Van Lanschot Kempen Performance report

2022 HALF-YEAR RESULTS

VAN LANSCHOT KEMPEN

NOTES TO THE READER

Managerial reporting

Diverging from their recognition in our (IFRS) financial statements, non-strategic investments, amortisation of intangible assets arising from acquisitions, expenses related to the accounting treatment of Mercier Vanderlinden, the provision for revolving consumer credit, restructuring charges and other incidental items are shown separately.

Unrounded figures

Amounts in the performance report may not add up due to being rounded up or down. The total amounts may therefore deviate from the sum of the parts. Percentage changes are based on the unrounded figures.

Changes to comparative figures

Some amounts differ from previously published reports; in these cases, explanations are given in the footnotes.

Contents

2022-23 key performance indicators (KPIs)

To monitor whether we're on track to deliver on our ambitions and create long-term value, we set financial and non-financial KPIs and targets. These are based on industry trends and developments, stakeholder expectations, client needs and strategic relevance.

Our KPIs are focused on value creation, both financial and non-financial. The table below shows our targets and performance on these KPIs in the first half of 2022 and for full 2021. Our KPIs have been revised for 2022-23, and, as a result, not all KPIs were measured in full 2021.

Value creation themes	KPIs	Targets	Performance H1 2022	Performance FY 2021
Financial	1. CET 1 ratio	15% + 2.5% M&A add-on	20.2%	23.7%
	2. Return on equity (CET 1)	12%	12.5%	15.7%
	3. Efficiency ratio	70%	73.7%	68.9%
	4. Three-year relative performance of our managed propositions	> benchmark	-0.1%	n/a
Human and intellectual	5. Employer Net Promoter Score (eNPS)	> 10	17	13
	6. Employee engagement score (EES)	> 80%	n/a	88%
	7. Percentage of employees who believe they have the opportunity for personal development and growth	> benchmark > last pulse/EES (if below benchmark) (79%)	83%	n/a
	8. Gender balance among senior staff	> 30% female > 30% male	16.8%	15.1%
	9. Gender pay gap	< 2.0%	2.7%	4.0%
	10. Staff turnover	5-10%	6.2%	5.2%
	11. Absenteeism	< industry average (all: 2.8%; long: 1.8%)	All: 2.6%; long: 1.7%	All: 2.2%; long: 1.3%
Natural	12. Sustainability rating of all Kempen funds by Morningstar	≥ 3.5	3.7	n/a
	13. Decrease in carbon emissions:			
	a. Direct emissions via our own organisation	-7.0% per FTE per year (base year 2019) Target 2022: 1.93 tonnes CO_2e	1.42 tonnes CO_2e	1.10 tonnes CO_2e
	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	95%	n/a
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals	n/a	n/a
	c. Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO_2e emissions by end 2022	n/a	n/a
	d. Indirect emissions via our mortgage portfolio	CO_2e/€ < last year	-1.3%	-6.1%
	14. Investment Strategies & Solutions sustainability ambition:			
	a. Percentage of AuM invested in sustainable and/or impact wealth management solutions	+5 percentage points per year	20%	n/a
	b. Percentage of assets under management in internal and external funds/mandates on the approved list that meet the basic sustainability criteria	> last year	93%	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	Engaged with 20 out of 55 companies	n/a

Value creation themes	KPIs	Targets		Performance H1 2022	Performance FY 2021
Social	15. Net Promoter Score (NPS)				
	a. Private Clients	20	●	35	36
	b. Evi	10	●	1	15
	c. Wholesale & Institutional Clients	20	●	n/a	38
	16. Investment Banking Clients: number of successful transactions with repeat Corporate Finance clients (five-year period).	50-60%	●	58%	n/a
	17. Number of interactions (indexed) with institutional investors by Securities	130 (2020 baseline: 100)	●	123	n/a
	18. Average Morningstar analyst rating	≥ last year	●	1 Gold, 1 Silver and 4 Neutral	1 Gold, 1 Silver, 2 Bronze, 2 Neutral
	19. Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements per year	●	4	n/a
	20. Percentage of employees who believe they have a responsibility to behave ethically	> benchmark (84%) > last pulse/EES (if below benchmark)	●	90%	90%
	21. 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
	22. Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes	●	Yes	n/a

