VAN LANSCHOT KEMPEN

23 February 2023

2022 full-year results

The year in review

Our clients

NPS of 36 for Private Clients (target 20)

Market decline led to decrease in almost all asset classes

Our employees

eNPS of 18 (target >10)

Gender pay gap from 4% to 2.7% (target <2.0%)

Attract talent in tight market

Our shareholders

Payment of €3.50 per share (capital return: €1.50 and 2021 dividend: €2.00)

Acquisition of remaining 30% stake in Mercier Vanderlinden

Society

Progress on our 2050 net zero goals, but still a lot of work to do

Expert research: carbon shock analysis

2022: Key financial highlights

- Net profit of €84.3m
- Underlying net profit of €117.8m
- Net AuM inflow at €13.7bn
- AuM at €107.8bn

Medium-term financial targets:

- CET 1 ratio at 20.6% (target: 15% + M&A add-on of 2.5%)
- RoCET 1 at 12.3% (target: 12% through the cycle)
- Efficiency ratio at 73.1% (target: 70%)

Sustainable and profitable growth with a capital-light balance sheet

- Organic growth
- Bolt-on acquisitions
- Market performance

2022 full-year results

2022: Key messages

Net profit: €84.3m (2021: €143.8m), underlying net profit €117.8m (2021: €159.9m)

- Commission income (+6%); stable margins – Private Clients: 63 bps, Wholesale & Institutional Clients: 12 bps
- Increase in interest income (+6%)
- Operating expenses up (+7%)

Net AuM inflow of €13.7bn

- Private Clients net inflow: €2.0bn
- Wholesale & Institutional Clients net inflow: €11.6bn
- Negative market performance across almost all asset classes impacted AuM volume

CET 1 ratio 20.6% (2021: 23.7%), decrease driven by higher capital requirements for residential mortgages and a capital return in December 2022

Dividend proposal €1.75 per share (totalling €74.2m)

2022: Performance

Net result €84.3m
(2021: €143.8m)

Underlying net result
€117.8m
(2021: €159.9m)

Commission
income €407.8m
(+6%)

Interest income
€162.7m
(+6%)

Operating expenses
€438.2m
(+7%)

Efficiency ratio
73.1%
(2021: 68.9%)

AuM €107.8bn
(2021: €115.6bn)

Client assets €124.2bn
(2021: €131.2bn)

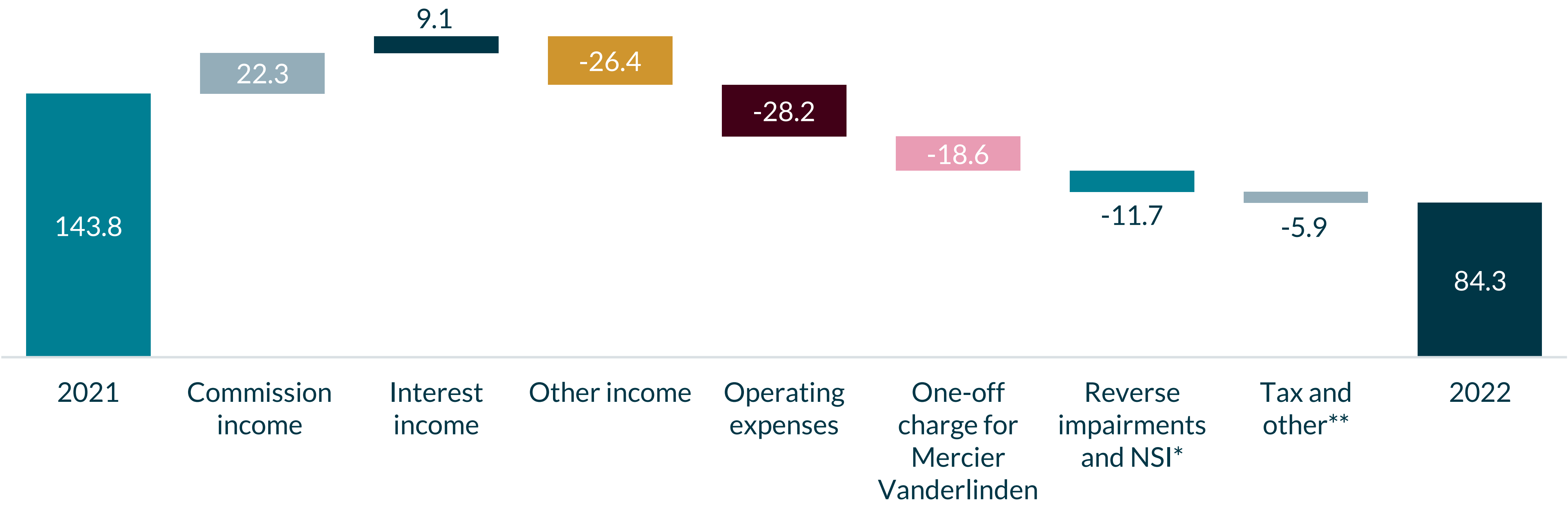
Strong capital position
CET 1 ratio 20.6%
(2021: 23.7%)

RoCET 1 at 12.3%
(2021: 15.7%)

Dividend proposal of
€1.75 per share

Net result amounts to €84.3m

Key drivers of net result (€ m)



* Reverse impairment and NSI include a reversal in 2021 of impairments on participating interests, taken in earlier years, and the operating profits of non-strategic investments.
**Tax and other includes income tax, loan loss provisions, amortisation of intangible assets arising from acquisitions, expenses related to the accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the integration of Hof Hoorneman and other one-off items, including settlement of an interest rate derivatives case.

