

## Press release

### Van Lanschot Kempen: net profit at €51.8 million and net AuM inflows of €3.2 billion in H1 2023

*Amsterdam/'s-Hertogenbosch, the Netherlands, 24 August 2023*

- **Net profit at €51.8 million (H1 2022: €48.2 million)**
- **Net AuM inflows at Private Clients: €2.2 billion; Wholesale & Institutional Clients: €1.0 billion**
- **Client assets: €130.8 billion (2022: €124.2 billion) and AuM: €115.2 billion (2022: €107.8 billion)**
- **Robust capital ratio at 21.6% (2022: 20.6%); well above our 17.5% target**
- **Capital return proposal in the amount of €2.00 per share**

**Maarten Edixhoven, Chair of the Van Lanschot Kempen Management Board, said:** “Against a volatile economic and geopolitical backdrop, I am very pleased with the net inflow of €3.2 billion in assets under management (AuM). This demonstrates the trust existing and new private and institutional clients have in Van Lanschot Kempen. We remain committed to growth by continuously improving our services, with a focus on personal attention and digital service. We also made good progress integrating Mercier Vanderlinden in Belgium and preparing the integration of Robeco’s online investment platform in the Netherlands. Meanwhile, we remain disciplined in preserving our robust capital and liquidity positions. The commitment of our people and the confidence of our clients and shareholders allow us to look back on a solid first half.

“Private Clients reported robust results. We expanded our service offering by launching a proposition that enables private banking clients to put their own personal stamp on their discretionary management portfolios. Also, we added a further 15 private bankers to our team and launched a ‘Young Private Banking Programme’ training our private bankers of the future. Profitable growth is our focus at Wholesale & Institutional Clients. Following up on initiatives announced last year, we’re taking additional cost-saving measures while at the same time bolstering our commercial strength. Investment Banking Clients faced a persistently challenging environment for transactions. To achieve an efficiency ratio of 70% – our target – we maintain a strict focus on costs in all our activities.

“Our annual research report into the views of high net-worth individuals in the Netherlands revealed that a majority want their wealth managers to lead by example on sustainability. We’ve made great strides in this respect since 2019, having cut our own carbon emissions by 41%. Our ambition also remains to reduce the climate impact of investments and mortgages year after year, in dialogue with our clients and the companies in which we invest.

“Our capital and liquidity positions remained robust, with an increase in our CET 1 ratio to 21.6%, well ahead of our target, and a liquidity ratio of 172%. This enables us to propose a capital return of €2.00 per share in the second half of 2023.”

#### **Client assets and AuM**

Solid net AuM inflows of €3.2 billion combined with a positive market performance of €4.1 billion resulted in an increase in total AuM to €115.2 billion (2022: €107.8 billion). Encouraged by a positive stock market climate and rising capital market rates, clients shifted a proportion of their savings to investments, taking client savings down to €11.2 billion (2022: €12.7 billion). Total client assets stood at €130.8 billion (2022: €124.2 billion).

**Results in the first half of 2023**

Net profit was €51.8 million, an 8% increase compared with H1 2022 (€48.2 million). Strong commission income and interest income were partially offset by Investment Banking Clients' loss, higher interest charges on medium-term notes and a lower result on participating interests.

Commission income amounted to €203.7 million (H1 2022: €201.3 million), with securities revenues up 6% to €186.5 million (H1 2022: €176.7 million) on higher average AuM levels. Other commission revenues were down to €17.2 million (H1 2022: €24.6 million), reflecting market conditions for acquisitions and capital market transactions.

Interest income in the first half added 67% to €116.2 million (H1 2022: €69.7 million), driven by rate hikes by the European Central Bank (ECB). Savings rates for private banking clients were raised further in the second quarter, causing a slight decline in interest rate margins in the final months of H1 2023.

The result on financial transactions fell to -€10.0 million (H1 2022: €15.8 million), mainly due to higher interest charges on medium-term notes. These notes are part of Van Lanschot Kempfen's regular funding and their interest rate charges are not recognised as interest income but as result on financial transactions.

