



VAN LANSCHOT
KEMPEN

November 2022

Investor presentation

Van Lanschot Kempen at a glance



An independent, specialist wealth manager with the aim to create and preserve wealth for our clients and society in a sustainable way

Focus on private, institutional and corporate clients

Core activities private banking, professional solutions, investment management and investment banking



Solid performance on all key financials

	H1 2022	H1 2021	2021
Net result	€48.2m	€58.3m	€143.8m
CET 1 ratio	20.2%	21.9%	23.7%
Total capital ratio	25.8%	25.5%	30.1%
Client assets	€118.5bn	€121.0bn	€131.1bn
AuM	€99.6bn	€104.6bn	€112.1bn
Loan book (excluding provisions)	€9.1bn	€8.7bn	€8.9bn



We have a clear focus on our client groups



Private Clients

- Offices in NL, BE and CH
- Wealth management services for entrepreneurs, family businesses, high net-worth individuals, business professionals and executives, health care professionals, foundations and associations
- Online wealth management for mass-affluent individuals



Wholesale & Institutional Clients

- Fiduciary wealth management for institutional clients
- Niche investment strategies for wholesale clients: high dividend, small-caps, real estate, infrastructure, credit, sustainable equity and private markets
- Offices in the Netherlands, the UK and France



Investment Banking Clients

- Equities research and trading, capital market transactions, corporate finance and debt advisory
- Sectors covered are real estate, life sciences & healthcare, tech & fintech, renewables and infrastructure
- Offices in the Netherlands, Belgium, the UK and the US



We are an independent specialist wealth manager with clear ambitions



A leading wealth manager in the Netherlands and Belgium that creates and preserves wealth in a sustainable way

The leading wealth management platform for the mass-affluent market in the Netherlands, combining online with a personal approach

A prominent, European-oriented active investment manager that delivers sustainable alpha in less efficient and alternative markets

The leading fiduciary manager in the Netherlands, and a key challenger in the UK fiduciary market

The preferred trusted adviser in selected niches in investment banking across Europe

A wealth manager with a solid risk profile and a moderate risk appetite, aiming to optimise our capital base while leaving room for potential acquisitions



Continuous capital-light growth

Organic growth

Bolt-on acquisitions

Market performance



Our mid-term financial targets - A solid business model

CET1 ratio

15%

Plus M&A add-on 2.5%

Efficiency ratio

70%

Return on CET1

12%

Through the cycle





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2022 half-year results



H1 2022 – key messages

Net profit: €48.2m, underlying net profit €60.7m

- Strong increase in commission income (+15%) and decrease in interest income (-8%)
- Operational expenses up due to organic and inorganic – Mercier Vanderlinden acquisition – growth

Net AuM inflow of €4.9bn

- Private Clients net inflow: €1.4bn
- Wholesale & Institutional Clients net inflow: €3.5bn
- Turbulent markets led to negative market performance – causing a decline in AuM

Release of loan loss provisions of €7.2m

- High-quality loan portfolio – comprising mainly Dutch residential mortgages
- Loan portfolio growth (+2%)

Capital return proposal in the amount of €1.50 per share

H1 2022: performance



Net result €48.2m
(H1 2021: €58.3m)

Underlying net result:
€60.7m
(H1 2021: €59.2m)

Commission
Income €201.3m
(+15%)

Interest income
€69.7m
(-8%)



Operating expenses
€216.0m
(+10%)

Efficiency ratio
73.7%
(H1 2021: 73.1%)



AuM €99.6bn
(-11%)

Client assets €118.5bn
(-10%)



Strong capital position
CET 1 ratio 20.2%
(2021: 23.7%)

Release from loan loss
provisions €7.2m
(H1 2021: €3.5m)



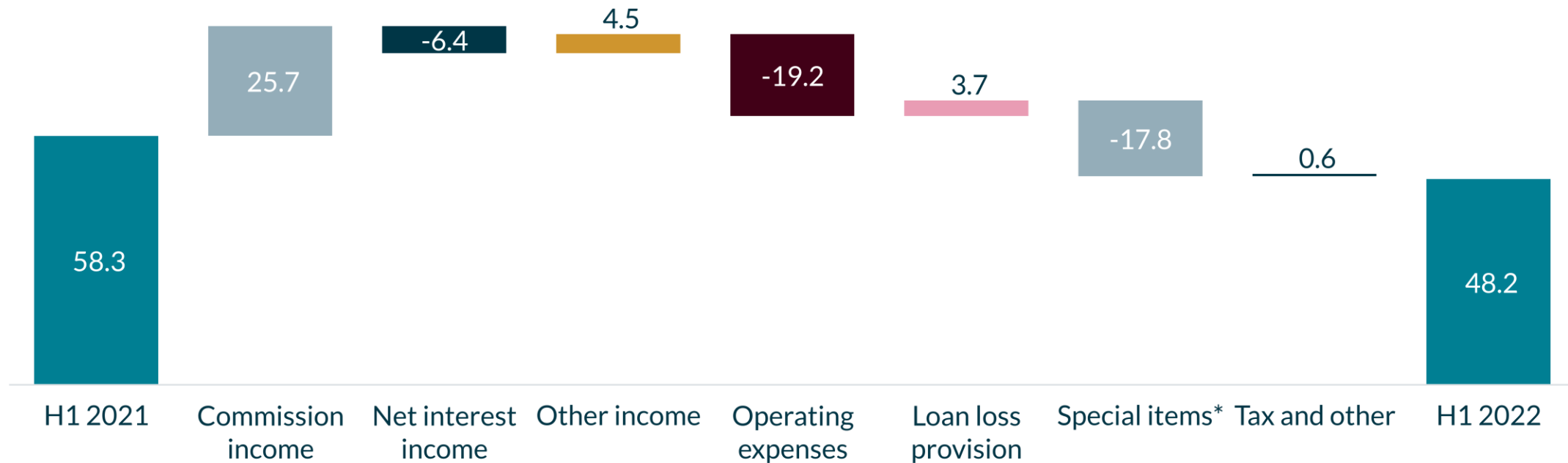
Overview of net result

€ m	H1 2022	H1 2021	% change	H2 2021	% change
Commission	201.3	175.7	15%	209.9	-4%
Interest	69.7	76.1	-8%	77.5	-10%
Other income	22.0	17.5	26%	38.1	-42%
Income from operating activities	293.1	269.3	9%	325.4	-10%
Operating expenses	-216.0	-196.8	10%	-213.1	1%
Gross result	77.1	72.5	6%	112.3	-31%
Loan loss provision	7.2	3.5		8.1	-11%
Other impairments	-1.1	2.2		4.3	
Operating profit before tax of non-strategic investments	0.1	0.7	-85%	4.1	-97%
Operating profit before special items and tax	83.3	78.9	6%	128.8	-35%
Amortisation of intangible assets arising from acquisitions	-7.6	-3.7		-7.6	0%
Expenses related to accounting treatment of Mercier Vanderlinden	-4.9	-		-8.5	-42%
Miscellaneous special items	-10.2	-1.2		-8.2	25%
Operating profit before tax	60.6	74.0	-18%	104.5	-42%
Income tax	-12.4	-15.7	-21%	-19.0	-35%
Net profit	48.2	58.3	-17%	85.5	-44%
Underlying net result*	60.7	59.2	3%	100.7	-40%
Efficiency ratio (%)	73.7%	73.1%		65.5%	

* Underlying net result excludes expenses related to accounting treatment of Mercier Vanderlinden and miscellaneous special items

Net result amounts to €48.2m

Key drivers of net result (€ m)