Overview of net result

€ m	2022	2021	% change
Commission	407.8	385.5	6%
Interest	162.7	153.6	6%
Other income	29.2	55.6	-48%
Income from operating activities	**599.7**	**594.7**	**1%**
Operating expenses	-438.2	-409.9	7%
Gross result	**161.5**	**184.8**	**-13%**
Loan loss provision	7.7	11.7	-34%
Other impairments	-1.1	6.5	
Operating profit before tax of non-strategic investments	0.6	4.8	-87%
Operating profit before special items and tax	168.7	207.7	-19%
Amortisation of intangible assets arising from acquisitions	-14.9	-11.3	31%
Expenses related to accounting treatment of Mercier Vanderlinden	-29.6	-8.5	
Provision for revolving consumer credit	2.0	-3.3	
Restructuring charges: Hof Hoorneman	-0.7	-3.9	-82%
Other one-off items	-6.5	-2.3	
Operating profit before tax	119.0	178.5	-33%
Income tax	-34.7	-34.6	0%
Net profit	**84.3**	**143.8**	**-41%**
Underlying net result*	**117.8**	**159.9**	**-26%**
Efficiency ratio (%)	73.1%	68.9%	

* Underlying net result excludes expenses related to the accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the integration of Hof Hoorneman and other one-off items, including settlement of an interest rate derivatives case.

Private Clients: Continued high net inflows

AuM (€ bn)

- Net inflows: 55% non-discretionary, 42% discretionary and 3% investment strategies
- Net inflows well spread across NL, BE and CH
- Operating profit before tax at €117.1m (2021: €114.3m)
- Underlying operating profit before tax at €151.4m (2021: €132.3m)
- Commission income +11% to €270.4m (2021: €244.4m)

Private Clients: Strong net AuM inflow in Belgium of €0.7bn

- Van Lanschot Kempen acquired a 70% stake in Mercier Vanderlinden in 2021 and will add the remaining 30% stake in Q1 2023
- Ambition: to become a top-three player in the independent private banking market in Belgium
- Van Lanschot Belgium and Mercier Vanderlinden to continue as Mercier Van Lanschot
- Net AuM inflow: Van Lanschot Belgium €0.4bn, Mercier Vanderlinden €0.3bn
- Total AuM: €9.2bn (2021: €9.7bn)

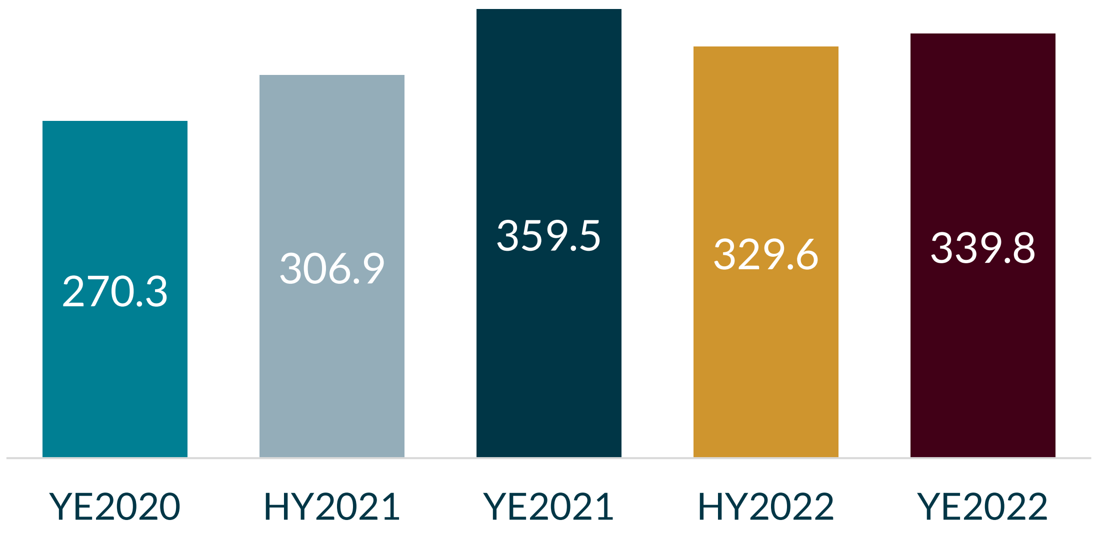
Wholesale & Institutional Clients: €11.6bn net inflow

AuM (€ bn)

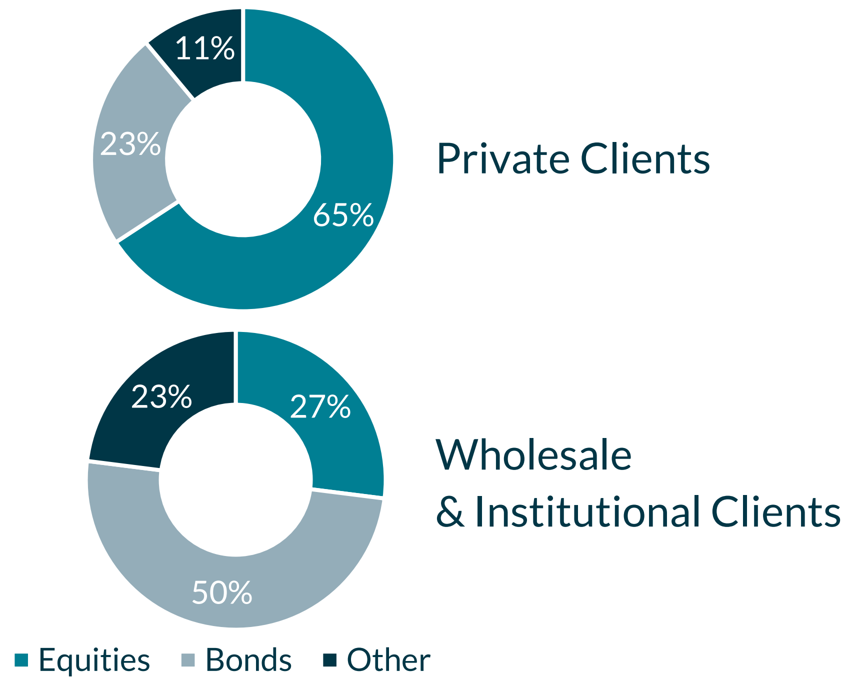
- Two large new clients: BPF Schilders pension fund (almost €8bn) and KLM Cabin Crew pension fund (almost €4bn)
- Outflows in credit and real assets strategies, partly offset by small-cap strategies
- Operating profit before tax at €2.2m (2021: €9.6m)
- Commission income at €78.4m (2021: €81.4m), decrease reflects a €5.5m performance fee in 2021
- Focus on profitable growth for investment strategies in western Europe and for fiduciary management in NL and UK

