associates

- Valuation gains and losses decrease to €5.3 million (H1 2015: €7.9 million), as seed capital for our own investment funds has been reduced

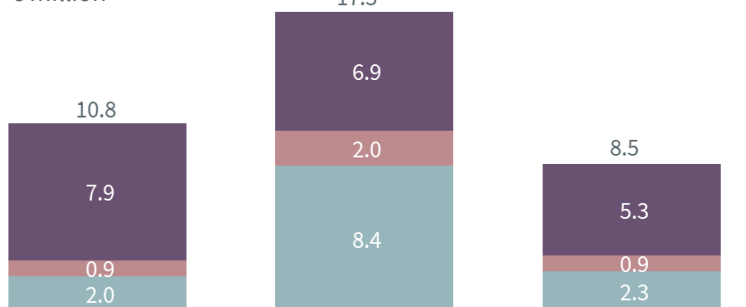
## Profit on financial transactions

€ million



## Income from securities and associates

€ million



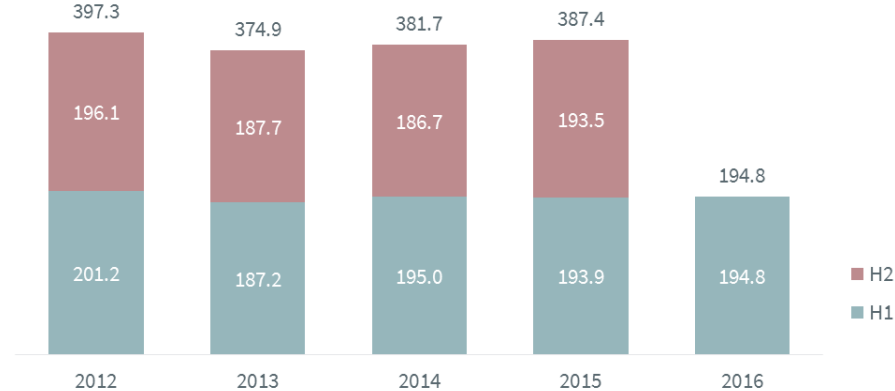
- Valuation gains and losses
- Capital gains
- Dividend

# Operating expenses stable, with underlying structural reduction achieved

- Operating expenses fairly stable at €194.8 million
- Recurring costs down by €8.7 million; primarily driven by lower IT costs
- Regulatory costs increase as expected (by €6.4 million), partly due to timing
- Cost increase related to the acquisition of KCM London (October 2015) follows from higher operating expenses, transition costs and a €2.5 million provision
- Efficiency ratio at 81.1% (H1 2015: 70.7%)
- Number of FTEs down by 20 to 1,646

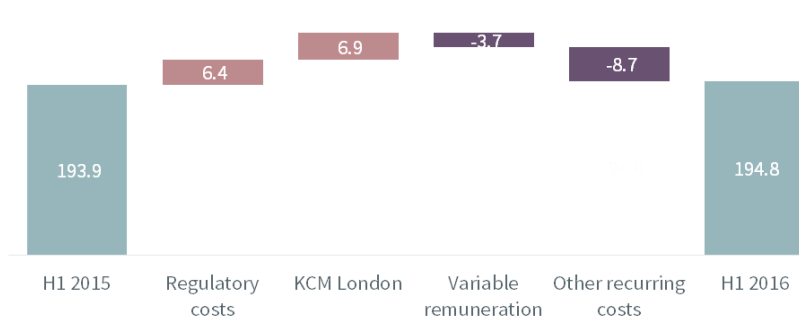
## Operating expenses

€ million



## Development of operating expenses

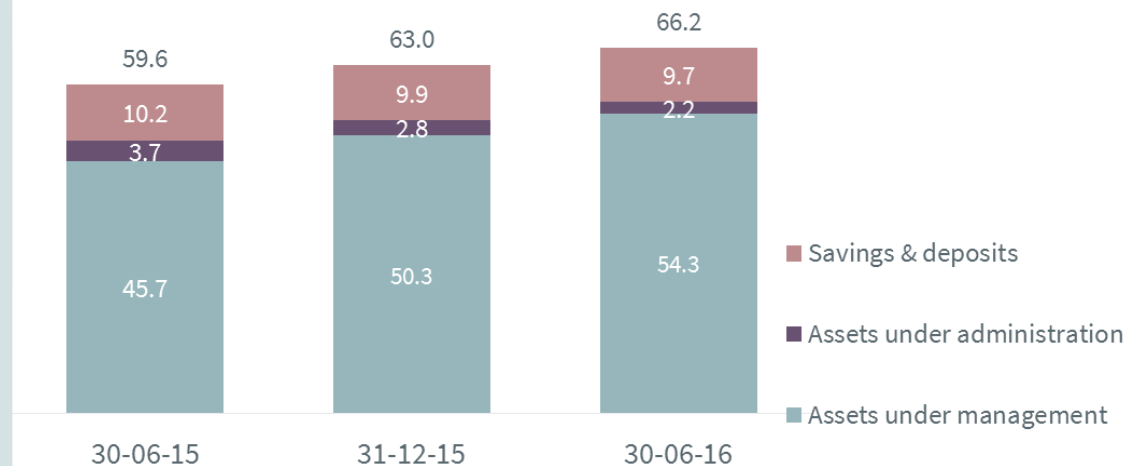
€ million



# Client assets grow 5% to €66.2 billion

- Assets under management rose 8% in H1 2016 due to inflow from new mandates and positive market performance at Asset Management
- Savings and deposits declined by €0.2 billion, mainly at deposits

**Client assets\***  
€ billion



\* Assets under administration have been introduced to provide better insight into the volume of assets Van Lanschot advises on. Assets under administration include portfolios for which Van Lanschot only acts as custodian and/or generates marginal fees. Comparative figures have been restated.