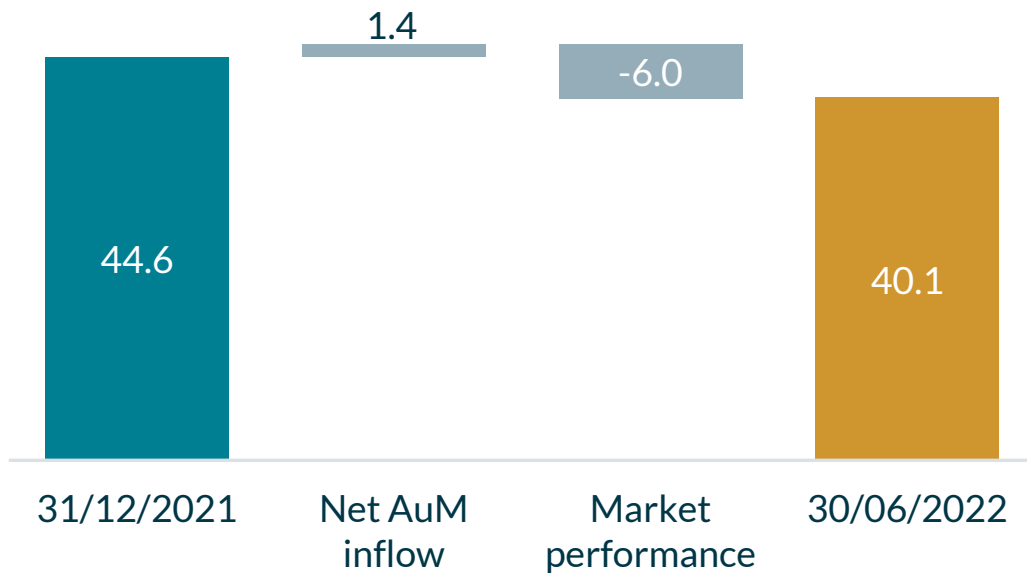


*Special items include a.o. amortisation of intangible assets arising from acquisitions, expenses related to accounting treatment of Mercier Vanderlinden, restructuring charges and a provision for an interest-rate derivatives case



Private Clients: continued high net inflows

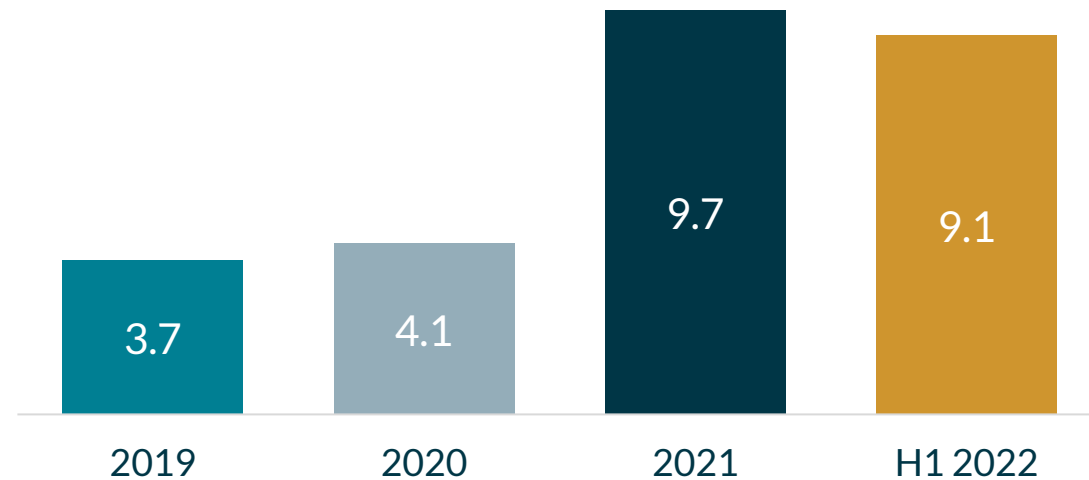
AuM (€ bn)



- Net inflow: 50% non-discretionary, 44% discretionary and 6% investment strategies
- Net inflow well spread across NL, BE, CH and Evi
- Operating profit before tax at €55.5m (H1 2021: €51.1m)
- Underlying operating profit before tax at €70.6m (H1 2021: €52.4m)
- Commission income +30% to €137.0m

Private Clients: €0.6bn net inflow at our Belgium franchise

AuM (€ bn)

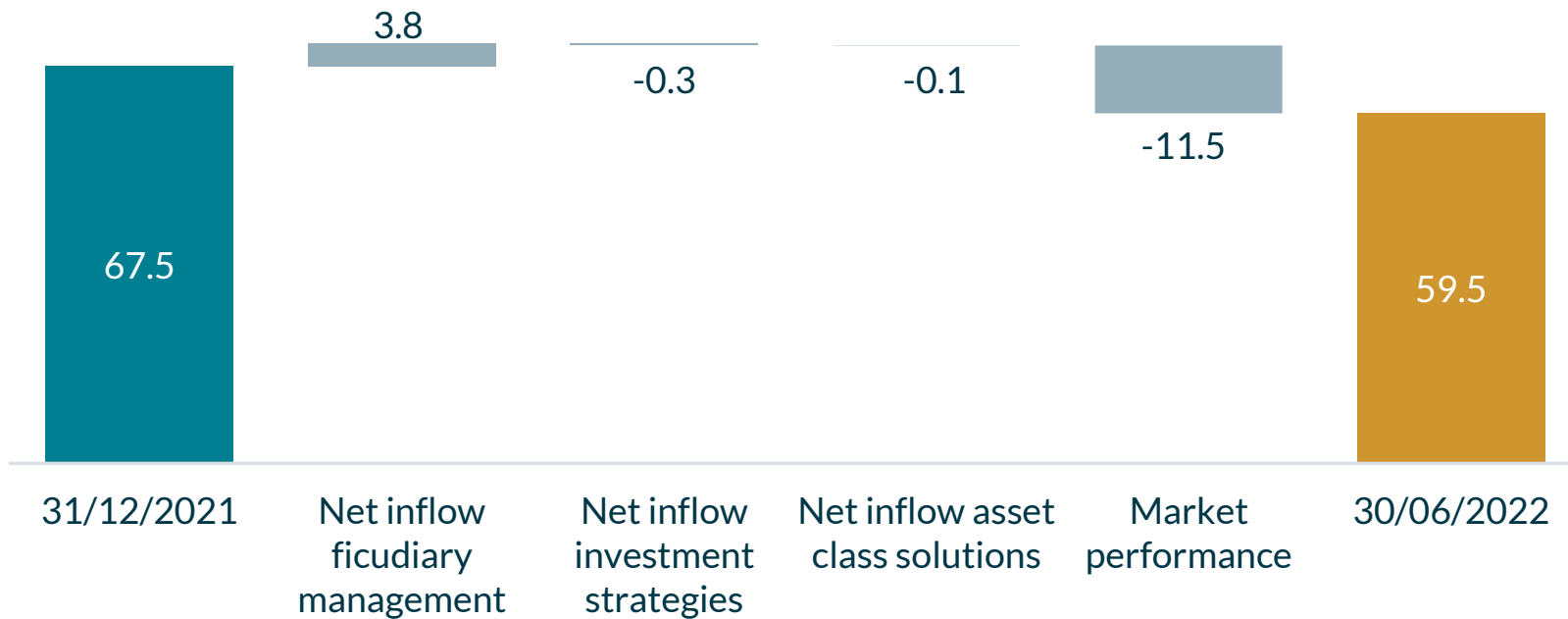


- Very good collaboration with the Belgium wealth manager Mercier Vanderlinden
- Mercier Vanderlinden clients will use Van Lanschot Kempen Belgium as custodian from October
- Growth in Lombard lending