● KPI more than achieved ● KPI achieved ● KPI almost achieved ● KPI not achieved ● KPI far from achieved

Financial

Financial performance and risk management are key to our organisation, as all direct stakeholders benefit from a solid capital position and sustainable performance. At the end of June 2022, our CET 1 ratio stood at 20.2%, well above our target. For CET 1 developments, please refer to page 18. Our return on CET 1 of 12.5% is above our target of 12% through-the-cycle. Our efficiency ratio of 73.7% does not meet our target. More information on the efficiency ratio is provided on page 12 of this report.

Our wealth management solutions aim to deliver positive performances in the long term, with our investment strategies performing well against their benchmarks. In H1 2022, the three-year average performance of our managed propositions relative to the benchmark stood at -0.1%. This figure is calculated by comparing the absolute performance of three of our main discretionary solutions over the last three years with their respective benchmarks. Although we just missed our target to outperform the benchmarks, these propositions' absolute three-year average performance amounted to 3.4% per year, making for a positive contribution to our clients' wealth.

Human and intellectual

As a wealth manager, Van Lanschot Kempen depends on hiring and retaining knowledgeable, experienced and professional staff, i.e. our human capital. We are therefore highly motivated to create an attractive work environment for our workforce and to invest in our people. We measure our employee satisfaction via a periodic pulse survey, which includes the official employer Net Promoter Score (eNPS) question on whether an employee recommends their company as a good place to work. The eNPS method is used to measure employee satisfaction and loyalty to our organisation, based on the percentage of employees who are promoters of the organisation, less the percentage of employees who are detractors. The score of 17 well exceeds our target.

We aim for a fully inclusive workforce in the broadest sense. We measure gender balance, and aim for at least 30% female and 30% male among our senior staff members. Currently, 16.8% of senior staff members are female. To support more diversity in senior staff positions, we have defined an action plan. We are using talent sourcers and specialist agencies for specific roles and we try to address biases in the selection process by ensuring a balanced hiring team. To aid retention we promote the flexible and inclusive working conditions we offer. In terms of throughflow we focus on building a female talent pool.

Natural

We focus on reducing direct emissions via our own organisation and have committed to an annual reduction target for our carbon footprint of 7% per year (compared with base year 2019). With an annualised carbon footprint per FTE of 1.42 tonnes CO_2e per year in H1 2022, we are well ahead of the target of 1.93 tonnes CO_2e for 2022.

We can achieve the most significant economic, environmental and social impact by investing the wealth of our clients in a sustainable manner. The percentage of our assets under management invested in sustainable or impact wealth management solutions stood at 20% at the end of June 2022. We aim to grow this percentage by over 5 percentage points annually.

In 2022, we set out to engage with 55 companies representing over 50% of our Kempen listed funds' carbon footprint. In H1 2022, we undertook 20 engagements for change and awareness with our investees, and thus believe we are on track to meet our annual target. In H1 2022, the percentage of assets under management in internal and external funds or mandates that are on our approved list and that meet our sustainability criteria (3 out of 5 or higher on our internal scoring system) stood at 93%, a percentage we aim to increase further year-on-year.

Social

The relationship with our clients is one of our most important assets. Client satisfaction is measured, among other means, via the Net Promoter Score (NPS), specifically via the relationship NPS[1] that indicates the percentage of promoters of the organisation less the percentage of detractors.

In H1 2022, Private Clients' NPS stood at the very high level of 35, well above our target of 20. Evi's NPS stood at 1, which is below our target of 10. The latter score was strongly correlated with prevailing market sentiment.

Among our Corporate Finance clients, client centricity is measured via the percentage of successful transactions with repeat Corporate Finance clients. A client is a repeat Corporate Finance client if they have made a successful transaction with us in the past five years. The result on this KPI indicates whether existing clients are doing business with us again and our ability to acquire new clients. In H1 2022, 58% of transactions were with repeat clients, which is within our target range of 50-60%.