Stable margins at both Private Clients and Wholesale & Institutional Clients

Annualised recurring fees* (€ m)



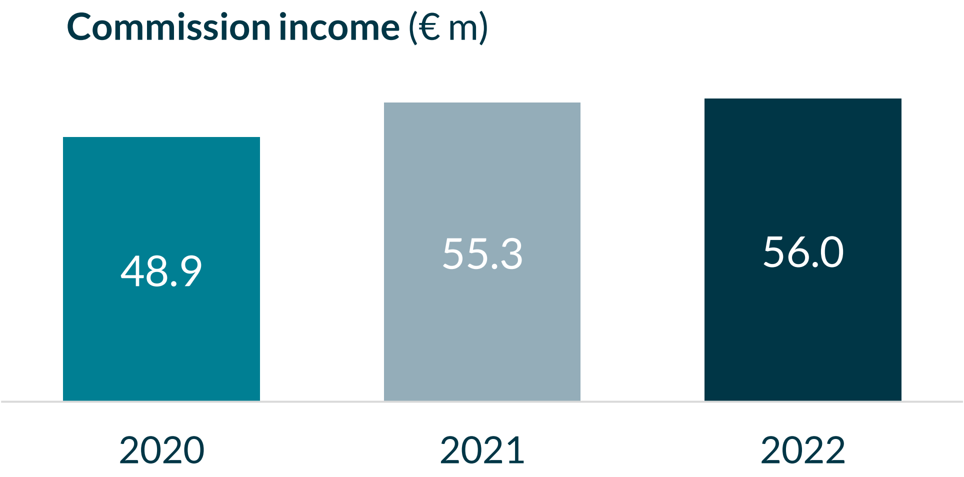
AuM breakdown (~%)



- Stable AuM margins: Private Clients: 63 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.

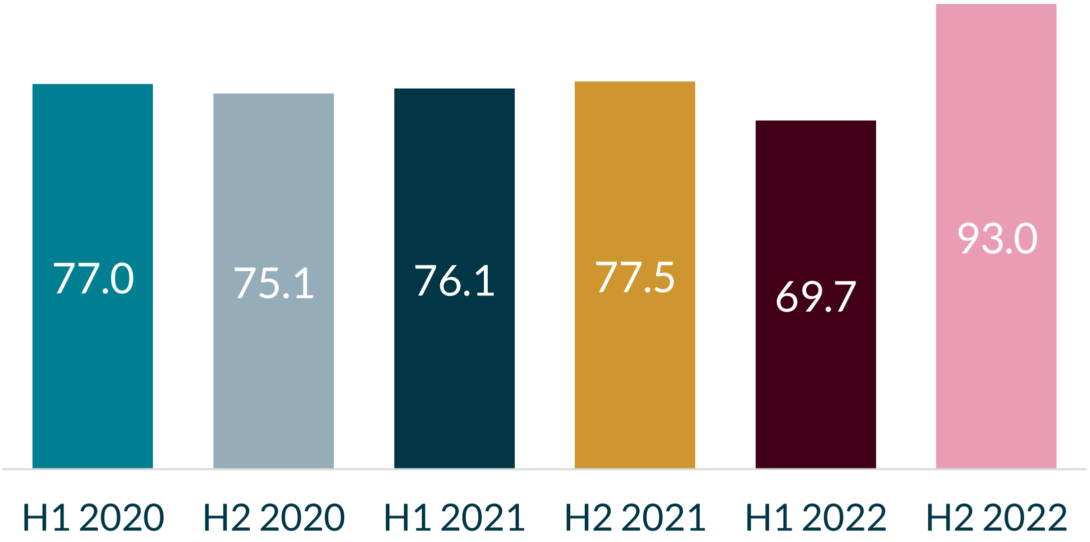
Investment Banking Clients: Stable commission income in challenging markets



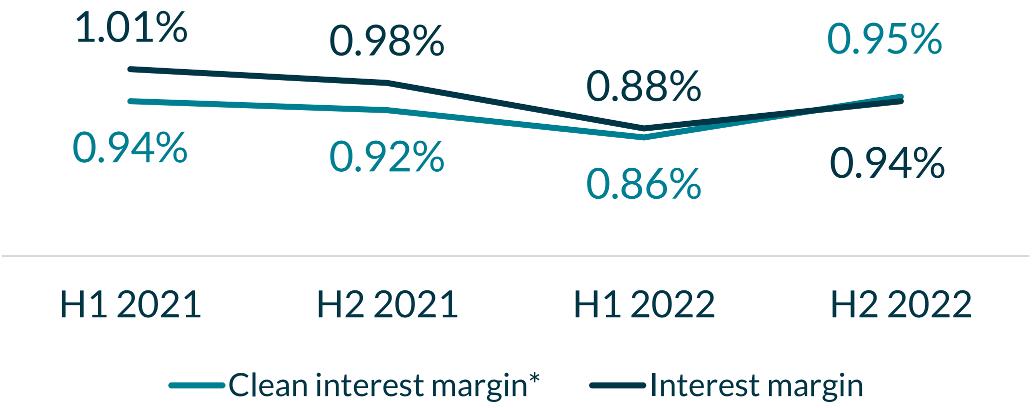
- Operating profit before tax fell to €9.7m (2021: €18.8m) in the wake of higher staff costs, lower income from securities trading and a book profit from the sale of Global Property Research in 2021
- 37 transactions were completed with a total volume of €8.1bn

Interest margins improved in H2 2022

Interest income (€ m)



Interest margin (12-mth moving average, %)