Wholesale & Institutional Clients: €3.5bn net inflow

AuM (€ bn)



- Net inflow driven by fiduciary advisory mandate of c. €4bn from KLM cabin crew pension fund
- Operating profit before tax at €0.6m (H1 2021: €4.2m) and commission income at €38.3m (H1 2021: €37.7m)
- Plans in place – focus on profitable growth for fiduciary management in NL and the UK and for investment strategies in Western-Europe



Our offering for Wholesale & Institutional Clients

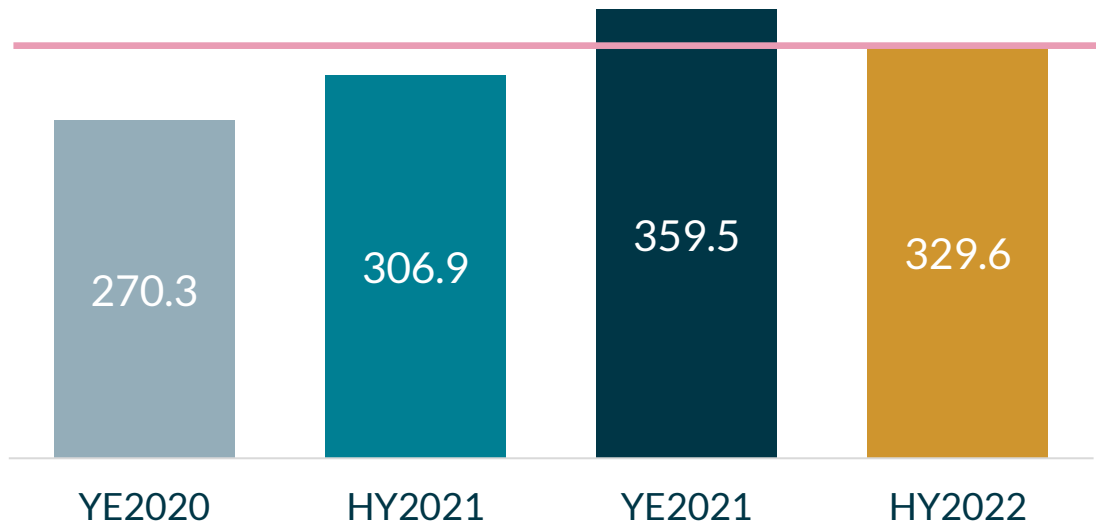
Fiduciary management €49.7bn	Asset class solutions €2.1bn	Investment strategies €7.6bn*
 Pension funds	 (SDG) Farmland	 Small caps
 Insurers	 Private real estate	 Sustainable equity
 Family offices and foundations	 European private debt	 Dividend  Credits  Real assets  Private markets

*Total Wholesale & Institutional Clients investment strategies, Wholesale & Institutional Clients ACS and Private Clients investment strategies: €13.7bn

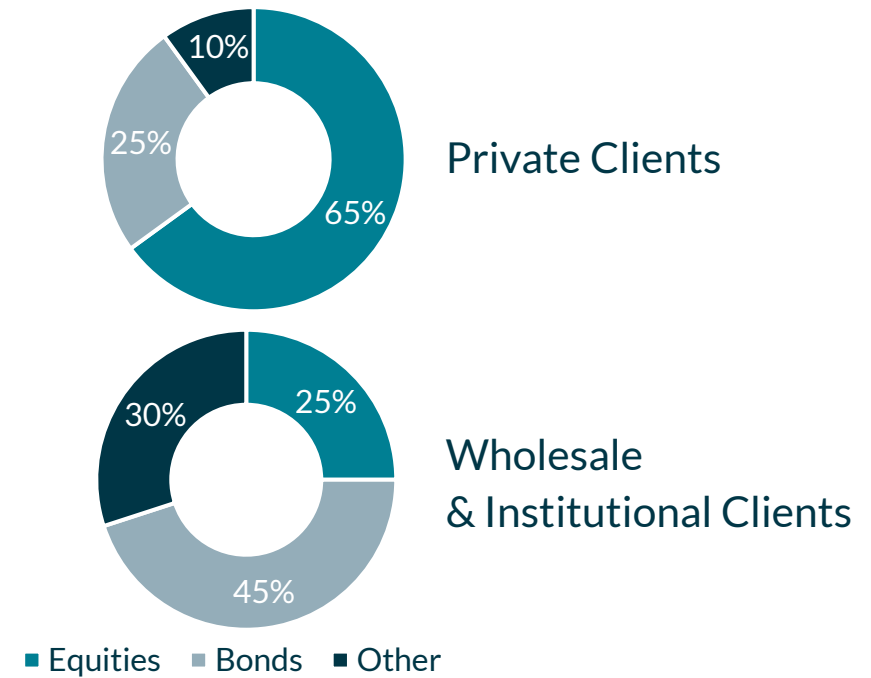


Annualised recurring management fees

Annualised recurring fees (€ m)



AuM breakdown (~%)

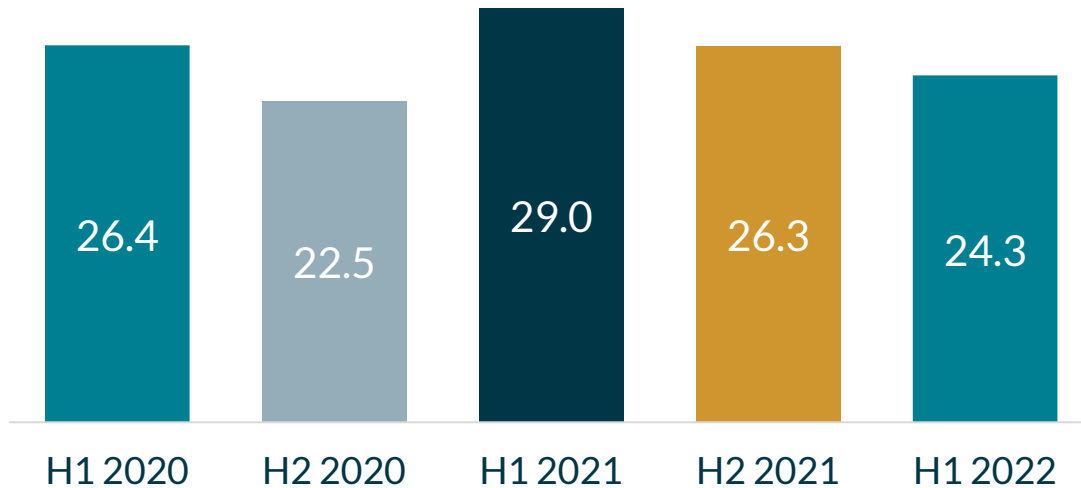


- Stable AuM margins: Private Clients: 62 bps (2021: 62 bps); Wholesale & Institutional Clients: 12 bps (2021: 12 bps)

*Annualised recurring securities commission is determined by multiplying the AuM on the reporting date by the management fee per client to determine the expected annualised management fee, assuming the AuM remains unchanged. The expected annual transaction fees related to these client portfolios are added to this number

Investment Banking Clients

Commission income (€ m)