Client centricity among our Securities clients is measured through the indexed number of interactions with Securities institutional clients compared with base year 2020. The indexed number of interactions during H1 2022 amounted to 123 and is below our target of 130.

The quality of our investment strategies is measured via the average Morningstar analyst rating of these strategies, where we aim to grow the number of positively rated funds. In H1 2022, the number of positively rated funds fell slightly, causing us to miss our target.

We strive to operate in an ethical manner and we encourage our employees to behave ethically and with integrity. We monitor whether our employees positively evaluate our culture regarding ethical behaviour and integrity via quarterly employee surveys. Employees are asked to evaluate whether we operate with integrity in both our internal and external dealings, and if they feel they could report dishonest or unethical practices without fear of reprisal. We also ask if employees believe our company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication. The outcomes are benchmarked against other financial services firms (by an external organisation) and were above the industry average at the end of H1 2022, in line with our target.

[1] Relationship NPS differs from Transactional NPS, which is also commonly used. Transactional NPS measures client satisfaction after a single transaction and typically leads to a higher score than Relationship NPS.

FINANCIAL PERFORMANCE

Key financial data

€ million	H1 2022	H1 2021		H2 2021	
Statement of income					
Net result	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	

€ billion	30/06/2022	31/12/2021		30/06/2021	
Client assets	118.5	131.2	-10%	121.0	-2%
– Assets under management	99.6	112.1	-11%	104.2	-4%
– Assets under monitoring and guidance	3.2	3.5	-8%	3.2	0%
– Assets under administration	3.8	3.8	1%	3.4	14%
– Savings and deposits	11.9	11.7	2%	10.2	17%

€ million	30/06/2022	31/12/2021		30/06/2021	
Statement of financial position and capital management					
Equity attributable to shareholders	1,244	1,308	-5%	1,291	-4%
Equity attributable to AT1 capital securities	102	102	—	102	—
Savings and deposits	11,933	11,730	2%	10,228	17%
Loans and advances to clients	9,094	8,876	2%	8,663	5%
Total assets	16,702	16,307	2%	15,030	11%
Loan-to-deposit ratio (%)	76.2	75.7		84.7	
Total risk exposure amount	4,482	3,927	14%	4,586	-2%
Common Equity Tier 1 ratio (%)[2]	20.2	23.7		21.9	
Tier 1 ratio (%)[2]	22.5	26.3		23.1	
Total capital ratio (%)[2]	25.8	30.1		25.2	
Liquidity coverage ratio	173.0	172.0		158.8	
Net stable funding ratio	160.4	163.0		155.6	

Key figures	H1 2022	H1 2021		H2 2021	
Weighted average of outstanding shares (x 1,000)	40,793	40,986	0%	40,910	0%
Underlying earnings per share (€)	1.40	1.36	3%	2.38	-41%
Return on average Common Equity Tier 1 capital (annualised) (%)[3]	12.5	11.0		20.1	
Number of staff (FTEs at period end)	1,713	1,588	8%	1,654	4%

[2] 31/12/2021 including retained earnings; 30/06/2021 and 30/06/2022 excluding retained earnings.
[3] Return on average Common Equity Tier 1 capital is calculated based on annualised underlying net result attributable to shareholders.

