



**PRESS RELEASE**

*Amsterdam/'s-Hertogenbosch, the Netherlands, 11 May 2022*

## Van Lanschot Kempen: enhancing capital strategy and first-quarter 2022 trading update

### Capital Markets Day

- Transformation into specialist wealth manager completed successfully
- Focus on growth: organic, coupled with bolt-on acquisitions
- Enhancing financial targets and capital strategy

### First-quarter 2022 trading update

- Q1 net result at €25.1 million (Q1 2021: €33.1 million), decrease due to an incidental exceptional charge; underlying net result €35.7 million (Q1 2021: €33.7 million), with commission income up 18%
- Client assets at €125.5 billion (2021: €131.1 billion) and AuM at €106.3 billion (2021: €112.1 billion)
- Net AuM inflows at Private Clients of €0.6 billion and at Wholesale & Institutional Clients of €0.1 billion
- Robust capital ratio at 20.8% (2021: 23.7%), decrease driven by steeper capital requirements for residential mortgages

**Maarten Edixhoven, Chair of the Van Lanschot Kempen Management Board, said:** “The first quarter of this year was marked by high levels of uncertainty and volatility in the financial markets, caused by the terrible war in Ukraine and the ongoing pandemic. Our clients’ confidence and the sheer commitment and dedication of our people have kept our net assets under management (AuM) inflows in the black at €0.7 billion, pushed up commission income by 18% and brought us a strong net result of €25.1 million.

“Our transformation from a universal bank into a specialist wealth manager with a focus on private banking, professional solutions, investment management and investment banking is now complete, and this is a good time to enhance our financial targets and capital strategy. Our organisation boasts a solid growth track record, both organically and by acquisition, and we focus on growth while maintaining a capital-light balance sheet. Of course, our people are key: we have a great team full of entrepreneurial spirit and focused on our clients. We want to increase employee participation. The launch of an attractive employee share scheme at the start of the year proved a resounding success and we’ll soon be announcing a specific scheme for senior employees.”

### Enhancing financial targets

In 2021, we achieved all four of our financial targets, so today we are presenting our enhanced medium-term financial targets:

- A CET 1 ratio of 15% plus an M&A add-on of 2.5% for acquisitions, the latter offering enough scope for bolt-on acquisitions appropriate to our wealth management strategy. We plan to return additional capital in excess of a 17.5% CET 1 ratio to our shareholders in both 2022 and 2023, subject to regulatory approval.
- An efficiency ratio of 70%, reflecting our ambition to grow our revenues coupled with controlled cost growth.
- A 12% CET 1 return through the cycle.
- A dividend policy of 50–70% of underlying net profit attributable to shareholders. This target is unchanged.



## Focus on growth

- Private Clients in the Netherlands has full momentum, as shown by high net AuM inflows in the past few years. Our clients are happy and this shows in our high Relationship NPS, at 41 for the first quarter of 2022. We boast a strong position and a distinctive, personal client experience. And we're about to build further on this.
- In Belgium, too, the Private Clients segment offers plenty of scope for further growth. 2021 saw us take a major step in acquiring 70% in Mercier Vanderlinden, a key springboard for continuing synergies and growth. Our ambition is to achieve a Top 3 position among independent private banks in Belgium.
- New client business among semi-institutional clients continues, as high-wealth families, associations and foundations continue to professionalise. Our "Outsourced Chief Investment Officer" (OCIO) service is increasingly popular.
- We aim to grow further in the mass-affluent market and our Evi proposition has now reached critical scale and is running at a profit. The move towards more individualised pensions in the Dutch pensions market holds out more opportunities for Evi's growth.
- Wholesale & Institutional Clients has been growing apace in the past few years and recorded a high NPS of 38 in 2021. That said, its profitability deserves our attention and, going forward, the focus will be on profitable growth in the Netherlands and the United Kingdom.
- Since this year, we have started our independent wealth management service (IWMS) for independent investment companies. The first such independent investment company – and its first clients – now feature on our platform, with plenty more in the pipeline.
- Our investment strategies serve both private clients and wholesale and institutional clients. We are responding to our clients' wish to invest in alternatives – e.g. real assets and private markets – and have expert teams to further expand these areas of expertise.
- Our licence to operate at Investment Banking Clients is our strong focus on selected sectors: real estate, life sciences & healthcare, tech & fintech, renewables and infrastructure. The segment will see a continuation of our growth strategy, coupled with a capital-light balance sheet.