Operating expenses increased to €235.2 million (H1 2022: €216.0 million). Higher staff costs were driven by an uptick in FTE numbers to 1,844 FTEs at the end of June 2023, from 1,713 FTEs a year earlier as we invest in growth. This increase in FTE is mainly driven by conversion of contractors into internal FTE, recruitment of private bankers and new colleagues within Digital & Technology. In addition, salaries for employees on fixed contracts were raised by 4.4% as from 1 January 2023 and by another 1% effective 1 July 2023.

The efficiency ratio was 74.5% (H1 2022: 73.7%).

The first half of the year saw a release from loan loss provisions of €1.9 million (H1 2022: €7.2 million release) on the back of a high-quality loan portfolio comprising mainly residential mortgages in the Netherlands.

Underlying net profit stood at €54.7 million (H1 2022: €60.7 million), reflecting the net result adjusted for expenses related to the accounting treatment of the Mercier Vanderlinden acquisition, integration costs for the acquisition of Robeco's online investment platform and restructuring charges to help improve profitable growth at Wholesale & Institutional Clients.

**Segment Private Clients**

Profit before tax at Private Clients increased to €97.1 million (H1 2022: €55.5 million) for the first half of 2023, driven by higher commission income (+5% to €144.4 million) coupled with higher interest income (+56% to €106.5 million).

The segment's net AuM inflows were €2.2 billion, mainly driven by strong growth in the Netherlands and Belgium. Together with a positive market performance this led to an increase in total AuM to €45.3 billion (year-end 2022: €40.5 billion). Total client assets were €58.9 billion (year-end 2022: €55.1 billion).

In the first half of 2023 we launched a new wealth management proposition enabling private banking clients in the Netherlands to put their own stamp on their management portfolios. Through this, Van Lanschot Kempfen offers access to its institutional expertise and both inhouse and third party solutions, for instance enabling them to invest in the Global Impact Fund, the Private Markets Fund and the Non-Directional Partnership. We also continue to continuously improve our advisory proposition.

The Relationship Net Promoter Score (NPS) was 25 (target: 20), with clients appreciating our personal approach, in combination with solid advice. That said, an NPS of 25 is below the exceptionally high score of 36 at the end of 2022, mainly due to an increase in the fee of investment advice. We expect this to improve again.

#### Private Clients in Belgium

In the first half of 2023, Van Lanschot Kempfen completed its accelerated acquisition of the remaining 30% stake in Mercier Vanderlinden. Both Mercier Vanderlinden and Van Lanschot Belgium are growing rapidly and the intention is to continue this trend as a single company called Mercier Van Lanschot, effective 1 January 2024. Private Clients in Belgium will be reported as a separate segment from that same date.

The Van Lanschot Belgium and Mercier Vanderlinden combination enjoyed a successful H1 2023, with net AuM inflows of €0.3 billion. Total AuM amounted to €10.3 billion (2022: €9.2 billion).

#### Evi van Lanschot

Van Lanschot Kempfen completed its takeover of Robeco's online distribution platform on 1 July, and its merger with Evi van Lanschot has created a leading online investment platform in the Netherlands, with a combined AuM of €6.3 billion. The integration programme has started and will take about two years to complete. It is expected to involve one-off costs in the range of €8–11 million, €1.8 million of which has been recognised in the 2023 interims. The combination is expected to break even in 2025 and to subsequently make a positive contribution to Van Lanschot Kempfen's net profit going forward.

#### Segment Wholesale & Institutional Clients

The first-half 2023 result before tax at Wholesale & Institutional Clients was a -€1.9 million (H1 2022: €0.6 million). Commission income inched up to €39.3 million (H1 2022: €38.3 million).

Last year, Van Lanschot Kempfen launched a range of initiatives focused on profitable growth in this segment with an enhanced strategy. Focus is on an efficient set up of its organisation and systems, and we are investing in commercial strength, for instance through extensive sales training courses. To further accelerate profitable growth, we are taking additional measures, simplifying the organisational structure and structurally reducing costs. This includes an intended reduction of over 20 FTEs in the second half of 2023.

Net AuM inflows for the segment amounted to €1.0 billion and, coupled with a positive market performance, lifted AuM to €69.8 billion (2022: €67.3 billion).