# Assets under management at Private Banking are stable

## AuM Private Banking at €17.2 billion

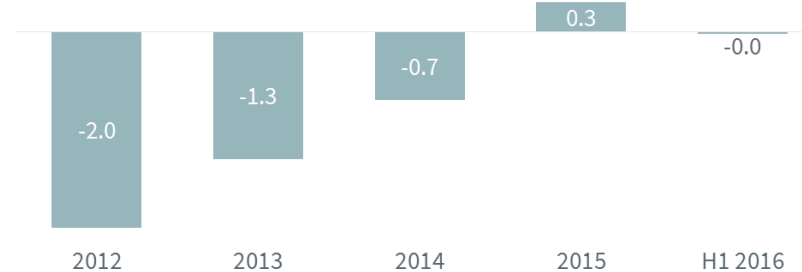
- Inflow of discretionary mandates balances outflow of non-discretionary mandates
- Share of discretionary assets under management in AuM at Private Banking stable at 52%
- Despite volatile markets, client assets at Evi are steady at €1.4 billion

## Several achievements in H1 2016 should support future AuM growth:

- 84% of the newly appointed partners of 3 large audit firms have chosen Van Lanschot BP&E
- Client base for compliant investing expanded from three to six audit firms
- Pilot targeting healthcare professionals with *Evi Pension* as alternative to existing life annuity
- Branch opened in Liège, Belgium
- *Evi4Kids* launched

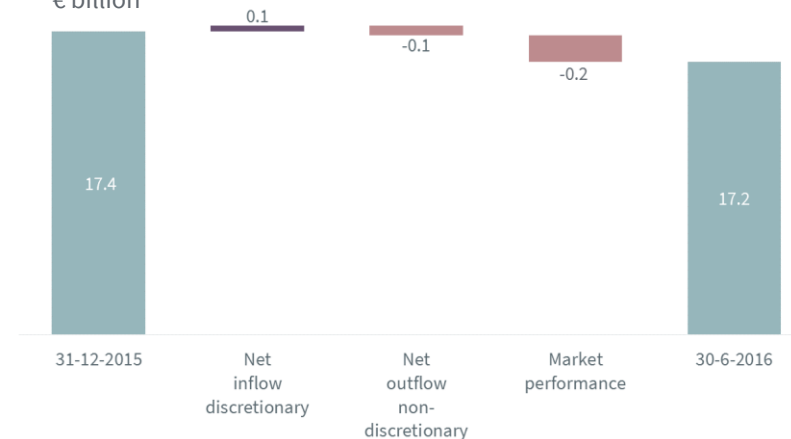
## Net inflow assets under management\* Private Banking

€ billion



## Development assets under management\*

€ billion



Client assets amount to €27 billion

\* Comparative figures have been restated following the introduction of assets under administration; this restatement for inflow of AuM over the period 2012-14 is indicative

# New mandates generate net inflow at Asset Management

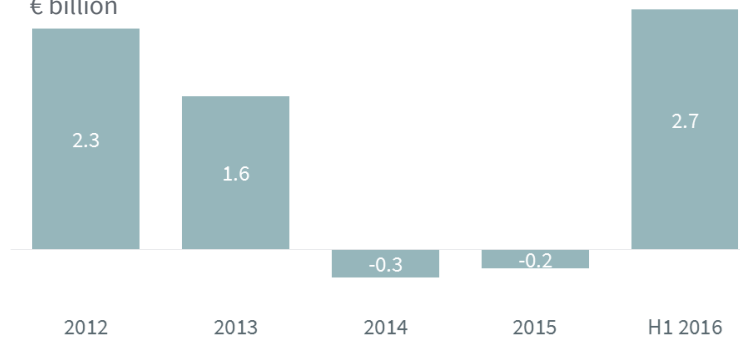
## AuM at Asset Management up to €37.1 billion

- New mandates won in H1 2016 add €2.7 billion
- Largest new mandates are a fiduciary mandate for Univé Group (€1 billion) and a mandate for corporate bonds of Fund de Réserve pour les Retraites (€1 billion)
- Positive market performance driven by favourable bond market

**Strong pipeline based on RFPs from domestic and international institutional investors**

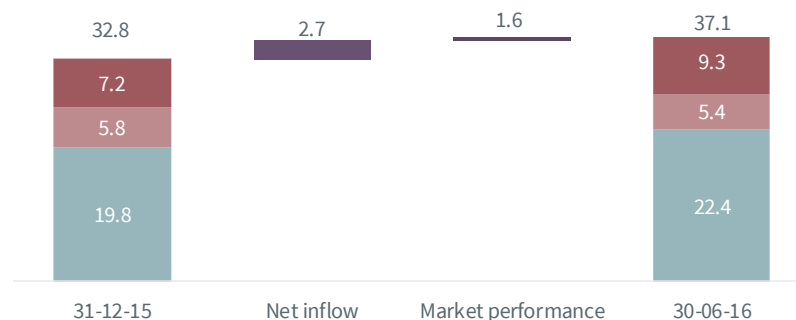
## Net inflow AuM Asset Management

€ billion



## Development of AuM Asset Management

€ billion



- Niche Strategies Fixed income & (Smart) Passive
- Niche Strategies Equity active & Alternatives
- Client Solutions

# Private Banking loan book stable; run-off of Corporate Banking continues

## Private Banking

- Stable mortgage book. New mortgage business almost compensates for repayments and prepayments
- Average loan to value 70% (2015: 71%)
- Other loans includes loans to wealthy private individuals to pay for second homes, for instance, or to provide current account overdraft facilities. This category also includes SME loans that fit into the Private Banking relationship model.