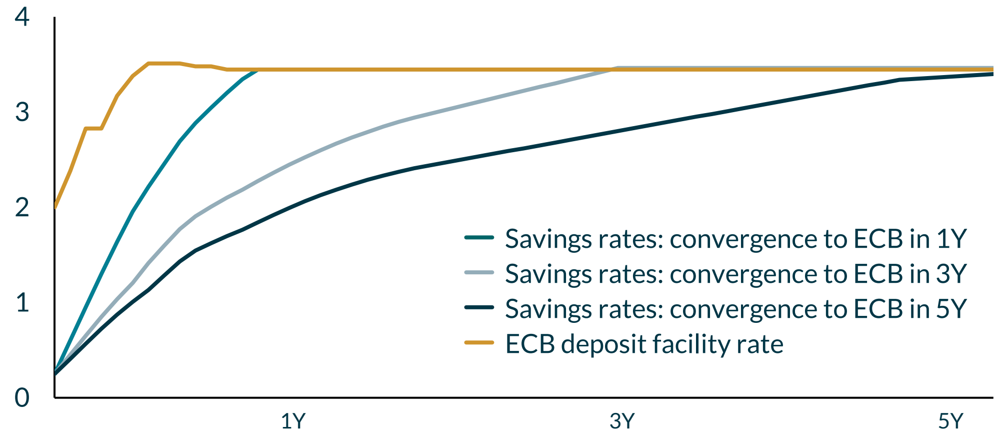


- Interest income up on the back of ECB interest rate hikes in the second half of the year
- In 2022, growth in our loan portfolio supported interest income
- Lower early redemption fees in 2022: €5.8m (2021: €13.3m), driven by fewer prepayments

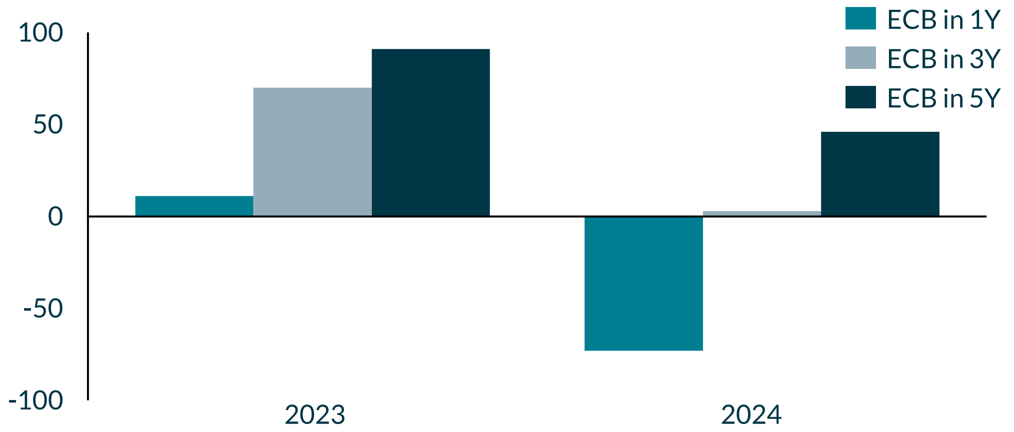
* The clean interest margin equals the gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation.

Convergence path of savings rate to ECB deposit rate main driver of interest income in the next few years

Potential convergence paths of client rate on savings to ECB deposit facility rate



Interest income to benefit from slow convergence to ECB deposit facility rate
(€ m – delta to total interest income 2022)



Assumptions

- As forward rates are relatively flat, we assume convergence to the ECB deposit rate as a proxy for convergence to long-term rates as well
- A replicating book with around 50% repricing within one year
- As savings rate increases, we expect 50%-60% of current accounts to flow to interest-bearing savings accounts. We expect a stable base of current accounts will remain at a 0% client rate
- Client rate projections are based on various rates of convergence to the ECB deposit facility rate
- We assume stable volumes for client deposits and the loan portfolio

Income from securities and associates

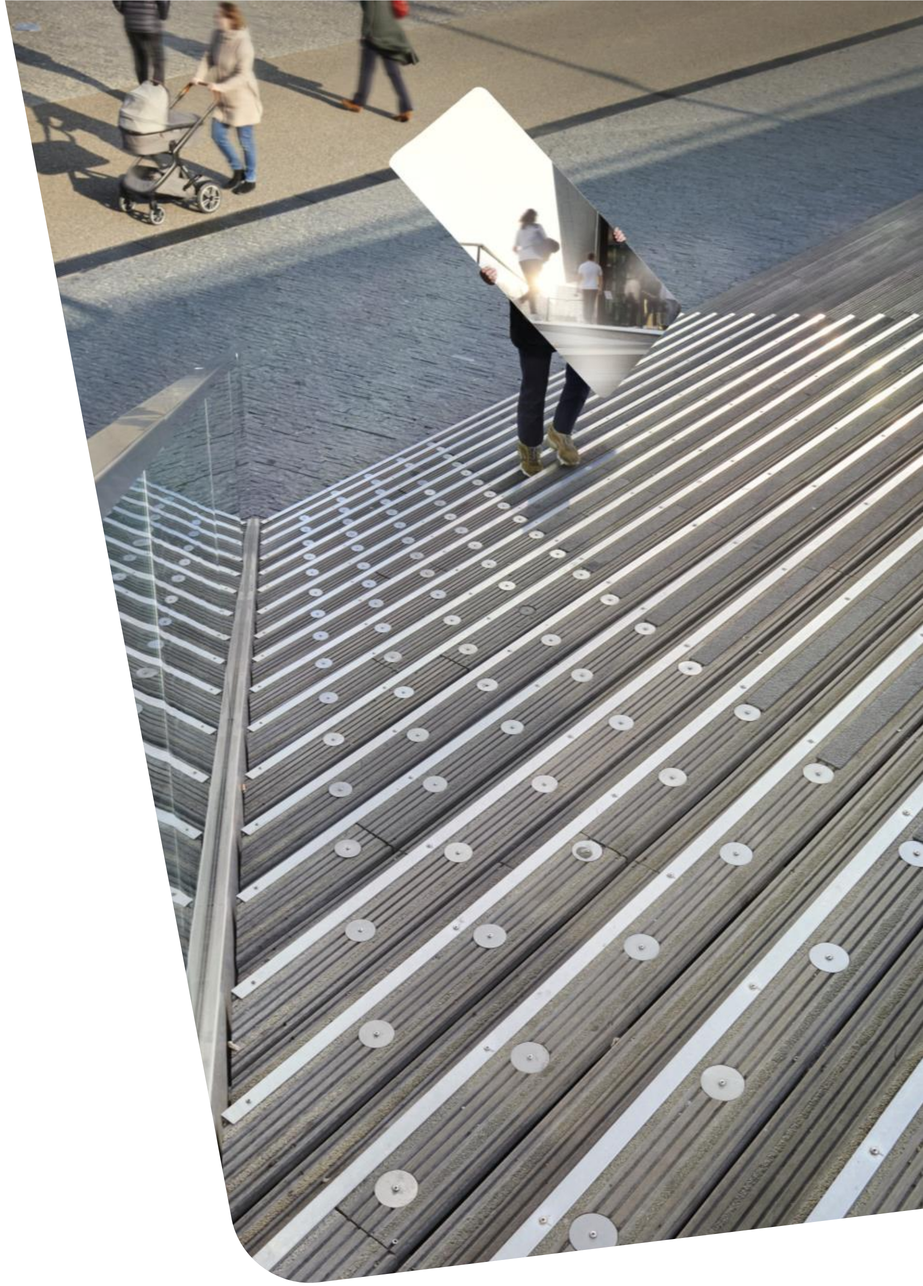
- Income from securities and associates at €7.8m (2021: €65.9m), with the decrease caused by:
- Participating interests (Van Lanschot Participaties and Bolster Investment):
  - In 2022, the result on holdings in the private equity portfolio amounted to €16.3m, partly due to a €7.1m book profit from the sale of a stake in the Newion I private equity fund
  - In 2021, the result on these holdings was €40.3m, driven by several sales results and (re)valuations
- Co-investments in own products:
  - Result at –€8.6m (2021: €23.0m) – within income from securities and associates, driven by negative market performance
  - Futures are used to manage our risk appetite related to these investments, amounting to €11.5m (2021: -9.8m) – within result on financial transactions