A net outflow of €0.1 billion was recorded for investment strategies, with inflows at real estate strategies and credit strategies offset by outflows from the small cap strategy. At the end of March,

four out of ten small cap team members left the company. They have since been replaced by five new people and the team is back to its full strength. Total investment strategies AuM amounted to €7.4 billion (2022: €7.2 billion).

Net fiduciary management AuM inflows were €0.7 billion in the period, mainly on the back of existing clients, which combined with a positive market performance resulted in total AuM of €59.4 billion (2022: €57.4 billion). The United Kingdom accounted for €4.9 billion of this total (2022: €4.8 billion).

Alternative Investment Solutions (AIS) recorded €0.4 billion in net AuM inflows, with total AuM working out at €3.0 billion (2022: €2.8 billion). AIS advises and selects a wide array of non-liquid investment classes for clients.

### **Segment Investment Banking Clients**

In the first six months of 2023, Investment Banking Clients recorded a pre-tax result of -€4.8 million (H1 2022: €1.3 million). Commission income was down to €17.0 million (H1 2022: €24.3 million), reflecting challenging market conditions for acquisitions and capital market transactions. Within this segment, Van Lanschot Kempfen is adapting the organisation to market circumstances, focusing on costs and appropriate staff levels. It will retain its full focus on selected sectors – real estate, life sciences & healthcare, tech & fintech, and renewables & infrastructure.

### **Segment Other**

Pre-tax result in Other worked out at -€19.2 million for the first half of 2023 (H1 2022: €3.2 million positive). This decrease is due to lower income from participating interests, lower result on financial transactions and higher group function costs.

In addition, exposures in Van Lanschot Kempfen's own investment funds generated a pre-tax result of -€0.5 million (2022: €1.7 million positive before tax), including the result on hedges. Own investment fund exposures include those in the Global Property Fund, Global Impact Pool and the Global Value Fund. Van Lanschot Kempfen retains such exposures to co-invest with its clients and provide seed capital for start-up funds.

### **Sustainability targets**

At the end of June 2023, 22.0% of total AuM was invested in products labelled sustainable or impact, a 1.4 percentage point increase compared to year-end 2022.

Van Lanschot Kempfen aims to be climate-neutral by 2050 and is steering on annual targets to reduce its carbon footprint. In H1 2023, 88% of its own investment funds and its private banking clients' discretionary portfolios met the objective to cut carbon intensity by 7% a year (target: at least 80%). Its own organisation's emissions were down 41% at the end of June, compared with base year 2019.

### **Solvency and liquidity**

The CET 1 ratio continued to advance in the first six months, to 21.6% (2022: 20.6%), mainly on the back of shares issued towards the completion of Van Lanschot Kempfen's acquisition of the remaining 30% stake in Mercier Vanderlinden. The CET 1 ratio according to the 'Basel IV fully loaded' definition stood at around 22%.

Liquidity likewise remains strong and well ahead of its targets, with the liquidity ratio (LCR) amounting to 172% at the end of June (2022: 178%), a slight drop reflecting the conversion of savings to both AuM and deposits.

**Proposed capital return of €2.00 per share**

Van Lanschot Kempen's robust capital position is enabling it to propose a €2.00 per share capital return to shareholders. If approved, around €86 million will be so returned. Previous capital returns were in the amount of €1.00 per share (2017) and €1.50 per share (2018, 2019 and 2022).

The capital return payment will be charged to the share premium reserve available for distribution. The total number of shares in issue will remain unchanged, while the CET 1 ratio after the capital return will still exceed its target of 15% plus an M&A add-on of 2.5% for acquisitions.

The proposed capital return will be put to the vote at the extraordinary general meeting of 5 October 2023. The notification, agenda and explanatory notes are posted on Van Lanschot Kempen's website today.

Going forward, Van Lanschot Kempen will continue to focus on maintaining a strong capital position, with the 2.5% M&A add-on providing sufficient scope for bolt-on acquisitions that fit with its wealth management strategy. As previously disclosed, Van Lanschot Kempen intends to return to shareholders any capital in excess of a CET 1 ratio of 17.5%, subject to regulatory approval.