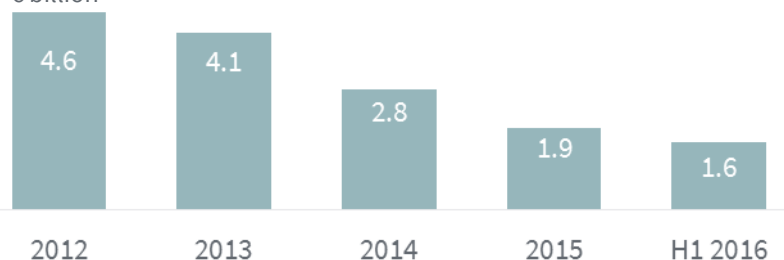
## Corporate Banking

- Run-off in accordance with strategy
- SME loan portfolio remains well diversified by sector
- Average loan-to-value at real estate financing decreases to 72% (2015: 74%)
- Risk-weighted assets decrease by €0.3 billion, largely due to portfolio run-off

€ million	30-6-2016	31-12-2015	% Change
Mortgages	5,940	5,980	-1%
Other loans	2,393	2,375	1%
<b>Private Banking</b>	<b>8,333</b>	<b>8,355</b>	<b>0%</b>
SME loans	809	939	-14%
Real estate financing	918	1,059	-13%
<b>Corporate Banking</b>	<b>1,727</b>	<b>1,998</b>	<b>-14%</b>
Mortgages third party distribution	416	332	25%
Provisions	-171	-180	-5%
<b>Total</b>	<b>10,305</b>	<b>10,504</b>	<b>-2%</b>

## Development risk-weighted assets Corporate Banking

€ billion



# Better credit quality and further run-off of Corporate Banking loans lead to net release of loan loss provisions

**Net release of €1.7 million versus net addition of €31.9 million in H1 2015**

## Private Banking

- Provisioning level down to €2.4 million, compared with €16.1 million in H1 2015

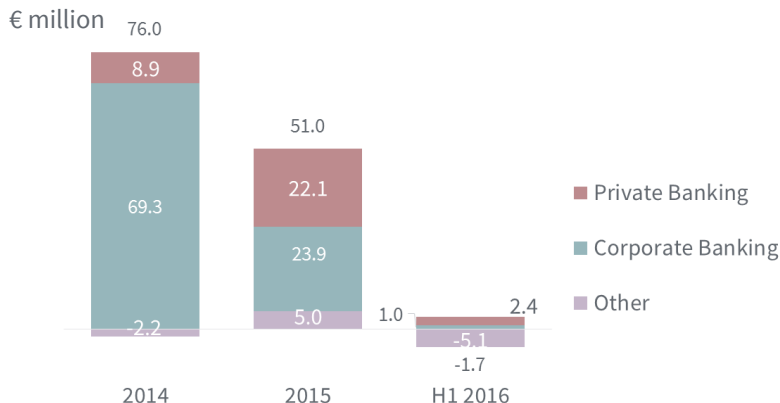
## Corporate Banking

- Further reduction and improving financial position of clients lead to €1 million net addition, compared with €13.1 million in H1 2015

## IBNR

- Release of €5 million in IBNR provisions due to lower expected losses on the back of improving credit quality

## Additions to loan loss provision



€ million	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	111	52	1.9%	46%
Other loans	166	61	6.9%	37%
<b>Private Banking</b>	<b>277</b>	<b>113</b>	<b>3.3%</b>	<b>41%</b>
SME loans	194	38	23.9%	20%
Real estate financing	62	10	6.8%	16%
<b>Corporate Banking</b>	<b>256</b>	<b>49</b>	<b>14.8%</b>	<b>19%</b>
IBNR	-	10		
<b>Total</b>	<b>533</b>	<b>171</b>	<b>5.1%</b>	<b>30%</b>

# Strengthening of capital position continues

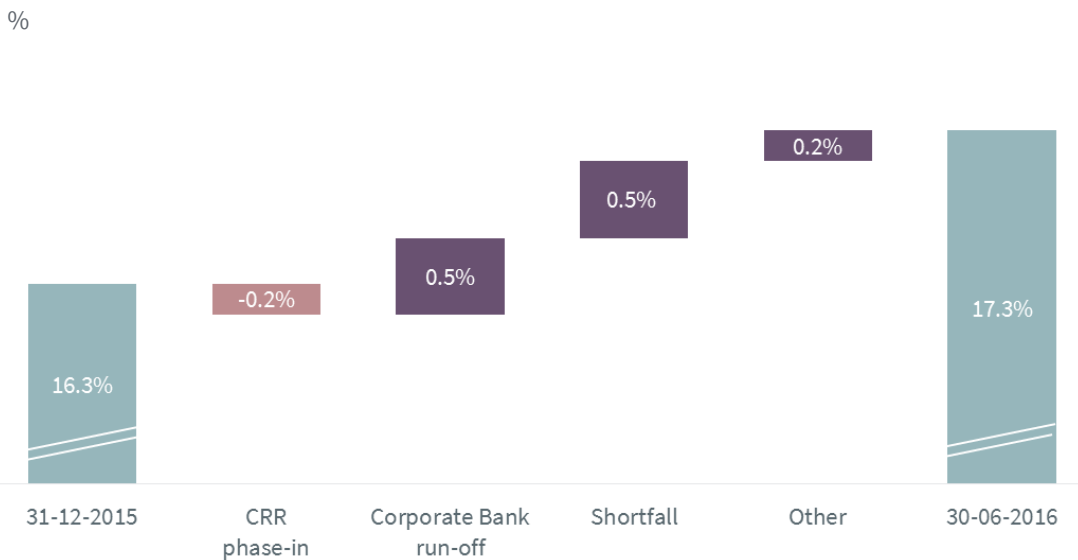
## CET 1 ratio phase-in grows from 16.3% to 17.3%

- Risk-weighted assets reduced to €6.1 billion (H1 2015: €6.4 billion ) supported by Corporate Banking run-off
- Improved credit quality leads to smaller shortfall as gap between expected loss and level of provisions narrows

## Van Lanschot meets Basel III capital requirements

- Fully loaded Common Equity Tier I ratio: 16.9%
- Leverage ratio: 6.4%
- Liquidity coverage ratio and net stable funding ratio well above 100%

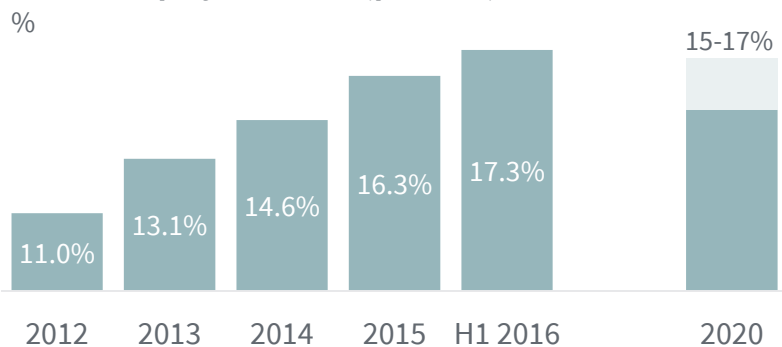
## Development of Common Equity Tier I ratio\* phase-in