€ m	Income 2022	Income 2021	Book value YE2022	Book value YE2021
Van Lanschot Participaties (minority interests)	10.1	36.5	47.8	52.2
Bolster Investment Coöperatief UA	6.3	3.9	63.1	51.3
Co-investments in own products	-8.6	23.0	123.3	202.3
Other equity investments	0.1	2.6	2.0	1.7
Total	**7.8**	**65.9**	**236.2**	**307.5**

Result on financial transactions

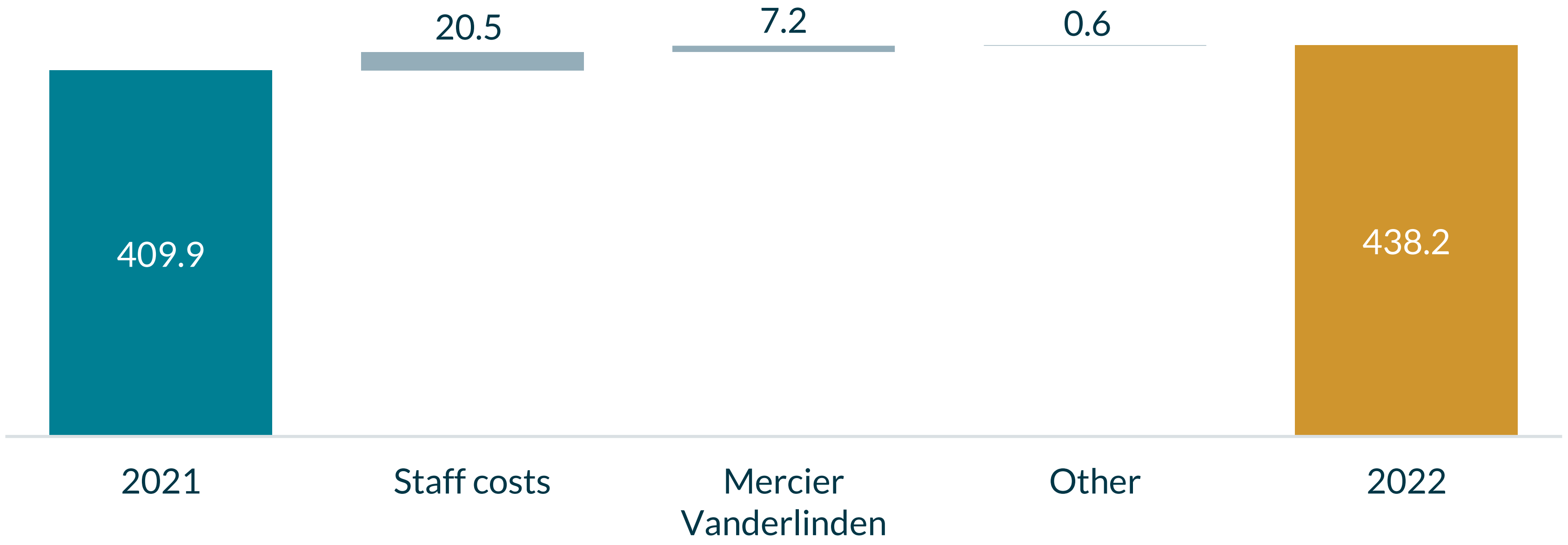
Result on financial transactions at €21.3m (2021: -€10.3m), driven by

- Result on futures €11.5m (2021: -€9.8m) – see previous slide
- Result due to hedge accounting ineffectiveness of €9.3m (2021: -€6.1m)
- Result on structured products activities
    - Year-end result: €6.2m negative (2021: -€4.6m)
    - De-risking of the structured products portfolio was completed by year-end 2022



Operating expenses developed in line with organic and inorganic growth

Operating expenses (€ m)



- Staff costs up, mainly driven by a higher number of FTEs at 1,780 (2021: 1,654), reflecting our growth ambitions
- Going forward, we expect:
  - Staff costs: general increase of fixed salaries by 4.4% as of 1 January 2023 and 1% as of 1 July 2023
  - General IT expenses up by 10%
  - Cost control remains key