Financial results (€ million)	H1 2022	H1 2021		H2 2021	
Commission	201.3	175.7	15%	209.9	-4%
– Of which securities commissions	*176.7*	*146.7*	*20%*	*183.4*	*-4%*
– Of which other commissions	*24.6*	*28.9*	*-15%*	*26.5*	*-7%*
Interest	69.7	76.1	-8%	77.5	-10%
Income from securities and associates	6.2	22.3	-72%	43.6	-86%
Result on financial transactions	15.8	-4.8		-5.5	
Income from operating activities	**293.1**	**269.3**	**9%**	**325.4**	**-10%**
Staff costs	144.3	129.3	12%	143.6	0%
Other administrative expenses	64.2	59.4	8%	60.3	6%
– Of which regulatory levies and charges	*11.0*	*9.9*	*11%*	*4.0*	
Depreciation and amortisation	7.5	8.1	-7%	9.2	-18%
Operating expenses	**216.0**	**196.8**	**10%**	**213.1**	**1%**
Gross result	**77.1**	**72.5**	**6%**	**112.3**	**-31%**
Addition to loan loss provisions	-7.2	-3.5		-8.1	-11%
Other impairments	1.1	-2.2		-4.3	
Impairments	**-6.1**	**-5.7**	**7%**	**-12.4**	**-51%**
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%
Provision for revolving consumer credit	—	—		3.3	-100%
Restructuring charges	0.3	1.2	-73%	2.6	-87%
Other incidental items	9.9	—		2.3	
Operating profit before tax	**60.6**	**74.0**	**-18%**	**104.5**	**-42%**
Income tax	12.4	15.7	-21%	19.0	-35%
Net result	**48.2**	**58.3**	**-17%**	**85.5**	**-44%**
Underlying net result	**60.7**	**59.2**	**3%**	**100.7**	**-40%**

Underlying net result (€ million)	H1 2022	H1 2021		H2 2021	
Net result	**48.2**	**58.3**		**85.5**	**-44%**
Expenses related to accounting treatment of Mercier Vanderlinden	4.9	—		8.5	-42%
Provision for revolving consumer credit	—	—		3.3	-100%
Restructuring charges	0.3	1.2	-73%	2.6	-87%
Other incidental items	9.9	—		2.3	
Tax effects	-2.6	-0.3		-1.5	78%
Underlying net result	**60.7**	**59.2**	**3%**	**100.7**	**-40%**

All segments made a positive contribution to the underlying result before tax. The underlying result before tax for for H1 2022 is the gross result adjusted for special items, i.e. expenses relating to the accounting treatment of the partnership with Mercier Vanderlinden, restructuring charges and other incidental items (€12.5 million net effect).

Operating profit before special items and tax by segment
(€ million)

Segments in H1 2022 (€ million)	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Net commission income	137.0	38.3	24.3	1.7	201.3
Net interest income	68.1	0.0	0.0	1.6	69.7
Other income	1.5	-0.1	-1.8	22.4	22.0
Total income from operating activities	**206.7**	**38.2**	**22.5**	**25.7**	**293.1**
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 internal expenses	59.8	27.7	5.1	-92.6	—
Depreciation and amortisation	0.7	0.0	0.1	6.7	7.5
Total expenses	**135.9**	**37.2**	**21.2**	**21.7**	**216.0**
Operating result before tax	**70.9**	**1.0**	**1.3**	**4.0**	**77.1**
Impairments	-6.6	—	—	0.4	-6.1
Operating result before tax of non-strategic investments	—	—	—	0.1	0.1
Operating result 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 result before tax	**55.5**	**0.6**	**1.3**	**3.2**	**60.6**
Underlying result before tax	**70.6**	**0.6**	**1.3**	**3.2**	**75.7**

Segments in H1 2021 (€ million)	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Net commission income	106.8	37.7	29.0	2.1	175.7
Net interest income	67.3	—	0.0	8.9	76.1
Other income	1.7	—	1.3	14.5	17.5
Total income from operating activities	**175.8**	**37.7**	**30.3**	**25.4**	**269.3**
Staff costs	41.9	4.5	11.5	71.4	129.3
Other administrative expenses	28.5	3.2	3.8	23.9	59.4
Allocated internal expenses	52.8	25.4	4.6	-82.8	—
Depreciation and amortisation	0.7	0.0	0.1	7.2	8.1
Total expenses	**123.9**	**33.1**	**20.0**	**19.7**	**196.8**
Operating result before tax	**51.9**	**4.6**	**10.3**	**5.7**	**72.5**
Impairments	-3.4	—	—	-2.3	-5.7
Operating result before tax of non-strategic investments	—	—	—	0.7	0.7
Operating result before special items and tax	**55.3**	**4.6**	**10.3**	**8.7**	**78.9**
Amortisation of intangible assets arising from acquisitions	3.0	0.4	—	0.4	3.7
Expenses related to accounting treatment of Mercier Vanderlinden	—	—	—	—	—
Restructuring charges	1.2	—	—	—	1.2
Other incidental items	—	—	—	—	—
Operating result before tax	**51.1**	**4.2**	**10.3**	**8.3**	**74.0**
Underlying result before tax	**52.4**	**4.2**	**10.3**	**8.3**	**75.2**