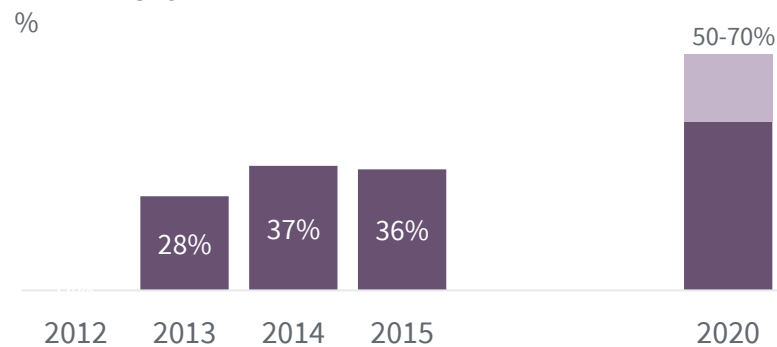
\* H1 2016 excluding retained profit; 2015 including retained profit

# Overview of group targets

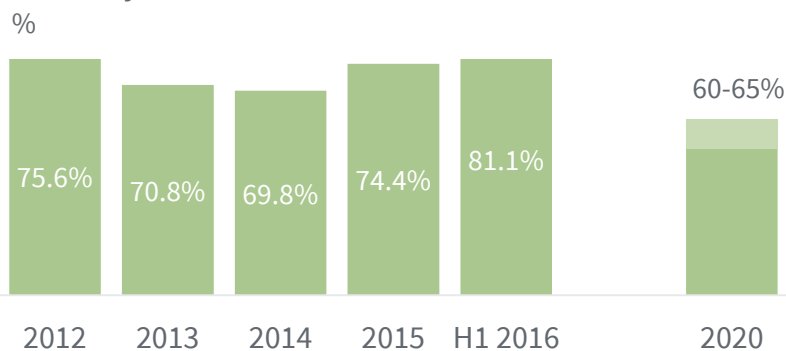
**Common Equity Tier I ratio (phase-in)\***



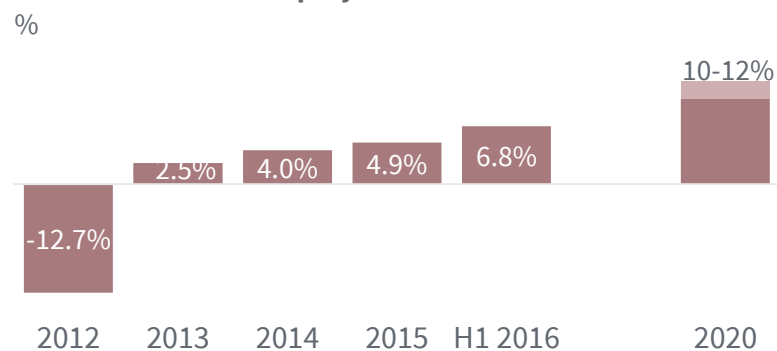
**Dividend payout ratio\*\***



**Efficiency ratio**



**Return on Common Equity Tier I\*\***



\* H1 2016 excluding retained profit; other years including retained profit

\*\* Based on underlying net result

A pair of stainless steel binoculars is mounted on a post, overlooking a blue sea and distant mountains. The binoculars are the central focus, with their two objective lenses clearly visible. The background is a soft-focus landscape of a blue sea and distant mountains under a clear sky. A semi-transparent teal banner is overlaid on the lower part of the image, containing the text.

Good progress on Strategy 2020

# Van Lanschot intends to acquire the private banking activities of Staalbankiers

## Description of announced acquisition

- Acquisition of a maximum €1.7 billion in AuM, €280 million in savings and a limited number of securities-backed loans
- Transfer of Staalbankiers' private bankers and investment experts - a total of 25 employees - to Van Lanschot
- Expected to be completed in Q4 2016 subject to regulatory approval

## Rationale of the transaction

- Matches objective to grow our private banking activities organically and, where opportunities arise, through selective add-on acquisitions
- Close fit with our client groups: Staalbankiers' clients are wealthy private individuals, entrepreneurs, professionals and institutions such as charitable organisations
- Larger part of AuM is discretionary management

## Implications on figures

- Following the transition period, the acquisition complies with RoCET I target of 10-12%
- Initial acquisition price of €16 million, final price may be higher or lower depending on the AuM amount transferred (to be determined in Q2 2017)
- Acquisition price to be capitalised in our balance sheet as an intangible asset and subsequently amortised