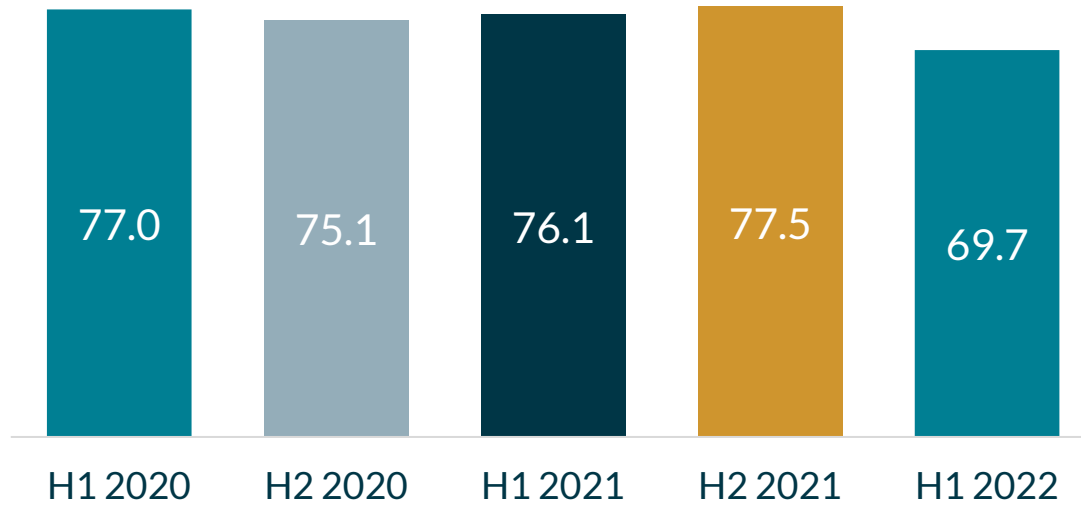


- More M&A activity in H1 2022 compared to more ECM activity in H1 2021
- Strong franchise – proven by number of successful transactions with repeat CF clients (five-year period) 58%
- Continued focus on collaboration between Investment Banking Clients and Private Clients is paying off
- Operating profit before tax at €1.3m (H1 2021: €10.3m)

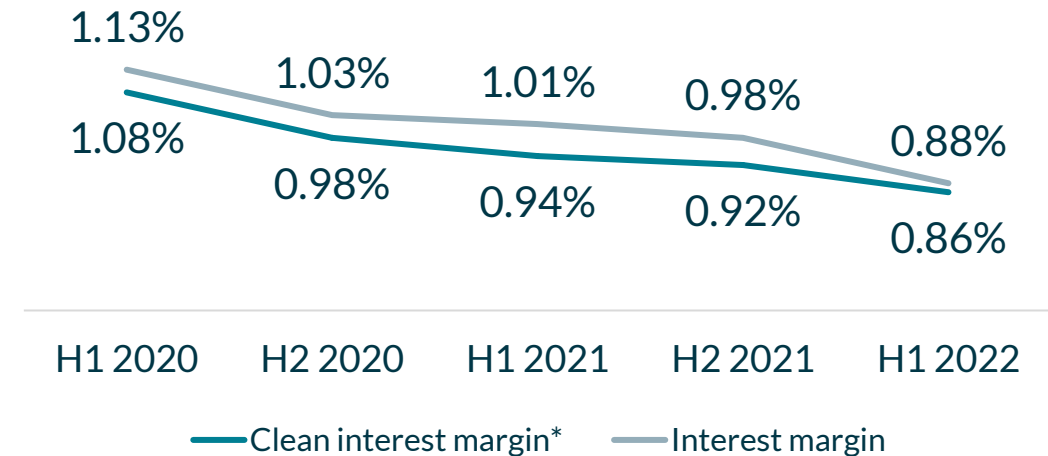


Interest income

Interest income (€ m)



Interest margin (12-mth moving average) (%)



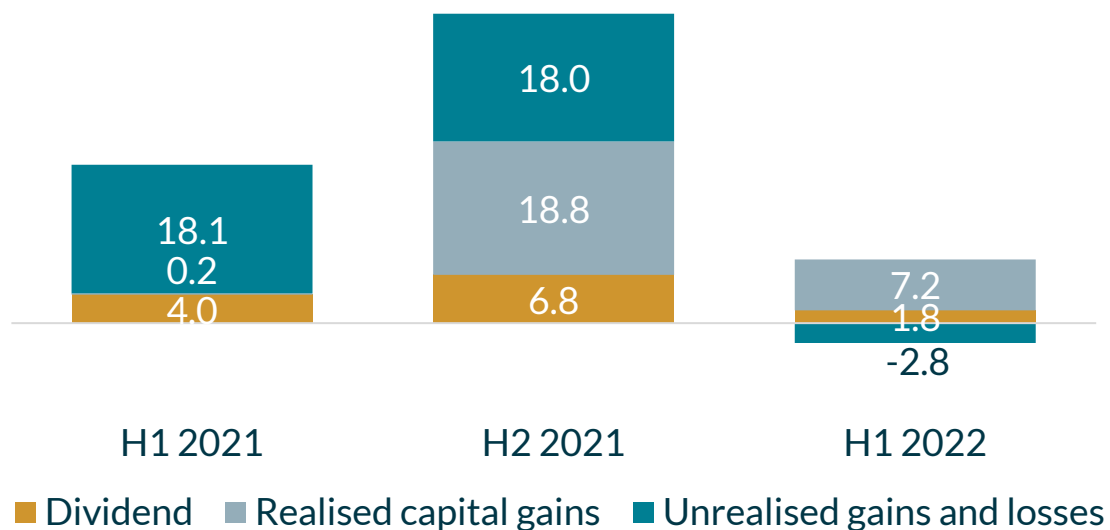
- Decrease driven by lower margins on mortgages and lower prepayment fees
- From 1 October 2022, we will discontinue negative charging on savings
- Issuance of €500m Soft Bullet Covered Bond in June 2022

* The clean interest margin equals the gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation



Income from securities and associates

Income from securities and associates (€ m)

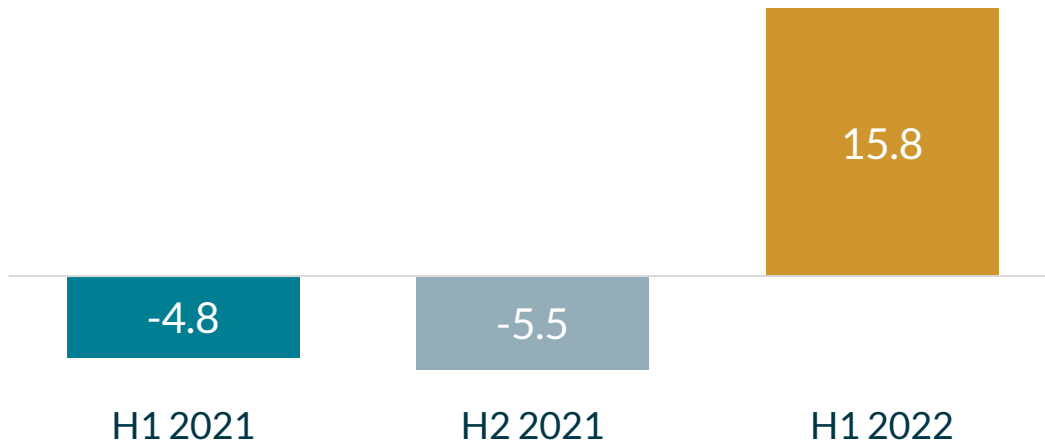


- A stake held by private equity fund Newion II – in which we invest – was sold, book profit: €7.4m
- Results on own investment funds at €1.7m (H1 2021: €8.3m) – combined income from securities and associates of -€8.5m and result on financial transactions (result on hedges) of €10.1m