In addition to organic growth, Van Lanschot Kempen has also been growing by acquisition since 2015, and has a solid track record on bolt-on acquisitions and their integration. Inorganic growth is very much part of our strategy and we keep a keen eye on potential bolt-on acquisitions in the Dutch and Belgian private banking space, and in investment management in the UK and the Netherlands.

To support our growth strategy, we continue to invest in digitalisation, data analytics and technology, having built a strong team of talented, capable and result-oriented IT professionals in the past few years. Going forward, this team will further enhance our digital client experience, embed data analytics in client and investment processes, and further optimise and automate investment and other processes.

## Growth ambition

Over the past few years, our AuM have added around 10% a year on average, reflecting organic growth, growth by acquisition and market performance. On the above growth plans and under normal market conditions, we will be looking for comparable growth going forward.

## Sustainability

We are a sustainable wealth manager with a long-term focus, which essentially means that we proactively prevent negative impacts for all stakeholders while creating positive long-term financial and non-financial value. We continue to improve our offering of sustainable products and services. Committed to becoming a net zero asset manager by 2050, we have agreed challenging short-term targets, including an annual



carbon footprint reduction by 7% for discretionary AuM compared with 2019 and by 7% per FTE for our own organisation, also compared with 2019.

## Q1 trading update

In view of our Capital Markets Day on 11 May 2022, we have opted to release a quarterly trading update containing more financial information than usual.

## Client assets

The quarter saw total client assets come down in the wake of a negative market performance, to €125.5 billion (2021: €131.1 billion). AuM decreased to €106.3 billion (2021: €112.1 billion). Solid net inflows of €0.7 billion failed to stem the negative market performance of €6.5 billion. Net AuM inflows worked out at €0.6 billion for Private Clients and Wholesale & Institutional Clients recorded €0.1 billion in net inflows. Client savings remained stable at €11.8 billion (2021: €11.7 billion).

## Result

Our first-quarter 2022 net result fell to €25.1 million (Q1 2021: €33.1 million), caused by an incidental exceptional charge. In April 2022, the 's-Hertogenbosch court issued a ruling on an interest-rate derivatives case that – quite unexpectedly – did not go in our favour and we had to make provisions in the amount of €9.9 million, charged to our Q1 results.

The underlying net result, by contrast, rose to €35.7 million (Q1 2021: €33.7 million).

Commission income advanced by a hefty 18% to €106.1 million (Q1 2021: €89.8 million) on the back of higher AuM levels relative to the first quarter of 2021. Interest income stood at €35.6 million (Q1 2021: €36.9 million) and remained relatively stable thanks to low interest rates coupled with negative interest charged on savings. As expected, operating expenses were up, at €108.6 million in the quarter (Q1 2021: €97.8 million), due to the Mercier Vanderlinden acquisition as well as higher staff costs. €7.3 million was released from loan loss provisions (Q1 2021: €2.8 million) on the back of a high-quality loan portfolio mainly comprising residential mortgages in the Netherlands.

Our CET1 ratio remains robust, despite its decline to 20.8% (2021: 23.7%) due to the introduction by De Nederlandsche Bank of higher capital requirements for residential mortgages with effect from 1 January 2022.



## Key figures

€ million	Q1-2022	Q1-2021	
<b>Statement of income</b>			
Net result	25.1	33.1	-24%
Underlying net result <sup>i</sup>	35.7	33.7	6%
Efficiency ratio (%)	72.0	71.6	

€ billion	31/03/2022	31/12/2021	
<b>Client assets</b>	125.5	131.1	-4%
- Assets under management	106.3	112.1	-5%
- Assets under monitoring & guidance	3.4	3.5	-2%
- Assets under administration	4.0	3.8	6%
- Savings and deposits	11.8	11.7	0%

€ million	31/03/2022	31/12/2021	
<b>Statement of financial position and capital management</b>			
Equity attributable to shareholders	1,313	1,308	0%
Equity attributable to AT 1 capital securities	103	102	2%
Equity attributable to non-controlling interests	0	0	0%
Savings and deposits	11,755	11,730	0%
Loans and advances to clients	8,965	8,876	1%
Total assets	16,414	16,307	1%
Loan-to-deposit ratio (%)	76.3	75.7	
Risk-weighted assets	4,395	3,927	12%
Common Equity Tier 1 ratio (%)	20.8	23.7	
Tier 1 ratio (%)	23.1	26.3	
Total capital ratio (%)	26.5	30.1	