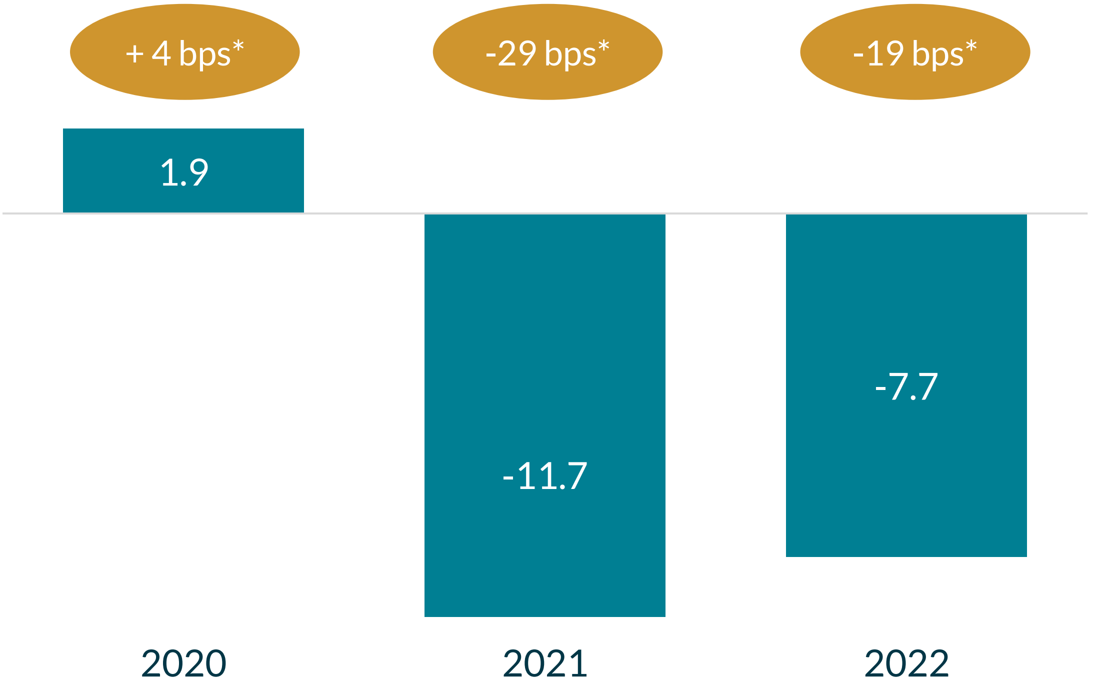
Loan portfolio

€ m	Loan portfolio 31/12/2022	Loan portfolio 31/12/2021	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	6,341	6,337	0%	24	1	0.4%	6%
Other loans	2,371	2,199	8%	82	25	3.5%	31%
Loan portfolio	**8,712**	**8,536**	**2%**	**106**	**27**	**1.2%**	**25%**
Mortgages distributed by third parties	373	389	-4%	0	0	0.0%	2%
Other loans covered by residential real estate	320	-	0%	0	0	0.0%	0%
Total loan portfolio	9,404	8,925	5%	106	27	1.1%	25%
ECL stages 1 and 2					13		
Total	9,404	8,925	5%		40		

- More than 70% of the portfolio consists of Dutch residential mortgages with an average LTV of 63% (2021: 62%)
- Other loans include loans to family businesses and entrepreneurs (37%), Lombard loans (31%), current accounts (20%)
- Higher other loans driven by a €0.1bn increase in Lombard loans in Belgium
- Impaired ratio decreased to 1.1% (2021: 1.7%)

Release from loan loss provisions

Additions to loan loss provisions (€ m)



Loan loss provision per stage

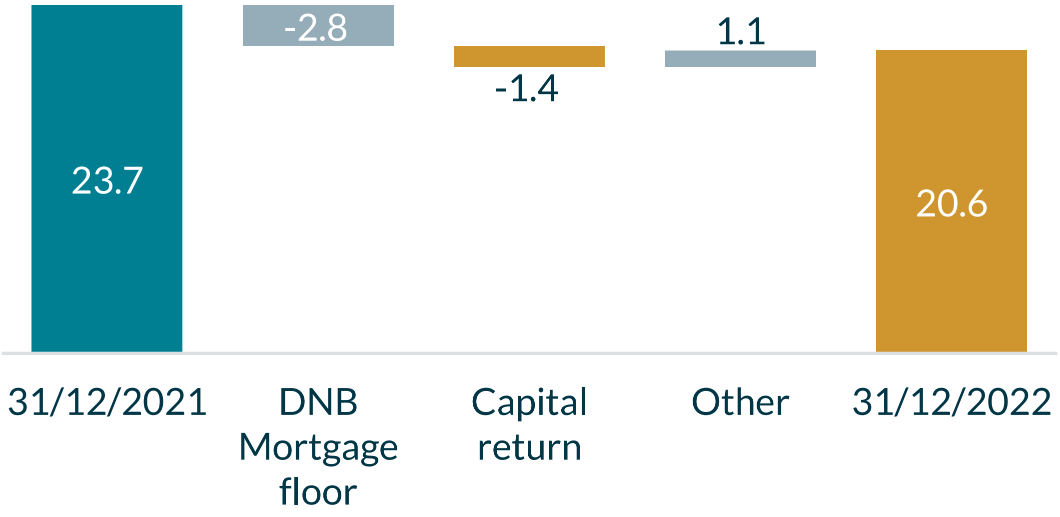
€ m	31/12/2021	31/12/2022	% change
Stage 1	3.6	6.1	69%
Stage 2	3.5	7.0	101%
Stage 3	42.4	26.9	-36%
Total	49.5	40.0	-19%

- Current management overlay amounts to €5.2m (2021: €1.6m) – aiming to reflect real-world behaviour of our clients and the economy, which is not (fully) captured by the models

*Annualised loan loss provision / average total RWA

Strong CET 1 ratio at 20.6%
Dividend proposal of €1.75 per share (total €74.2m)

Common Equity Tier 1 ratio (%)



Expected CET 1 ratio developments in 2023:
- Impact of +0.8 percentage points related to the share issuance as a result of the acquisition of the remaining 30% stake in Mercier Vanderlinden
- Impact of -0.4 percentage points as a result of the announced acquisition of Robeco's online investment platform