# Moving from dedicated service offering per channel to integrated offering across channels

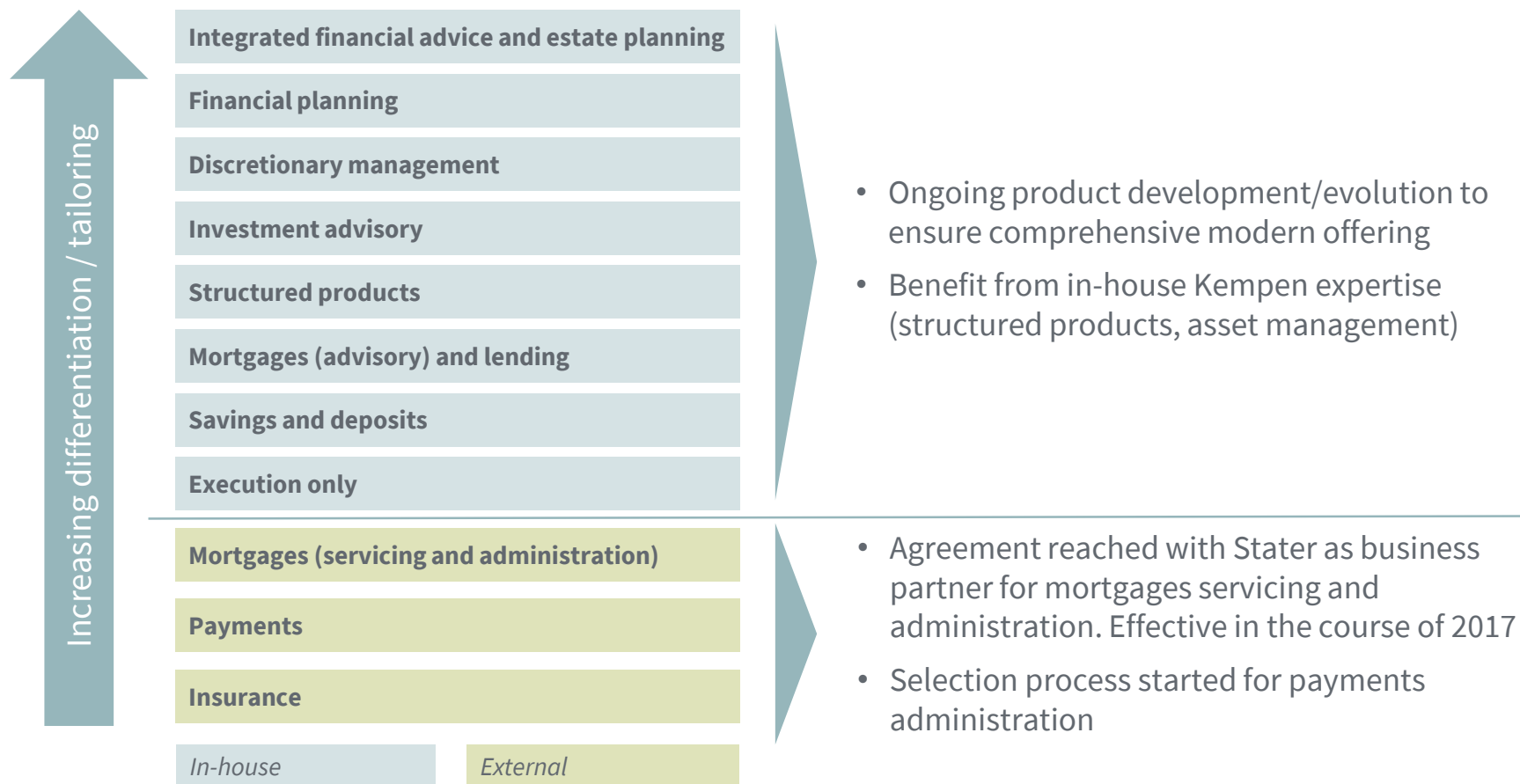


- Rationale:
  - Stay abreast of technological developments
  - Enhance client experience
  - Drive revenue growth/retention
  - Lower service costs
- Omnichannel offering to reflect our DNA: client-centric, alert, trusted partner
- Using existing innovative planning and simulation tools ('scan for tomorrow', *vermogensregie*) as starting point
- Compelling mobile and web offering with remote banker communication

Discretionary management app  
launched

# Good progress on selecting outsourcing partners for mortgages and payments

## Private Banking offering



# Evi to become the 4<sup>th</sup> pillar of our wealth management strategy

Evi Netherlands and Belgium will be combined and managed as a separate segment to develop its full potential, with a dedicated budget and development team

## Evi offers:

- Discretionary asset management
- Investment advice
- Savings accounts
- Pension solutions

## Evi will be expanded:

- ✓ Evi4kids
- ✓ Marketing strategy tailored to next generation
- Target investing product (*Doelbeleggen*)
- Term deposits
- Further development of pension solutions



# Sales force of Asset Management strengthened to increase focus on the UK, Germany and France

## Asset Management activities

### Investment strategies

- High quality niche investment strategies: small caps, real estate, high-dividend equity, IG credit, funds of hedge funds
- Clients: banks and asset managers, pension funds, insurers, family offices, foundations and charities in Europe

### Solutions – Fiduciary Management

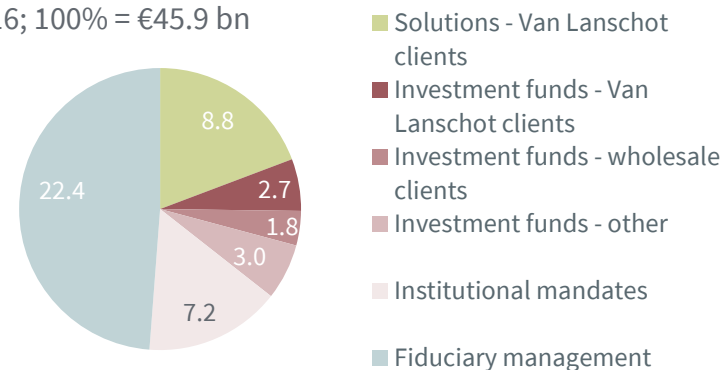
- Fully comprehensive asset management solution created around client-specific objectives and liabilities
- Clients: insurance companies and pension funds in NL and UK

### Solutions – Van Lanschot clients

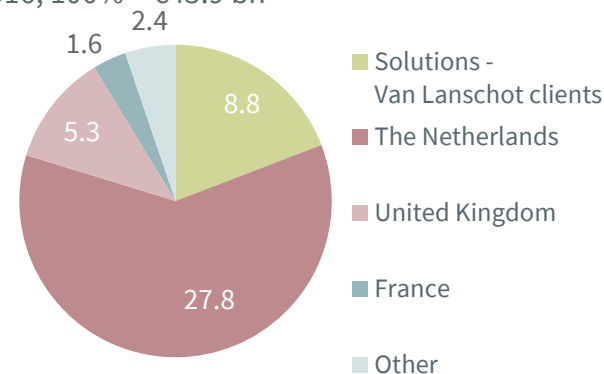
- Discretionary management solutions for Private Banking clients of Van Lanschot
- Services include asset allocation, mutual fund selection, portfolio construction and client reporting