€ m	Income H1 2022	Income H1 2021	Book value HY2022	Book value YE2021
VLP (minority interests)	12.2	5.2	44.4	52.2
Bolster Investments Coöperatief UA	2.5	2.7	52.9	51.3
Co-investments in own products	-8.5	14.5	139.4	202.3
Other equity investments	0.0	-0.1	2.0	1.7
Total	6.2	22.3	238.7	307.5

Result on financial transactions

Result on financial transaction (€ m)



- Significant improvement driven by higher result on hedges (see previous slide) and higher result on currency trading
- At end June 2022, the structured products macro-hedge portfolio amounted to €355m (YE2021: €385m)
- Despite volatile markets in H1 2022, structured products activities showed only a slightly negative result, thanks to stricter limits



Development of operating expenses in line with organic and inorganic growth

Operating expenses (€ m)



- Staff costs increased due to higher number of FTEs (HY2021: 1,588, YE2021: 1,654, HY2022: 1,713)
- In the coming years, we will continue to invest in order to achieve future growth

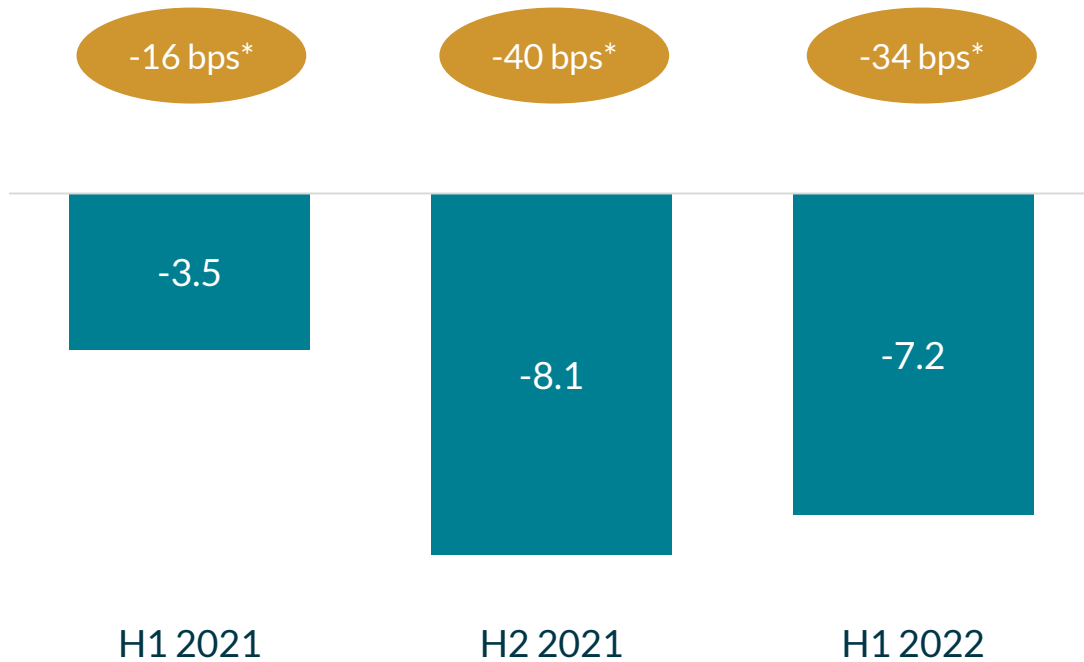
Loan portfolio

€ m	Loan portfolio 30/06/2022	Loan portfolio 31/12/2021	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	6,365	6,337	0%	24	1	0.4%	5%
Other loans	2,376	2,199	8%	89	30	3.7%	34%
Loan portfolio	8,741	8,536	2%	113	31	1.3%	28%
Mortgages distributed by third parties	394	389	1%	1	-	0.2%	0%
Total loan portfolio	9,136	8,925	2%	114	31	1.2%	27%
ECL stages 1 and 2					10		
Total	9,136	8,925	2%		41		

- Higher other loans driven by an increase in Lombard loans in Belgium (+ €0.1bn)
- Impaired ratio decreased to 1.2% (2021: 1.7%)
- More than 70% of the portfolio consists of Dutch residential mortgages with an average LTV of 61%

Release from loan loss provisions

Additions to loan loss provisions (€ m)



Loan loss provision per stage

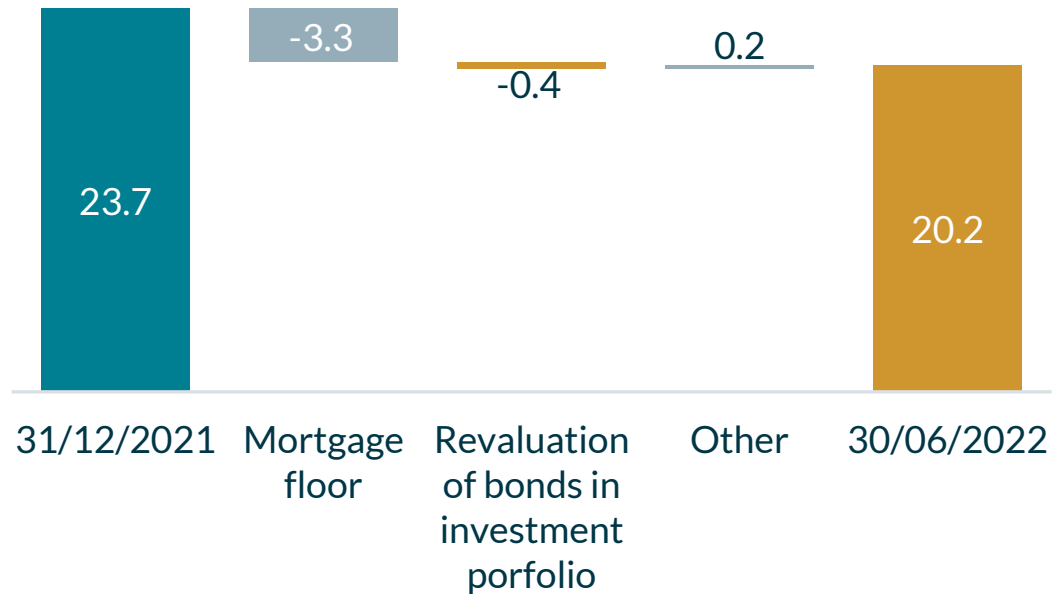
€ m	30/06/2022	31/12/2021	change
Stage 1	4.5	3.6	24%
Stage 2	5.4	3.5	56%
Stage 3	31.3	42.4	-26%
Total	41.1	49.5	-17%

- Current management overlay amounts to €3.2m – a result of the current uncertain economic circumstances related to Covid and the war in Ukraine

*Annualised loan loss provision / average total RWA

Strong CET 1 ratio at 20.2%

Common Equity Tier 1 ratio (%)

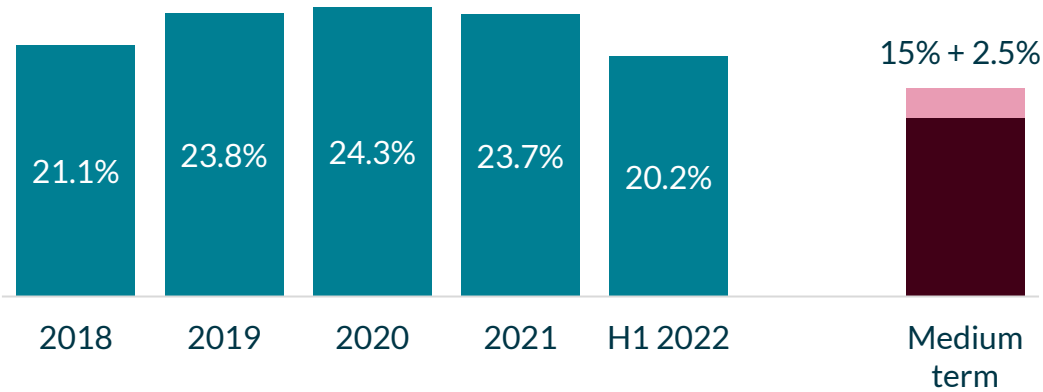


- €122m excess capital, excluding retained earnings 2022 (above 17.5% CET 1 ratio)
- Robust capital position enables capital return proposal of €1.50 per share (c. €60m in total)
- CET 1 ratio target: 15% plus an M&A add-on of 2.5%
- We reiterate our intention to return additional capital in excess of a 17.5% CET 1 ratio to our shareholders in 2023, subject to regulatory approval