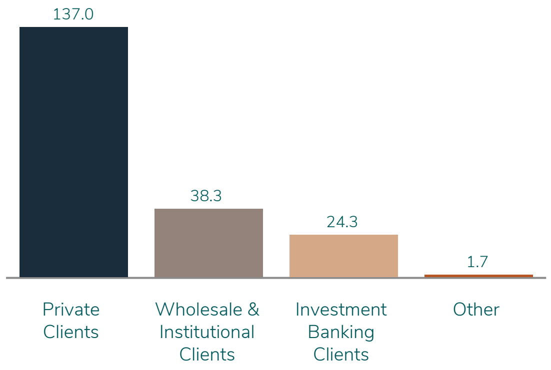
Unaudited

Commission

Commission (€ million)	H1 2022	H1 2021		H2 2021	
Securities commissions	176.7	146.7	20%	183.4	-4%
– *Management fees*	165.9	134.5	23%	171.0	-3%
– *Transaction fees*	10.8	12.2	-12%	12.4	-13%
Other commissions	24.6	28.9	-15%	26.5	-7%
Commission	**201.3**	**175.7**	**15%**	**209.9**	**-4%**

Commission income grew by 15% compared with H1 2021 to €201.3 million and accounted for 69% of our total operating income. Management fees increased 23%, reflecting significant growth in AuM at Private Clients (+ €3.3 billion relative to 30 June 2021). This growth is a result of both net inflows – in discretionary and non-discretionary management – and the addition of Mercier Vanderlinden from July 2021 onwards. Market headwinds in the first six months of 2022 resulted in a significant total negative market performance (-€17.5 billion) and lower transaction fees.

Commission income by segment
(€ million)



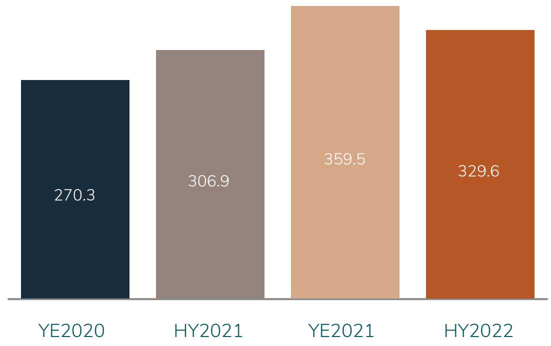
Private Clients' total commission income came in at €137.0 million. The addition of Mercier Vanderlinden from July 2021 onwards contributed €16.4 million to this year's H1 commission income. Private Clients' margin on assets under management remained stable at 62 basis points in H1 2022 (2021: 62 basis points).

Wholesale & Institutional Clients brought in net commission income of €38.3 million. Average margins remained stable at 12 basis points (2021: 12 basis points).

Investment Banking Clients' commission income amounted to €24.3 million, a decrease compared with H1 2021 (€29.0 million) due to a challenging market in which we see less ECM activity, partly offset by higher M&A and debt advisory fees.

Annualised recurring securities commission income (run rate) decreased by 8% compared with year-end 2021 as a result of negative market performance, but was still higher than at YE 2020 and in HY 2021. 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 that AuM remains unchanged. The expected annual transaction fees related to these client portfolios are added to this number.