## AuM breakdown by client type

H1 2016; 100% = €45.9 bn



H1 2016; 100% = €45.9 bn



# Merchant Banking has entered into new, specialist niche territory

Full alignment between activities

Focus on limited number of sectors

## Kempen & Co – Merchant Bank

Corporate Finance	Equity Capital Markets	Securities
Debt solutions M&A transactions	Capital market transactions	Trading Research Corporate access Structured products



European Real Estate

- Market leader in German real estate ECM
- Healthy mix of (inter)national M&A and ECM deals
- Leading trading market shares
- Internationally recognised pan-European research products

Expanded with European Infrastructure



European Life Sciences

- Expanded internationally, including pan-European coverage
- Full use of platform ECM, M&A and Debt Solutions (DS)
- Highly active in the field of Corporate Access
- Specialist in sales trading and trading



Benelux

- Strong client base with loyal (recurring) clients
- Full use of platform ECM, M&A and DS to both corporate and private equity clients
- Strong market position in Dutch & Belgian Equities
- Further expanding coverage in 2016

Expanded with Financial Institutions & Fintech

# Appendix



# Balance sheet shows strong capital and funding position

## Significant capital buffer

- Total equity of €1.3 billion
- Common Equity Tier I ratio (phase-in) 17.3%\*
- Leverage ratio (fully loaded) 6.4%

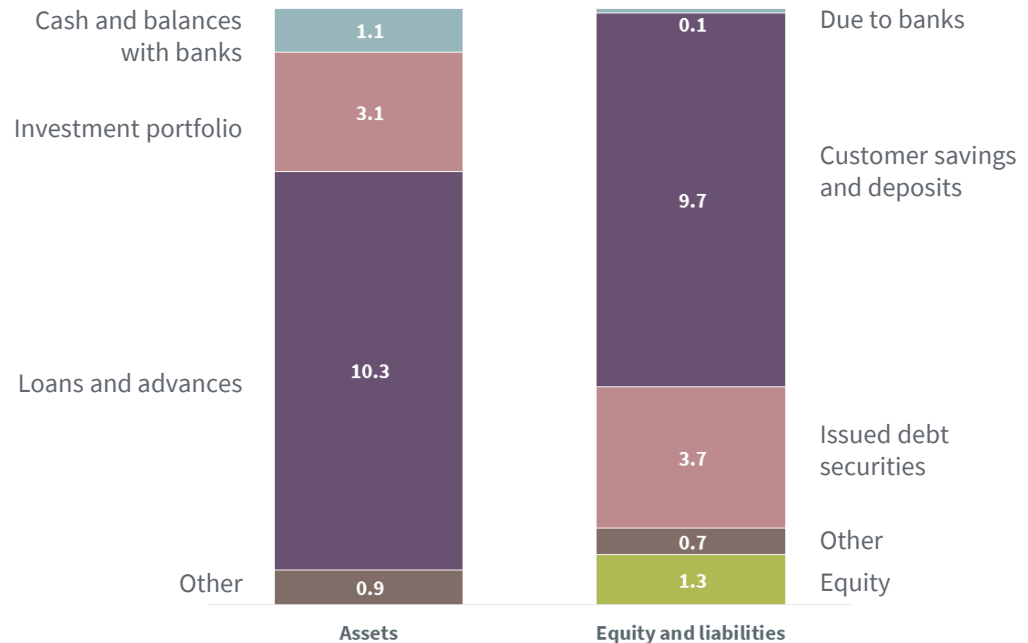
## Low-risk assets

- Loan book shows a decrease of €0.2 billion to € 10.5 billion (compared with 31 December 2015) in line with focus on wealth management\*\*
- Investment portfolio consists mainly of low-risk European government bonds and bonds issued by financial institutions

## Solid, well-diversified funding position

- Largely self-funded by customer savings and deposits; funding ratio of 94.0% at 30 June 2016
- Funding mix is complemented by capital market funding

**Balance sheet 30 June 2016**  
€ billion, balance sheet total = €15.4 billion



\* Excluding retained profit current year

\*\* In Q2 2016 Van Lanschot stopped netting current account balances at individual client level. Relevant 2015 figures have been restated

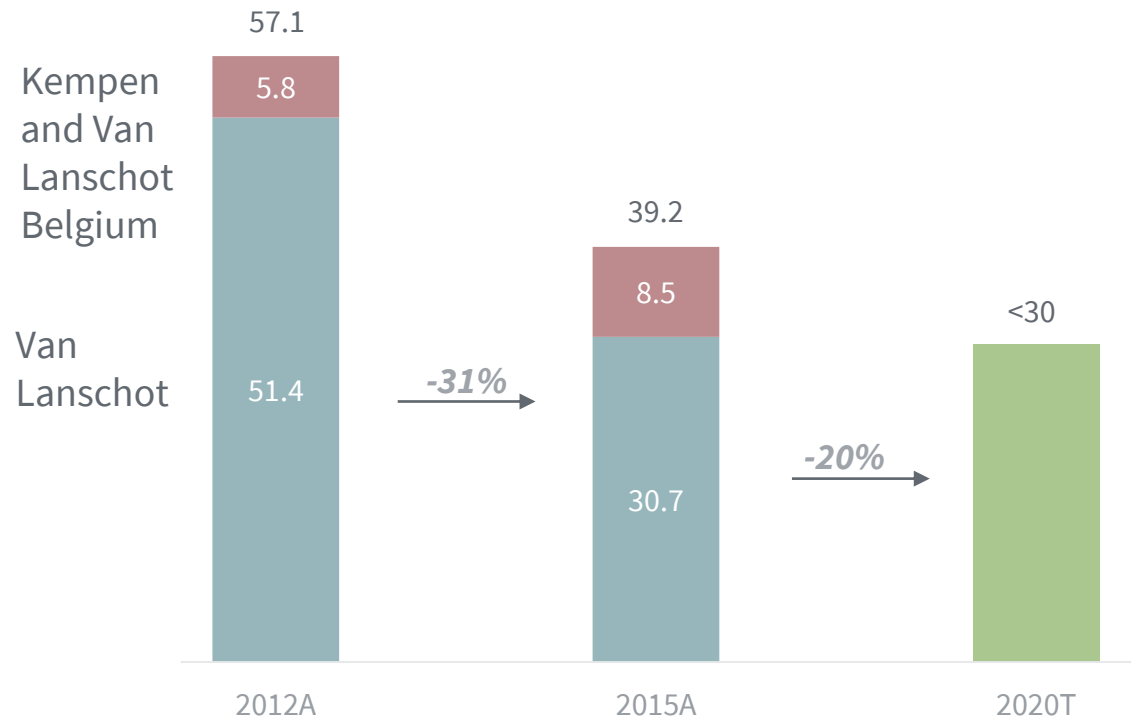
# Significant reduction of recurring IT 'run' cost realised