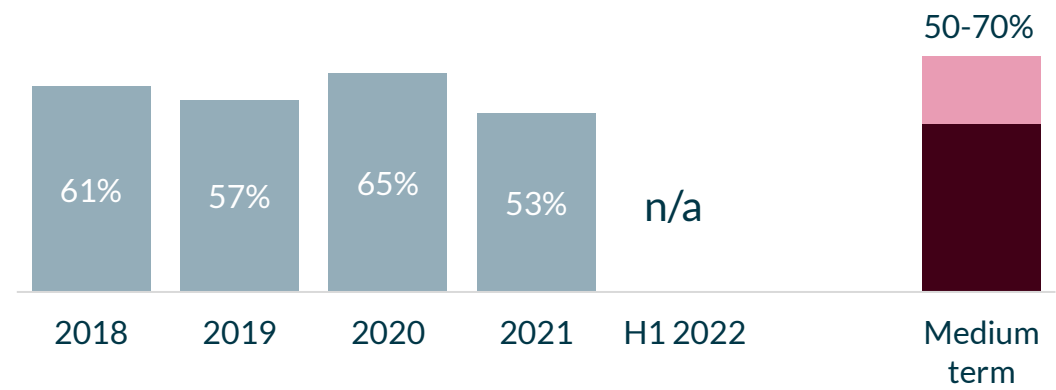


Financial targets overview

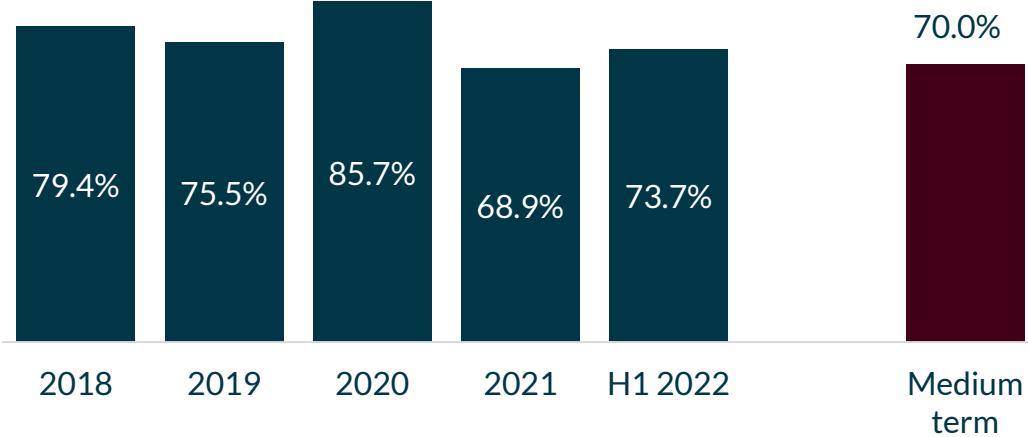
Common Equity Tier 1 ratio



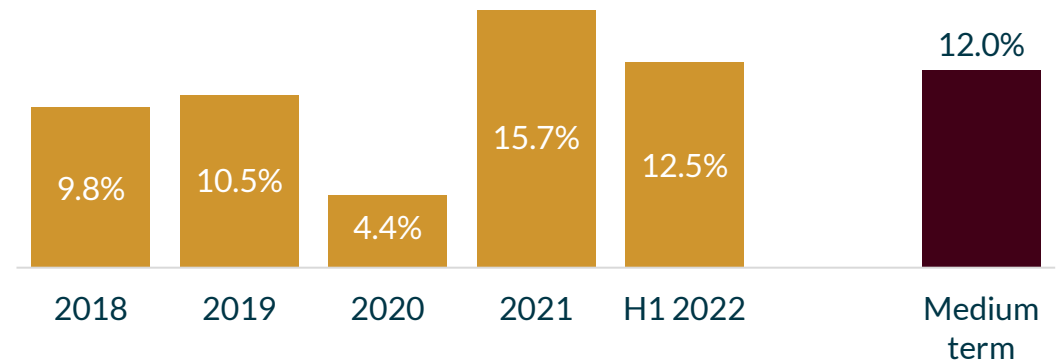
Dividend pay-out ratio*



Efficiency ratio



Return on Common Equity Tier 1*



* Based on underlying net result attributable to shareholders





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Q3 trading update



Q3 trading update

- Strong quarterly result in line with first two quarters of 2022
- Net AuM inflows at Private Clients: €0.4 billion (YTD: €1.8 billion) and at Wholesale & Institutional Clients: €0.2 billion (YTD: €3.7 billion)
- Client assets: €115.3 billion (end of June 2022: €118.5 billion) and AuM: €96.2 billion (end of June 2022: €99.6 billion), in the wake of a negative market performance
- Very strong capital ratio of 19.2%, after planned capital return of €1.50 per share (end of June 2022: 20.2%)





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Appendix



Key figures by segment – H1 2022

€ m	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission income	137.0	38.3	24.3	1.7	201.3
Interest income	68.1	-0.0	0.0	1.6	69.7
Other income	1.5	-0.1	-1.8	22.4	22.0
Income from operating activities	206.7	38.2	22.5	25.7	293.1
Operating expenses	-135.9	-37.2	-21.2	-21.7	-216.0
Gross result	70.9	1.0	1.3	4.0	77.1
Impairments	6.6	-	-	-0.4	6.1
Operating profit before tax of non-strategic investments	-	-	-	0.1	0.1
Operating profit before special items and tax	77.4	1.0	1.3	3.6	83.3
Amortisation of intangible assets arising from acquisitions	-6.8	-0.4	-	-0.4	-7.6
Expenses related to accounting treatment of Mercier Vanderlinden	-4.9	-	-	-	-4.9
Restructuring charges	-0.3	-	-	-	-0.3
Other incidental items	-9.9	-	-	-	-9.9
Operating profit before tax	55.5	0.6	1.3	3.2	60.6
Underlying profit before tax*	70.6	0.6	1.3	3.2	75.7
Efficiency ratio	65.7%	97.3%	94.1%	84.6%	73.7%

* Underlying net result excludes expenses related to accounting treatment of Mercier Vanderlinden, restructuring charges and other incidental items