**Key data**

€ million	H1 2023	H1 2022		H2 2022	
<b>Statement of income</b>					
Net result	51.8	48.2	8%	36.1	44%
Underlying net result <sup>i</sup>	54.7	60.7	-10%	57.1	-4%
Efficiency ratio (%)	74.5	73.7		72.5	
€ billion	30/06/2023	31/12/2022		30/6/2022	
<b>Client assets</b>					
- Assets under management	115.2	107.8	7%	102.8	12%
- Assets under administration	4.5	3.7	22%	3.8	17%
- Savings and deposits	11.2	12.7	-12%	11.9	-6%
€ million	30/06/2023	31/12/2022		30/6/2022	
<b>Statement of financial position and capital management</b>					
Equity attributable to shareholders	1,252	1,281	-2%	1,244	1%
Equity attributable to non-controlling interests	102	102	0%	102	0%
Savings and deposits	11,188	12,726	-12%	11,933	-6%
Loans and advances to clients	9,259	9,364	-1%	9,094	2%
Total assets	15,466	17,018	-9%	16,702	-7%
Loan-to-deposit ratio (%)	82.8	73.6		76.2	
Total risk exposure amount	4,274	4,272	0%	4,482	-5%
Common Equity Tier 1 ratio (%) <sup>ii</sup>	21.6	20.6		20.2	
Tier 1 ratio (%)	23.9	22.9		22.5	
Total capital ratio (%)	27.4	26.4		25.8	
Leverage ratio (%)	6.6	5.7		6.1	
Liquidity coverage ratio (%)	172.2	178.3		173.0	
Net stable funding ratio (%)	147.8	158.1		160.4	
	H1 2023	H1 2022		H2 2022	
<b>Key figures</b>					
Weighted average of outstanding shares (x 1,000)	41,457	40,793	2%	40,706	2%
Underlying earnings per share (€)	1.24	1.40	-11%	1.32	-6%
Return on average Common Equity Tier 1 capital (annualised) (%) <sup>iii</sup>	11.4	12.5		12.0	
Number of staff (FTEs at period end)	1,844	1,713	8%	1,780	4%

**Result**

€ million	H1 2023	H1 2022		H2 2022	
Commission	203.7	201.3	1%	206.4	-1%
- Of which securities commissions	186.5	176.7	6%	173.7	7%
- Of which other commissions	17.2	24.6	-30%	32.8	-48%
Interest	116.2	69.7	67%	93.0	25%
Income from securities and associates	5.8	6.2	-6%	1.6	
Result on financial transactions	-10.0	15.8		5.5	
<b>Income from operating activities</b>	<b>315.7</b>	<b>293.1</b>	<b>8%</b>	<b>306.6</b>	<b>3%</b>
Staff costs	155.8	144.3	8%	154.0	1%
Other administrative expenses	71.6	64.2	12%	59.4	21%
- Of which regulatory levies and charges	10.2	11.0	-7%	1.1	
Depreciation and amortisation	7.8	7.5	4%	8.8	-11%
<b>Operating expenses</b>	<b>235.2</b>	<b>216.0</b>	<b>9%</b>	<b>222.2</b>	<b>6%</b>
<b>Gross result</b>	<b>80.5</b>	<b>77.1</b>	<b>4%</b>	<b>84.4</b>	<b>-5%</b>
Addition to loan loss provision	-1.9	-7.2	74%	-0.5	
Other impairments	-	1.1		-	
<b>Impairments</b>	<b>-1.9</b>	<b>-6.1</b>	<b>70%</b>	<b>-0.5</b>	
Operating profit before tax of non-strategic investments	-0.2	0.1		0.5	
<b>Operating profit before special items and tax</b>	<b>82.1</b>	<b>83.3</b>	<b>-1%</b>	<b>85.4</b>	<b>-4%</b>
Amortisation of intangible assets arising from acquisitions	7.1	7.6	-7%	7.3	-3%
Expenses related to accounting treatment Mercier Vanderlinden	0.6	4.9	-89%	24.7	-98%
Provision revolving consumer credit	-	-		-2.0	
Restructuring charges related to the acquisition of Hof Hoorneman Bankiers	3.1	0.3		0.4	
Other one-off items	-	9.9		-3.4	
<b>Operating profit before tax</b>	<b>71.3</b>	<b>60.6</b>	<b>18%</b>	<b>58.4</b>	<b>22%</b>
Income tax	19.5	12.4	58%	22.3	-13%
<b>Net result</b>	<b>51.8</b>	<b>48.2</b>	<b>8%</b>	<b>36.1</b>	<b>44%</b>
<b>Underlying net result</b>	<b>54.7</b>	<b>60.7</b>	<b>-10%</b>	<b>57.1</b>	<b>-4%</b>