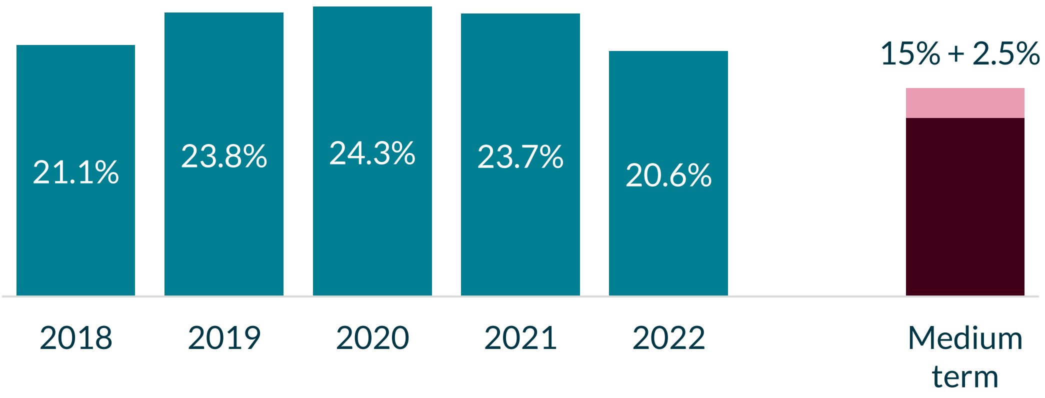
Solid capital position

Continued commitment to return excess capital

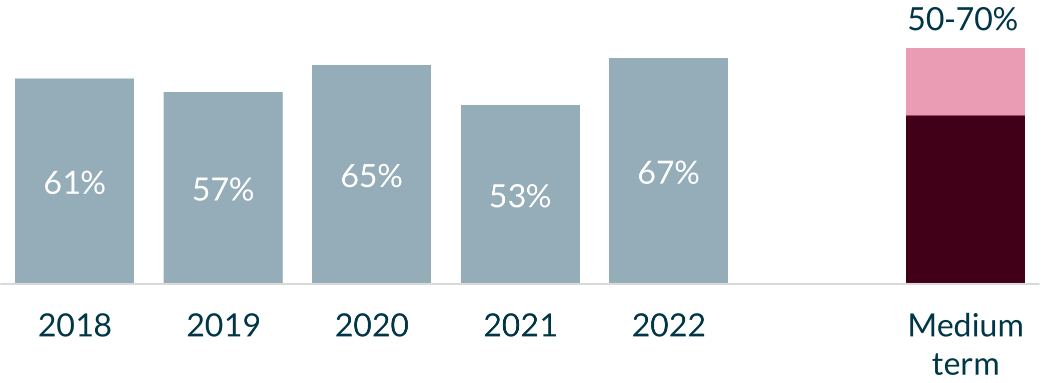
- Our target for the CET 1 ratio: 15% plus an M&A add-on of 2.5%
- At the time of announcement of the target, excess capital amounted to €145m (May 2022)
- €61m excess capital returned in December 2022
- Plan to return €2.00 per share (totalling c. €85m) in H2 2023, subject to regulatory approval
- Our intention is to return capital above our target to our shareholders going forward, subject to regulatory approval

Financial targets overview

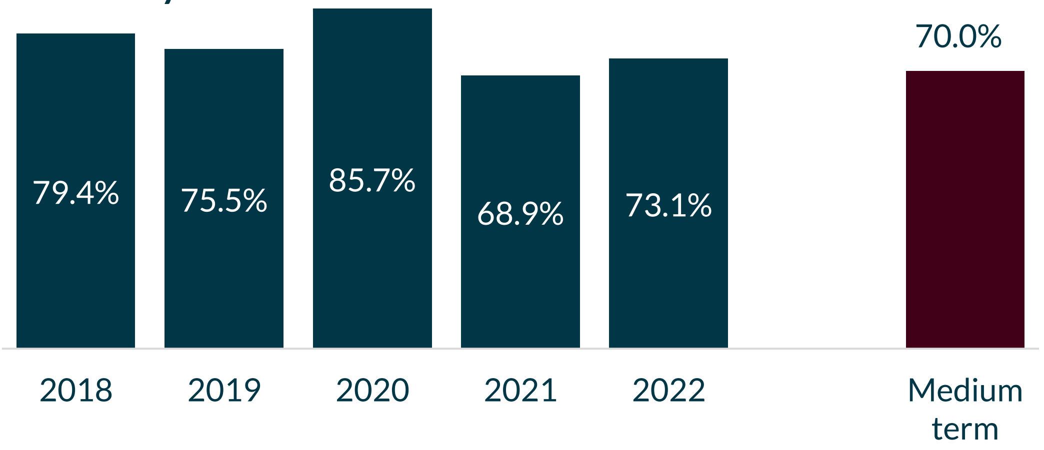
Common Equity Tier 1 ratio



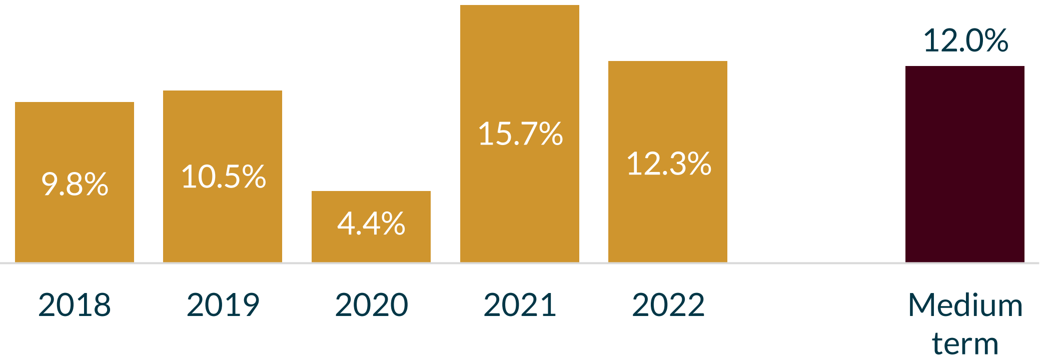
Dividend pay-out ratio*



Efficiency ratio



Return on Common Equity Tier 1*



* Based on underlying net result attributable to shareholders

Acquisition of Robeco online investment platform

Positioning Evi van Lanschot for further growth

Evi van Lanschot and Robeco

Evi van Lanschot
- €1.3bn in AuM
- c. 25,000 clients
- c. 100 bps for services + investment solutions