Progress on our non-financial KPIs

KPI		Target		Score 2022 H1	Score 2021
Financial capital	Three-year relative performance of our managed propositions	> benchmark	●	-0.1%	n/a
Human and intellectual capital	Employer Net Promoter Score (eNPS)	>10	●	17	13
	Employee engagement score	> 80%	●	n/a	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ benchmark (79%), ≥ last pulse/EES (if below benchmark)	●	83%	n/a
	Gender balance among employees in senior staff	> 30% female and > 30% male	●	16.8%	15.1%
	Gender pay gap	< 2.0%	●	2.7%	4.0%
	Staff turnover	5-10%	●	6.2%	5.2%
	Absenteeism	< industry average (2.8 % all, 1.8% long-term))	●	all: 2.6% long: 1.7%	all: 2.2% long: 1.3%
Natural capital	Sustainability rating of all Kempen funds by Morningstar	≥ 3.5	●	3.7	n/a
	Decrease in carbon emissions: Direct emissions via our own organisation	-7.0% per FTE yoy (from basis year 2019), target 2022: 1.93 tonnes CO ₂ e	●	1.42 tonnes CO ₂ e	1.10 tonnes CO ₂ e
	Decrease in carbon emissions: Alignment of our solutions with Paris Agreement:				
	i. Kempen funds and discretionary management solutions	80% of funds comply with 7% average annual emission intensity reduction	●	95%	n/a
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals	○	n/a	n/a
	Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO ₂ e emissions by end 2022	○	n/a	n/a
	Indirect emissions via our mortgage portfolio	CO ₂ e/€ < last year	●	-1.3%	-6.1%
	Percentage of AuM invested in sustainable and/or impact wealth management solutions	+ 5% per year	○	20%	n/a
Percentage of external managers on the approved list that meet the basic sustainability criteria	> last year	●	93%	n/a	
Kempen listed funds engage with companies representing >50% of carbon footprint of the fund	Engaged with companies representing >50% of carbon footprint out of total portfolio	●	Engaged with 20 out of 55 companies	n/a	
Social capital	NPS Private Clients	20	●	35	36
	NPS Wholesale & Institutional Clients	20	●	n/a	38
	NPS Evi	10	●	1	15
	Investment Banking Clients: number of fee generating transactions with repeat corporate finance clients	50-60%	●	58%	n/a
	Number of interactions by Securities with institutional investors	130 (2020 = 100)	●	123	n/a
	Average Morningstar analyst rating	≥ last year	●	1 Gold, 1 Silver and 4 Neutral	1 Gold, 1 Silver, 2 Bronze, 2 Neutral
	Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements	●	4	n/a
	Percentage of employees who believe they have a responsibility to behave ethically	≥ benchmark (84%), ≥ last pulse/EES (if below benchmark)	●	90%	90%
	Percentage of employees who believe the company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication	≥ benchmark (78%), ≥ last pulse/EES (if below benchmark)	●	85%	n/a
	Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes	●	Yes	Yes



High scores on external ESG ratings

Good score on governance / transparency

Top decile

ISS QualityScore

8th place in league table of 236 entrants

Transparantiebenchmark

18th Place in a league table of 77 multinationals



B⁻ rating

ISS ESG 

Other ESG ratings and benchmarks

1st in our peer group of medium-sized banks



4th in group of 97 peers rated on sustainability



A+ score for responsible investment policy and process



AA rating on resilience to ESG risks



Van Lanschot Kempen Partnership

- This summer we launched the Van Lanschot Kempen Partnership – a long-term participation plan for key senior employees
- Its purpose is to anchor leadership more broadly in our organisation, to further stimulate ownership and entrepreneurial spirit, and to create more long-term alignment with our shareholders and clients
- The Management Board has invited around 40 colleagues to join them in the Partnership
- While Partners will act as an important sounding board, the Partnership does not affect our governance and management structure
- Investment per Partner: €150k - €500k in five years
- The contributions to the partnership are collected in a so-called ‘fund for joint account’ in order to be able to combine the shares as one voting block and to reflect the collective and collaborative character of the Partnership
- Shares have a lock-up period of five years, allowing Van Lanschot Kempen to provide a discount of 18.5% on the shares
- Annually, a number of colleagues will be invited to join the Partnership

Management Board



Maarten Edixhoven
(1971)
Chair

Appointed
1 October 2021

Background
2017 – Aegon: CEO Aegon Netherlands and member of management board of Aegon N.V.
2014 – Aegon: director Pension and member of management board Aegon Netherlands
2010 – Zwitterleven: CEO and member of management committee of SNS Reaal N.V.
1995 – ING Group: Various positions



Jeroen Kroes
(1973)
CFO

Appointed
1 September 2022

Background
2013 – Van Lanschot Kempen: Managing Director Finance, Reporting & Control
2013 – Van Lanschot: Project leader strategic project
2009 – Kempen & Co: Managing Director Corporate Finance
2006 – Kempen & Co: Director Corporate Finance
1996 – Kempen & Co: Corporate Finance, various positions



Wendy Winkelhuijzen
(1978)
CRO

Appointed
1 September 2022

Background
2017 – Van Lanschot Kempen: Managing Director Strategy & Corporate Development
2014 – Van Lanschot Kempen: Investor Relations Manager
2014 – Van Lanschot: Project manager Treasury / Financial Control / Financial Risk Management
2013 – Van Lanschot: Senior member strategic review project
2010 – Van Lanschot: Member of Private & Business Banking management team
2001 – Kempen & Co: Corporate Finance: various positions



Arjan Huisman (1971)
COO

Appointed
6 May 2010

Background
2008 – BCG Amsterdam office: Partner and Managing Director
2004 – BCG Prague office: Partner and Managing Director
1995 – BCG Amsterdam and Boston offices: Various consulting positions, with a strong focus on financial services



Richard Bruens (1967)
Client Management & Origination

Appointed
15 May 2014

Background
2010 – ABN AMRO: Global Head Products & Solutions and Global Head Private Wealth Management
2007 – Renaissance Capital: Member of group managing board
1991 – ABN AMRO: Various managerial positions in the Global Markets division, Managing Director of Investor Relations



Erik van Houwelingen (1965)
Investments Strategies & Solutions

Appointed
16 November 2020

Background
2018 - 2020: Dimensional Fund Advisor, Head of Client Group Europe
2012 - 2018: ABP, member of the Board of Trustees, chairman of the Investment Committee and member of the Risk & Balance Sheet Committee
2015 - 2018: Achmea Investment Management, chairman of the Supervisory Board
2008 - 2010: AEGON Asset Management, Chief Executive Officer
1993 - 2010: AEGON, various positions

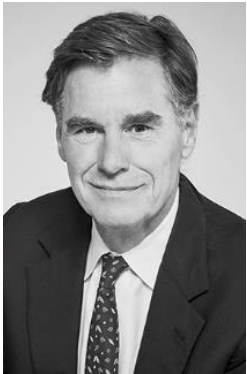


Supervisory Board



Frans Blom
(1962)
Chair

Appointed: 2018



Manfred Schepers
(1960)
Vice-Chair

Appointed: 2017



Karin Bergstein
(1967)

Appointed: 2020



Brigitte Boone
(1960)

Appointed: 2021



Bernadette Langius
(1960)

Appointed: 2015



Maarten Muller
(1954)

Appointed: 2018



Lex van Overmeire
(1956)