**Result per segment – H1 2023**

<i>€ million</i>	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission	144.4	39.3	17.0	3.1	203.7
Interest	106.5	0.1	-0.1	9.8	116.2
Other income	0.6	0.2	0.3	-5.3	-4.2
<b>Income from operating activities</b>	<b>251.5</b>	<b>39.6</b>	<b>17.2</b>	<b>7.5</b>	<b>315.7</b>
Staff costs	50.6	5.0	11.4	88.8	155.8
Other administrative expenses	32.7	5.4	4.6	29.0	71.6
Allocated expenses	64.3	30.7	5.8	-100.8	-
Depreciation and amortisation	0.6	0.0	0.1	7.0	7.8
<b>Operating expenses</b>	<b>148.1</b>	<b>41.1</b>	<b>21.9</b>	<b>24.1</b>	<b>235.2</b>
<b>Gross result</b>	<b>103.4</b>	<b>-1.5</b>	<b>-4.8</b>	<b>-16.6</b>	<b>80.5</b>
Impairments	-2.6	-	-	0.7	-1.9
Operating profit before tax of NSIs	-	-	-	-0.2	-0.2
<b>Operating profit before one-off charges and tax</b>	<b>105.9</b>	<b>-1.5</b>	<b>-4.8</b>	<b>-17.5</b>	<b>82.1</b>
Amortisation of intangible assets arising from acquisitions	6.5	0.2	-	0.4	7.1
Expenses related to accounting treatment Mercier Vanderlinden	0.6	-	-	-	0.6
Restructuring charges	1.8	0.1	-	1.3	3.1
<b>Operating profit before tax</b>	<b>97.1</b>	<b>-1.9</b>	<b>-4.8</b>	<b>-19.2</b>	<b>71.3</b>
<b>Underlying profit before tax</b>	<b>99.5</b>	<b>-1.7</b>	<b>-4.8</b>	<b>-17.9</b>	<b>75.0</b>



**Result per segment – H1 2022**

€ million	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission	137.0	38.3	24.3	1.7	201.3
Interest	68.1	0.0	0.0	1.6	69.7
Other income	1.5	-0.1	-1.8	22.4	22.0
<b>Income from operating activities</b>	<b>206.7</b>	<b>38.2</b>	<b>22.5</b>	<b>25.7</b>	<b>293.1</b>
Staff costs	44.8	5.1	11.7	82.7	144.3
Other administrative expenses	30.6	4.4	4.3	24.9	64.2
Allocated expenses	59.8	27.7	5.1	-92.6	-
Depreciation and amortisation	0.7	0.0	0.1	6.7	7.5
<b>Operating expenses</b>	<b>135.9</b>	<b>37.2</b>	<b>21.2</b>	<b>21.7</b>	<b>216.0</b>
<b>Gross result</b>	<b>70.9</b>	<b>1.0</b>	<b>1.3</b>	<b>4.0</b>	<b>77.1</b>
Impairments	-6.6	-	-	0.4	-6.1
Operating profit before tax of NSIs	-	-	-	0.1	0.1
<b>Operating profit before one-off charges and tax</b>	<b>77.4</b>	<b>1.0</b>	<b>1.3</b>	<b>3.6</b>	<b>83.3</b>
Amortisation of intangible assets arising from acquisitions	6.8	0.4	-	0.4	7.6
Expenses related to accounting treatment					
Mercier Vanderlinden	4.9	-	-	-	4.9
Restructuring charges	0.3	-	-	-	0.3
Other one-off items	9.9	-	-	-	9.9
<b>Operating profit before tax</b>	<b>55.5</b>	<b>0.6</b>	<b>1.3</b>	<b>3.2</b>	<b>60.6</b>
<b>Underlying profit before tax</b>	<b>70.6</b>	<b>0.6</b>	<b>1.3</b>	<b>3.2</b>	<b>75.7</b>