*This trend is expected to continue*

- This excludes:
  - Cost increase in staff cost resulting from back sourcing of activities
  - Decrease in IT related depreciation cost
  - Both amounted to c. €4 mn
- We target a further reduction of out of pocket recurring IT cost

## Development 'out of pocket' recurring IT cost\* (run cost)

€ million



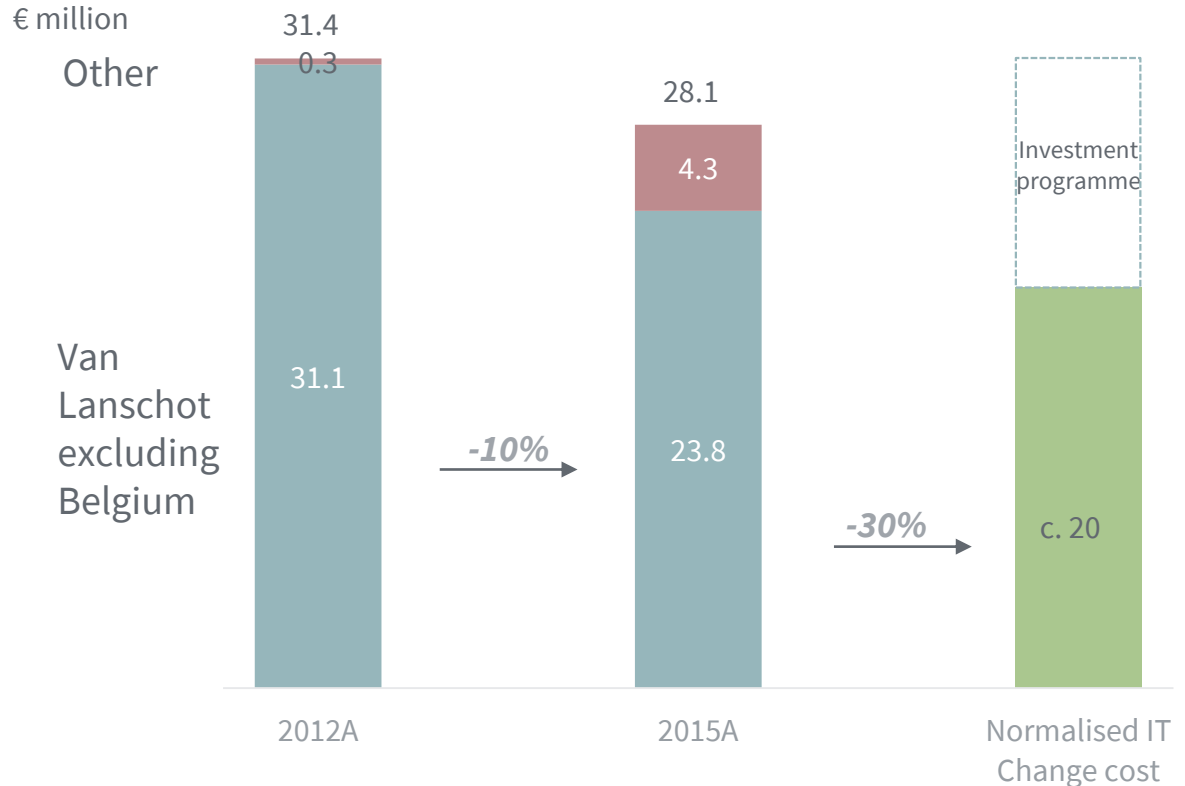
\* Recurring out of pocket cost exclude cost related to personnel, depreciation and out of pocket change cost



# Investment programme against backdrop of reduced IT 'change' costs

- IT project cost have decreased over the last years
- Our targeted 'normalised' level of change cost is around €20 mn
- IT investment programme on top of targeted 'normalised' change cost level
- Costs will continue to run through P&L

## Development out of pocket IT project cost (change cost)



# Executive Board



**Karl Guha (1964)**  
*Chairman of the Board*

**Appointed**

Appointed chairman of the Statutory Board of Van Lanschot on 2 January 2013

**Background**

- 1989 – ABN AMRO: positions in Structured Finance, Treasury, Capital Management, Investor Relations, Risk Management and Asset & Liability Management
- 2009 – UniCredit Banking Group: CRO and member of the Executive Management Committee, and Member of Supervisory Boards of Bank Austria, HVB in Germany and Zao Bank in Russia



**Constant Korthout (1962)**  
*CFO/CRO*

**Appointed**

Appointed member of the Statutory Board of Van Lanschot NV on 27 October 2010

**Background**

- 1985 – ABN AMRO: management trainee, senior account manager corporate clients
- 1990 – KPMG Management Consultants
- 1992 – Robeco: Group Controller, CFO and Member of the Executive Board of Weiss, Peck & Greer in New York, and Corporate Development director
- 2002 – Robeco: CFO, including Risk Management, Treasury and Corporate Development



**Arjan Huisman (1971)**  
*COO*

**Appointed**

Appointed member of the Statutory Board of Van Lanschot NV on 6 May 2010

**Background**

- 1995 – BCG in the Netherlands: Consultant
- 1998 – BCG Boston
- 2004 – BCG: appointed Partner and Managing Director and managing BCG Prague
- 2008 – BCG in the Netherlands

# Executive Board



**Richard Bruens (1967)**  
*Private Banking*

## **Appointed**

Appointed member of the Statutory Board of Van Lanschot NV on 15 May 2014

## **Background**

- 1991 – ABN AMRO: management trainee, managerial positions in the Global Markets division, Managing Director of Investor Relations
- 2007 – Group Managing Board of Renaissance Capital: responsible for strategy, investor relations and communication
- 2010 – ABN AMRO: Global Head Private Wealth Management at ABN AMRO Private Banking International



**Paul Gerla (1966)**  
*CEO Kempen & Co  
Asset Management*

## **Appointed**

Appointed member of the Management Board of Kempen & Co in January 2009. In March 2015 he was appointed Chairman

## **Background**

- 1988 – Shell: Shell Pension Fund, Finance Director at Shell Malaysia, Controller at Shell Exploration & Production Asia Pacific
- 2004 – Kempen Capital Management



**Joof Verhees (1960)**  
*Merchant Banking*

## **Appointed**

Appointed Managing Director Securities at Kempen & Co in October 2004. Served as a member of the Management Board of Kempen & Co since January 2009.