	Q1-2022	Q1-2021	
<b>Key figures</b>			
Weighted average of outstanding ordinary shares (x 1,000)	40,878	41,113	-1%
Underlying earnings per share (€)	0.83	0.78	6%
Return on average Common Equity Tier 1 capital (%) <sup>ii</sup>	14.7	12.5	

	31/03/2022	31/12/2021	
Number of staff (FTEs)	1,694	1,654	2%



## Resultaat

€ million	Q1-2022	Q1-2021	
Commission	106.1	89.8	18%
- Of which securities commissions	90.5	70.6	28%
- Of which other commissions	15.6	19.1	-19%
Interest	35.6	36.9	-3%
Income from securities and associates	1.4	11.4	-88%
Result on financial transactions	7.9	-1.4	
<b>Income from operating activities</b>	<b>151.0</b>	<b>136.6</b>	<b>11%</b>
Staff costs	71.5	62.5	14%
Other administrative expenses	33.3	31.3	7%
- Of which regulatory levies and charges	7.7	7.2	6%
Depreciation and amortisation	3.8	4.0	-5%
<b>Operating expenses</b>	<b>108.6</b>	<b>97.8</b>	<b>11%</b>
<b>Gross result</b>	<b>42.3</b>	<b>38.8</b>	<b>9%</b>
Addition to loan loss provision	-7.3	-2.8	
Other impairments	-	-2.2	-100%
<b>Impairments</b>	<b>-7.3</b>	<b>-5.0</b>	<b>45%</b>
Operating profit before tax of non-strategic investments	0.1	0.5	-88%
<b>Operating profit before special items and tax</b>	<b>49.7</b>	<b>44.3</b>	<b>12%</b>
Amortisation of intangible assets arising from acquisitions	3.8	1.9	
Expenses related to accounting treatment Mercier Vanderlinden	3.0	-	
Restructuring charges related to the acquisition of Hof Hoorneman Bankiers	0.4	0.7	-49%
Other incidental items	9.9	-	
<b>Operating profit before tax</b>	<b>32.6</b>	<b>41.7</b>	<b>-22%</b>
Income tax	7.5	8.6	-13%
<b>Net result</b>	<b>25.1</b>	<b>33.1</b>	<b>-24%</b>
<b>Underlying net result</b>	<b>35.7</b>	<b>33.7</b>	<b>6%</b>



## Result per segment

<i>Q1 2022 (€ million)</i>	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission	70.2	19.9	15.4	0.6	106.1
Interest	33.3	0.0	0.0	2.3	35.6
Other income	1.3	0.0	-0.1	8.1	9.3
<b>Income from operating activities</b>	<b>104.8</b>	<b>19.9</b>	<b>15.3</b>	<b>11.1</b>	<b>151.0</b>
Staff costs	21.6	2.5	5.8	41.6	71.5
Other administrative expenses	16.5	2.3	2.1	12.4	33.3
Allocated expenses	29.9	13.7	2.5	-46.2	-
Depreciation and amortisation	0.4	0.0	0.1	3.4	3.8
<b>Operating expenses</b>	<b>68.4</b>	<b>18.5</b>	<b>10.5</b>	<b>11.2</b>	<b>108.6</b>
<b>Gross result</b>	<b>36.3</b>	<b>1.4</b>	<b>4.8</b>	<b>-0.1</b>	<b>42.3</b>
Impairments	-6.7	-	-	-0.6	-7.3
Operating profit before tax of non-strategic investments	-	-	-	0.1	0.1
<b>Operating profit before one-off charges and tax</b>	<b>43.0</b>	<b>1.4</b>	<b>4.8</b>	<b>0.5</b>	<b>49.7</b>
Amortisation of intangible assets arising from acquisitions	3.4	0.2	-	0.2	3.8
Expenses related to accounting treatment Mercier Vanderlinden	3.0	-	-	-	3.0
Restructuring charges related to the acquisition of Hof Hoorneman Bankiers	0.4	-	-	-	0.4
Other incidental charges	9.9	-	-	-	9.9
<b>Operating profit before tax</b>	<b>26.4</b>	<b>1.2</b>	<b>4.8</b>	<b>0.3</b>	<b>32.6</b>
<b>Underlying profit before tax</b>	<b>39.6</b>	<b>1.2</b>	<b>4.8</b>	<b>0.3</b>	<b>45.8</b>