Annualised run rate securities commission income
(€ million)



Interest

Interest (€ million)	H1 2022	H1 2021		H2 2021	
Gross interest margin	88.7	83.0	7%	89.7	-1%
Interest income and charges on hedge derivatives	-11.6	-5.6		-9.5	22%
Interest equalisation	-8.2	-8.4	-2%	-7.9	4%
Clean interest margin	**68.8**	**69.0**	**0%**	**72.3**	**-5%**
Miscellaneous interest income and charges	0.1	5.4	-98%	4.0	-98%
Loan commission	0.8	1.6	-51%	1.3	-39%
Interest	**69.7**	**76.1**	**-8%**	**77.6**	**-10%**

H1 2022 interest income amounted to €69.7 million, 8% down on the €76.1 million realised in H1 2021. The decrease was mainly driven by lower margins on mortgages which – even though new production volume was strong – led to lower income on loans and lower early redemption fees, driven by fewer prepayments as interest rates rose in the second quarter.

The above decrease was partly offset by higher income from negative interest rates on savings. On average, we charged negative interest rates on €5.0 billion of savings in H1 2022 compared with €2.5 billion of savings in H1 2021. The impact of charging negative interest rates increased from €6.3m in H1 2021 to €12.5 million in H1 2022.

This is the result of lowering the threshold for negative interest rates of 0.50% on savings to €100,000 as of 1 July 2021 and to €50,000 as of 1 April 2022. The interest rate on savings will increase to -0.25% as of 1 August 2022 and then to 0% as of 1 October 2022.

In comparison with H1 2021, the interest margin (12 month moving average) fell by 13 basis points to an average of 88 basis points. The clean interest margin declined by 9 basis points compared with its level at the end of H1 2021, to 86 basis points at the end of H1 2022.

Income from securities and associates

Income from securities and associates (€ million)	H1 2022	H1 2021		H2 2021	
Dividend	1.8	4.0	-54%	6.8	-73%
Realised capital gains	7.2	0.2		18.8	-62%
Valuation gains and losses	-2.8	18.1		18.0	
Income from securities and associates	**6.2**	**22.3**	**-72%**	**43.6**	**-86%**

Income from, and book value of, securities and associates (€ million)	Income H1 2022	Income H1 2021	Book value 30 June 2022	Book value year-end 2021
Van Lanschot Participaties (minority interests)	12.2	5.2	44.4	52.2
Bolster Investment Coöperatief UA	2.5	2.7	52.9	51.3
Co-investments in own funds	-8.5	14.5	139.4	202.3
Other equity investments	0.0	-0.1	2.0	1.7
Total from securities and associates	**6.2**	**22.3**	**238.7**	**307.5**

Income from securities and associates relates to investments of our equity investment company Van Lanschot Participaties and our investment in Bolster Investments Coöperatief UA. We also take positions in our own investment funds, as this allows us to provide seed capital and align our own interests with those of our clients.

Dividend income declined to €1.8 million, from €4.0 million in H1 2021. Realised capital gains were up to €7.2m in H1 2022. In June, a participating interest owned by private equity fund Newion II – in which we invest – was sold. This resulted in a book profit of €7.4 million.

Valuation gains and losses declined by €21.0 million to a negative €2.8 million in H1 2022. This reflects the negative results of our co-investments. The total result of our own investment funds worked out at €1.7 million (H1 2021: €8.3 million), consisting of -€8.5 million on our own investment funds and €10.1 million on hedges. The result on hedges are reported under result on financial transactions. The book value of our own investment funds was higher at year-end 2021 due to a temporary stake in our own Euro Credit Fund.

Result on financial transactions

Result on financial transactions (€ million)	H1 2022	H1 2021		H2 2021	
Result on securities trading	-1.0	1.2		0.5	
Result on currency trading	4.1	4.4	-6%	4.3	-3%
Result on investment portfolio	-0.1	0.3		2.7	
Result on hedges	12.0	-11.4		-9.2	
Other income	0.8	0.8	6%	-3.8	
Result on financial transactions	**15.8**	**-4.8**		**-5.5**	

Result on securities trading decreased to a €1.0 million loss and reflects the trading book performance. Trading activities mainly involve providing liquidity to clients.

Result on hedges improved significantly, largely due to a positive result of €10.1 million on futures that are used to hedge co-investments in own funds, as mentioned under income from securities and associates.