## **Background**

- ING Bank
- 1990 – Paribas Capital Markets' London office: senior trader
- 1993 – ABN AMRO: Senior Vice President, Head of European Trading in London
- 1996 – Rabo Securities: Managing Director

# Supervisory Board

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**Willy Duron**  
(1945)  
*Chairman*

- Honorary Chairman of KBC Group
- Former CEO KBC Group
- Member board of directors Agfa-Gevaert and Tigenix

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**Jos Streppel**  
(1940)  
*Deputy Chairman*

- Former CFO of Aegon and FGH Bank
- Former chairman of the Monitoring Commission Corporate Governance
- Member board of directors RSA Insurance Group Plc

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**Jeanine Helthuis**  
(1962)

- Former CEO of Monuta
- Former member Management Board Fortis Bank
- Member of the supervisory board at Prorail

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**Bernadette Langius**  
(1960)

- Former CEO of ABN AMRO Private Banking Netherlands
- Former Board Member at VU University

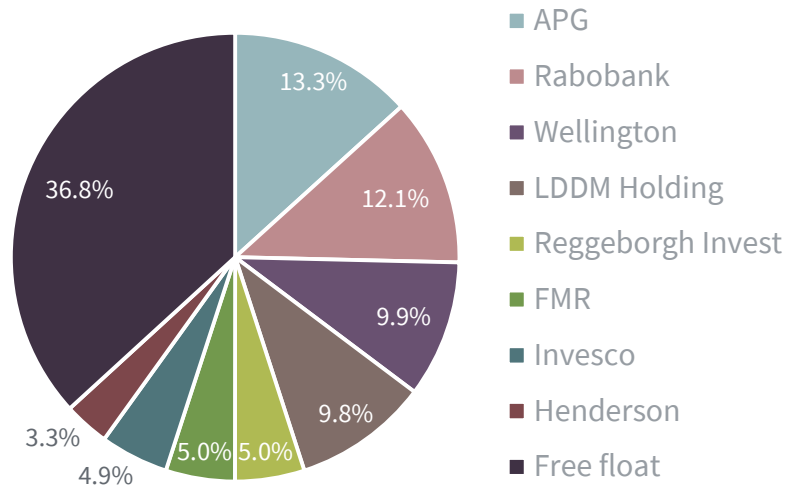
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**Godfried van Lanschot** (1964)

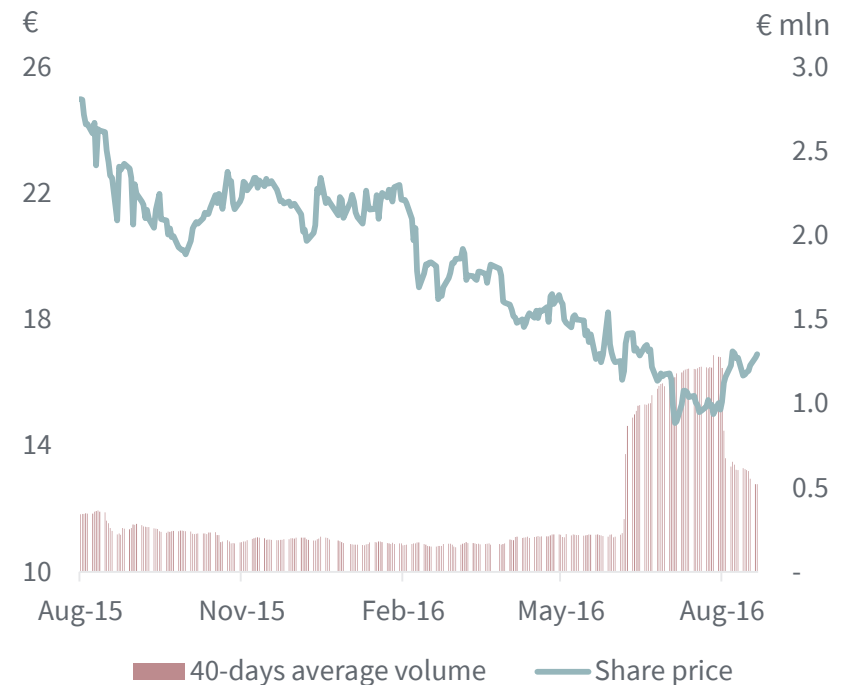
- Independent investor
-

# Van Lanschot's free float and liquidity have increased following the secondary placement in June 2016

## Overview of principal shareholders



## Share price and daily volume



# Disclaimer

## **Disclaimer and cautionary note on forward-looking statements**

This document contains forward-looking statements on future events and developments. These forward-looking statements are based on the current information and assumptions of Van Lanschot's management about known and unknown risks and uncertainties. Forward-looking statements do not relate strictly to historical or current facts and are subject to such risks and uncertainties that by their very nature fall outside the control of Van Lanschot and its management.

Actual results may differ considerably as a result of risks and uncertainties relating to Van Lanschot's expectations regarding, but not limited to, estimates of income growth, costs, the macroeconomic and business climate, political and market trends, interest rates and behaviour of clients, investors and counterparties, actions taken by supervisory and regulatory authorities and private entities, and changes in the law and taxation. Van Lanschot cautions that expectations are only valid on the specific dates on which they are expressed, and accepts no responsibility or obligation to revise or update any information following new information or changes in policy, developments, expectations or other such factors.

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