## Result per segment

Q1 2021 (€ million)	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission	51.4	18.8	19.2	0.4	89.8
Interest	33.7	0.0	0.0	3.2	36.9
Other income	0.8	-0.1	0.4	8.8	10.0
<b>Income from operating activities</b>	<b>85.8</b>	<b>18.7</b>	<b>19.6</b>	<b>12.5</b>	<b>136.6</b>
Staff costs	20.7	2.5	5.5	33.8	62.5
Other administrative expenses	15.0	1.9	1.8	12.5	31.3
Allocated expenses	26.4	12.4	2.5	-41.3	-
Depreciation and amortisation	0.4	0.0	0.1	3.5	4.0
<b>Operating expenses</b>	<b>62.6</b>	<b>16.8</b>	<b>9.9</b>	<b>8.5</b>	<b>97.8</b>
<b>Gross result</b>	<b>23.2</b>	<b>1.9</b>	<b>9.7</b>	<b>4.0</b>	<b>38.8</b>
Impairments	-2.8	-	-	-2.3	-5.0
Operating profit before tax of non-strategic investments	-	-	-	0.5	0.5
<b>Operating profit before one-off charges and tax</b>	<b>26.0</b>	<b>1.9</b>	<b>9.7</b>	<b>6.7</b>	<b>44.3</b>
Amortisation of intangible assets arising from acquisitions	1.5	0.2	-	0.2	1.9
Restructuring charges related to the acquisition of Hof Hoorneman Bankiers	0.7	-	-	-	0.7
<b>Operating profit before tax</b>	<b>23.8</b>	<b>1.7</b>	<b>9.7</b>	<b>6.5</b>	<b>41.7</b>
<b>Underlying profit before tax</b>	<b>24.5</b>	<b>1.7</b>	<b>9.7</b>	<b>6.5</b>	<b>42.5</b>

## WEBCAST

Our virtual Capital Markets Day will start at 2.00 pm on Wednesday 11 May. You may view this live at [vanlanschotkempen.com/cmd](https://vanlanschotkempen.com/cmd) or play it back at a later date.

## FINANCIAL CALENDAR

12 May 2022	Retail Investor Day
25 May 2022	Annual General Meeting
27 May 2022	Ex-dividend date
9 June 2022	2021 dividend payment date
25 August 2022	Publication of 2022 half-year results
4 November 2022	Publication of 2022 third-quarter trading update

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## About Van Lanschot Kempen

Van Lanschot Kempen is a wealth manager active in Private Banking, Professional Solutions, 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. As a sustainable wealth manager with a long-term focus, Van Lanschot Kempen proactively seeks to prevent negative impact for all stakeholders and to create positive long-term financial and non-financial value. Listed at Euronext Amsterdam, Van Lanschot Kempen is the Netherlands' oldest independent financial services company, with a history dating back to 1737. To fully leverage the potential of the Van Lanschot Kempen organisation for its clients, it provides solutions that build on the knowledge and expertise across its entire group and



on its open architecture platform. Van Lanschot Kempen is convinced that it is able to meet the needs of its clients in a sustainable way by offering them access to the full range of its products and services across all its businesses.

For more information, please visit [vanlanschotkempen.com](http://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 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 as a result of risks, developments and uncertainties relating to, but not limited to, (a) income growth, (b) costs, (c) the macroeconomic and business climate, (d) political and market trends, (e) interest rates and currency exchange rates, (f) behaviour of clients, competitors, investors and counterparties, (g) the implementation of Van Lanschot Kempen's strategy, (h) actions taken by supervisory and regulatory authorities and private entities, (i) changes in law and taxation, (j) changes in ownership that could affect the future availability of capital, (k) changes in credit ratings and (l) evolution and economic and societal impact of the Covid-19 pandemic.

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 quarterly accounts are prepared in accordance with the relevant IFRS guidelines, as adopted by the European Union. In preparing the quarterly figures in this press release, except as described otherwise, the same accounting principles are applied as in the 2021 Van Lanschot Kempen consolidated annual accounts. The financial data in this press release have not been audited. Small differences in tables may be the result of 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.

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<sup>i</sup> The underlying net result is the net result adjusted for the costs of expenses related to accounting treatment Mercier Vanderlinden, restructuring charges related to the acquisition of Hof Hoorneman Bankiers and other incidental items.

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