Robeco Retail Nederland
- €4.7bn in AuM
- c. 125,000 clients
- c. 30 bps for services

The combined activities

- Online and personal
- Combined €6.0bn in AuM and c. 150,000 clients
- Robeco investment funds to remain part of client offering
- Strengthening our mass-affluent team

The future

- Become leader in mass-affluent market
- Economies of scale
- Platform for further growth
- Improved client offering
- Complementary propositions

- Impact on CET 1 ratio is -0.4 percentage points
- One-off transition costs in the range of €8m – €11m during a two-year integration period
- Combined activities expected to break even by 2025 – and then start to make a positive contribution to net profit

2022: Performance

Net result €84.3m
(2021: €143.8m)

Underlying net result
€117.8m
(2021: €159.9m)

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(+6%)

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Operating expenses
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Efficiency ratio
73.1%
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AuM €107.8bn
(2021: €115.6bn)

Client assets €124.2bn
(2021: €131.2bn)

Strong capital position
CET 1 ratio 20.6%
(2021: 23.7%)

RoCET 1 at 12.3%
(2021: 15.7%)

Dividend proposal of
€1.75 per share

Appendix

Key figures by segment: 2022

€ m	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission income	270.4	78.4	56.0	2.9	407.8
Interest income	155.8	-0.0	-0.0	7.0	162.7
Other income	2.2	-0.2	-1.0	28.1	29.2
Income from operating activities	428.3	78.2	55.0	38.1	599.7
Operating expenses	-271.0	-75.3	-45.3	-46.5	-438.2
Gross result	157.3	2.9	9.7	-8.4	161.5
Impairments	7.6	-	-	-0.9	6.6
Operating profit before tax of non-strategic investments	-	-	-	0.6	0.6
Operating profit before special items and tax	164.9	2.9	9.7	-8.8	168.7
Amortisation of intangible assets arising from acquisitions	-13.4	-0.7	-	-0.8	-14.9
Expenses related to accounting treatment of Mercier Vanderlinden	-29.6	-	-	-	-29.6
Provision for revolving consumer credit	2.0	-	-	-	2.0
Restructuring charges	-0.2	-	-	-0.5	-0.7
Other one-off items	-6.5	-	-	-	-6.5
Operating profit before tax	117.1	2.2	9.7	-10.0	119.0
Underlying profit before tax*	**151.4**	**2.2**	**9.7**	**-9.5**	**153.8**
Efficiency ratio	63.3%	96.3%	82.3%	122.2%	73.1%

* Underlying net result excludes expenses related to the accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the integration of Hof Hoorneman and other one-off items, including settlement of an interest rate derivatives case.

Progress on our non-financial KPIs

	KPI	Targets		Performance in 2022	Performance in 2021
Manufactured capital	Three-year relative performance of our managed propositions	> benchmark		0.2%	n/a
Human and intellectual capital	Employer Net Promoter Score (eNPS)	>10		18	13
	Employee engagement score (EES)	> 80%		88%	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ benchmark, ≥ last pulse/EES (if below benchmark)		81%	n/a
	Gender balance among senior staff	> 30% female > 30% male		17.9% female 82.1% male	15.1% female 84.9% male
	Gender pay gap	< 2.0%		2.7%	4%
	Staff turnover	5-10%		6.4%	5.2%
	Absenteeism	< industry average (all: 3.1%; long 2.0%)		2.8% all; 2.0% long	2.2% all; 1.3% long
Natural capital	Sustainability rating of all Kempen funds by Morningstar	≥ 3.5		3.6	n/a
	Decrease in carbon emissions:				
	Direct emissions via our own organisation	-7.0% per FTE per year, against 2019 baseline		1.45 tonnes CO_2e (-40% compared with 2019)	1.10 tonnes CO_2e (-54% compared with 2019)
	b. 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		88%	n/a
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals		59%	n/a
	c. Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO_2e emissions by end 2022		56%	59%
	d. Indirect emissions via our mortgage portfolio	CO_2e/€ < last year		+8.7%	-6.1%
	Investment Strategies & Solutions sustainability ambition:				
	a. Percentage of AuM invested in sustainable and/or impact wealth management solutions	+5 percentage points per year	n/a	20.6%	n/a
	b. Percentage of AuM in internal and external funds/mandates on the approved list that meet the basic sustainability criteria	> last year	n/a	95%	n/a
	c. 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		54 out of 55 companies	n/a
Social capital	Net Promoter Score (NPS):				
	a. Private Clients	20		36	36
	b. Evi	10		-1	15
	c. Wholesale & Institutional Clients	20		n/a	38
	Investment Banking Clients: number of successful transactions with repeat Corporate Finance clients (five-year period)	50-60%		78%	n/a
	Number of interactions (indexed) with institutional investors by Securities	130 (2020 baseline: 100)		103	n/a
	Average Morningstar analyst rating	≥ last year		1 gold, 1 silver, 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		30	n/a
	Percentage of employees who believe they have a responsibility to behave ethically	≥ benchmark (86%), ≥ 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 (79%), ≥ 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	n/a

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High scores on external ESG ratings

Governance: 1
Lower governance risk = 1
Higher governance risk = 10
ISS QualityScore

B- rating
ISS ESG Corporate Rating
ISS ESG

8th place in league table of 486 entrants
Transparantiebenchmark

AA rating
on resilience to ESG risks
MSCI

21st place in a league table of 78 multinationals
VBDO TAX TRANSPARENCY BENCHMARK 2021

4 and 5 stars (out of 5) for responsible investment process
PRI Principles for Responsible Investment

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