**PERFORMANCE REPORT/PRESENTATION/WEBCAST**

For a detailed discussion of Van Lanschot Kempfen's results and balance sheet, please refer to its performance report and presentation on the 2023 half-year results at [vanlanschotkempfen.com/results](https://vanlanschotkempfen.com/results). In a conference call on 24 August at 9:00 am CET, it will discuss its 2023 half-year results in greater detail. This may be viewed live at [vanlanschotkempfen.com/results](https://vanlanschotkempfen.com/results) and played back at a later date.

**ADDITIONAL INFORMATION**

For additional information, go to [vanlanschotkempfen.com/financial](https://vanlanschotkempfen.com/financial).

**FINANCIAL CALENDAR**

5 October 2023	Extraordinary general meeting
2 November 2023	Publication of 2023 third-quarter trading update
22 February 2024	Publication of 2023 full-year results

<b>Media Relations</b>	T +31 20 354 45 85	<a href="mailto:mediarelations@vanlanschotkempfen.com">mediarelations@vanlanschotkempfen.com</a>
<b>Investor Relations</b>	T +31 20 354 45 90	<a href="mailto:investorrelations@vanlanschotkempfen.com">investorrelations@vanlanschotkempfen.com</a>

**About Van Lanschot Kempen**

Van Lanschot Kempen is an independent, specialist wealth manager active in private banking, investment management and investment banking, with the aim of preserving and creating wealth, in a sustainable way, for both its clients and the society of which it is part. Through our long-term focus, we create positive financial and nonfinancial value. Listed at Euronext Amsterdam, Van Lanschot Kempen is the Netherlands' oldest independent financial services company, with a history dating back to 1737.

For more information, please visit [vanlanschotkempen.com](https://vanlanschotkempen.com)

**Important legal information and cautionary note on forward-looking statements**

This press release may contain forward-looking statements and targets on future events and developments. These forward-looking statements and targets are based on the current insights, information and assumptions of Van Lanschot Kempen's management about known and unknown risks, developments and uncertainties. Forward-looking statements and targets do not relate strictly to historical or current facts and are subject to such risks, developments and uncertainties which by their very nature fall outside the control of Van Lanschot Kempen and its management. Actual results, performances and circumstances may differ considerably from these forward-looking statements and targets.

Van Lanschot Kempen cautions that forward-looking statements and targets in this press release are only valid on the specific dates on which they are expressed, and accepts no responsibility or obligation to revise or update any information, whether as a result of new information or for any other reason.

Van Lanschot Kempen's semi-annual accounts are prepared in accordance with IAS 34 (Interim Financial Reporting), as adopted by the European Union. In preparing the financial information in this press release, except as described otherwise, the same accounting principles are applied as in the 2022 Van Lanschot Kempen consolidated annual accounts. The figures in this press release have not been audited. Small differences are possible in the tables due to rounding. Percentages are calculated based on unrounded figures.

This press release does not constitute an offer or solicitation for the sale, purchase or acquisition in any other way or subscription to any financial instrument and is not a recommendation to perform or refrain from performing any action.

Elements of this press release contain information about Van Lanschot Kempen NV within the meaning of Article 7(1) to (4) of EU Regulation No. 596/2014.

This press release is a translation of the Dutch language original and is provided as a courtesy only. In the event of any disparities, the Dutch language version will prevail. No rights can be derived from any translation thereof

---

<sup>i</sup> Underlying net result consists of net result adjusted for expenses related to the accounting treatment of Mercier Vanderlinden and restructuring charges.

<sup>ii</sup> 31/12/2021 including retained earnings; 30/06/2021 and 30/06/2022 excluding retained earnings.

<sup>iii</sup> Based on annualised underlying net result attributable to shareholders.