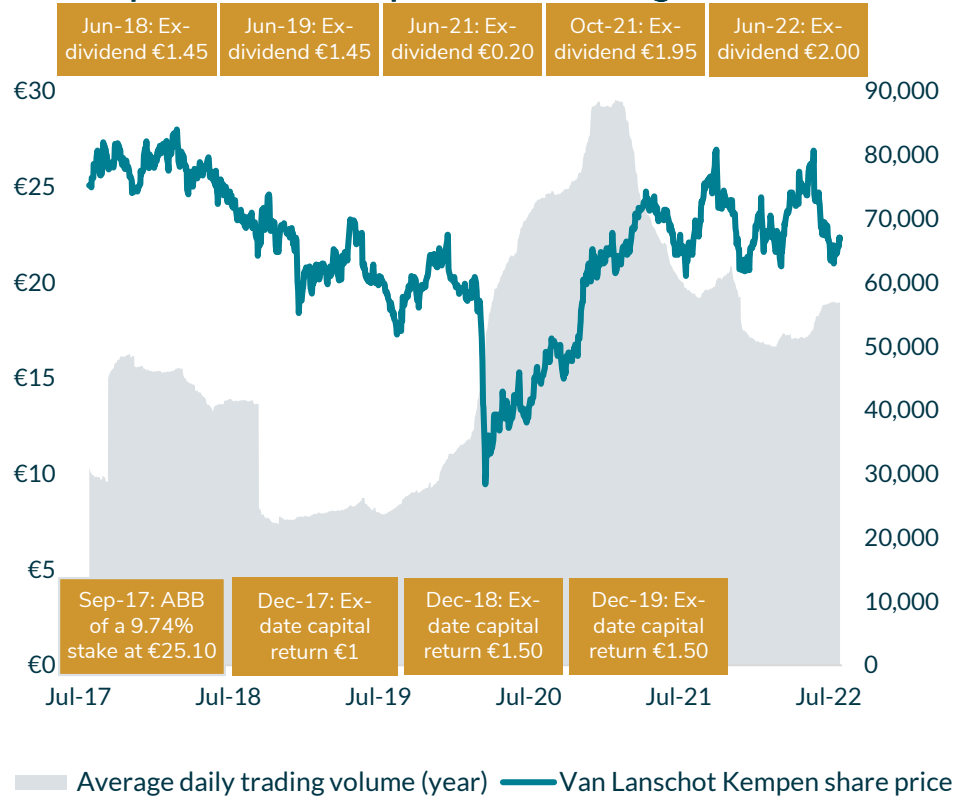
Appointed: 2017

More information about the Supervisory Board members can be found on vanlanschotkempen.com/management-supervision

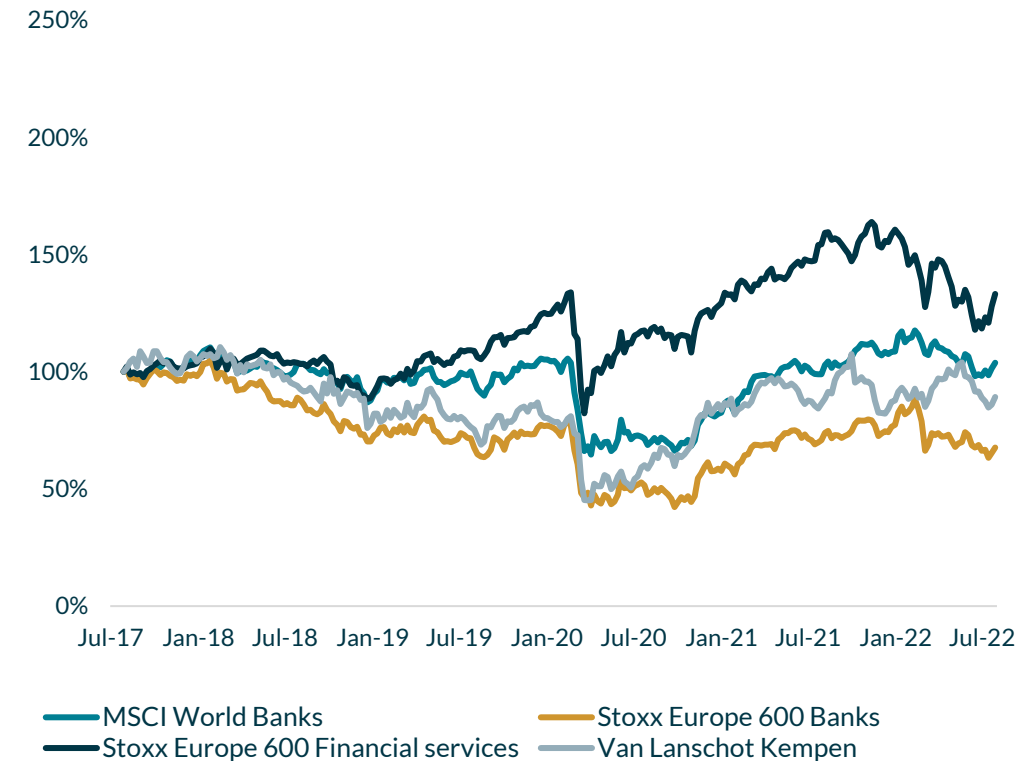


Van Lanschot Kempen shares

Development of share price and trading volume



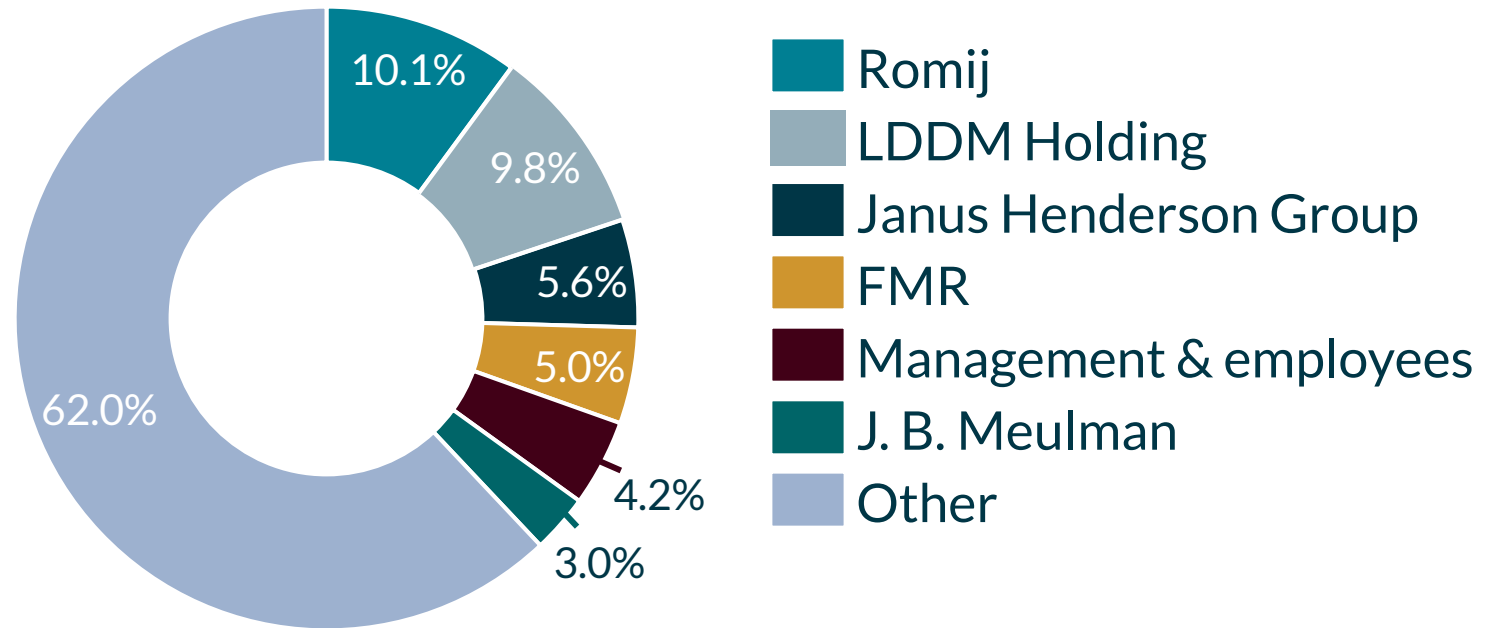
Movements in Van Lanschot Kempen's share price compared with industry indices



We have a diversified shareholder base



Van Lanschot Kempen's shareholder base
at 25/08/2022



Disclaimer

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