Result on hedges related to structured product activities fell to -€2.6 million (H1 2021: -€1.4 million). Total income on structured products activities came in at -€1.7 million, including commission income. The value of the macro-hedge portfolio decreased to €355 million (year-end 2021: €385 million).

Operating expenses

Operating expenses (€ million)	H1 2022	H1 2021		H2 2021	
Staff costs	144.3	129.3	12%	143.6	0%
Other administrative expenses	64.2	59.4	8%	60.3	6%
– of which regulatory levies and charges	*11.0*	*9.9*	*11%*	*4.0*	
Depreciation and amortisation	7.5	8.1	-7%	9.2	-18%
Operating expenses	**216.0**	**196.8**	**10%**	**213.1**	1%

Total operating expenses were up 10% to €216.0 million (H1 2021: € 196.8 million), mainly driven by the acquisition of Mercier Vanderlinden (€6.1 million) as well as an increase in staff costs through growth in FTEs.

Staff costs

Staff costs increased by €15.0 million in H1 2022. The number of staff grew to 1,713 FTEs (end of June 2021: 1,588 FTEs) primarily in the teams that contribute to our digital capabilities, compliance function and the development of investment solutions. The acquisition of Mercier Vanderlinden also added 43 FTEs and led to a total increase in staff costs of €3.9 million.

Other administrative expenses

Other administrative expenses amounted to €64.2 million, 8% above the figure for H1 2021 (€59.4 million). The increase is related to several IT projects and higher travel expenses due to the expiry of Covid-19-related restrictions.

The acquisition of Mercier Vanderlinden added €2.0 million to other administrative expenses.

Regulatory levies and charges increased by €1.1 million to €11.0 million in H1 2022. This item consists of supervisory costs, the deposit guarantee scheme, the single resolution fund and Belgian banking tax.

Efficiency ratio

The efficiency ratio – i.e. the ratio of operating expenses to income from operating activities – declined to 73.7% in H1 2022 from 73.1% in H1 2021. This was mainly driven by higher costs (especially staff costs), which more than offsets the higher income from operating activities.

Impairments

Impairments (€ million)	H1 2022	H1 2021		H2 2021	
Addition to loan loss provisions	-7.2	-3.5		-8.1	-11%
Other impairments	1.1	-2.2		-4.3	
Impairments	**-6.1**	**-5.7**	**7%**	**-12.4**	**-51%**

Addition to loan loss provisions

In H1 2022, €7.2 million was released from our loan loss provisions. The current management overlay – adjustments in the stage classification of some clients – amounts to €3.2 million (year-end 2021: €1.6 million). The management overlay reflects uncertain economic circumstances caused by high oil and energy prices in the wake of the pandemic and the war in Ukraine.

In H1 2022, the annualised addition to loan loss provisions relative to average risk-weighted assets worked out at a release of 34 basis points (H1 2021: release of 16 basis points).

Other impairments

Other impairments of €1.1 million comprise an impairment on one of our office buildings. In H1 2021, other impairments showed a release of €2.2 million. This amount was a reversal of an impairment on one of our participating interests, resulting from an increase in the fair value of the minority holdings in one of our private equity investments to which impairments had been recognised previously.

Non-strategic investments

We currently have a majority stake in one non-strategic financial investment, Allshare. The operating profit (before tax) from this non-strategic investment amounted to €0.1 million in H1 2022.

Special items

Special items (€ million)	H1 2022	H1 2021		H2 2021	
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%
Provision for revolving consumer credit	—	—		3.3	-100%
Restructuring charges	0.3	1.2	-73%	2.6	-87%
Other incidental items	9.9	—		2.3	
Special items	**22.8**	**5.0**		**24.3**	**-6%**

We recognised several special items in H1 2022, totalling €22.8 million (H1 2021: €5.0 million).

In July 2021, we completed the acquisition of 70% of the shares in Mercier Vanderlinden. Due to the acquisition of Mercier Vanderlinden, the amortisation of intangible assets arising from acquisitions increased to €7.6 million in H1 2022 (H1 2021: €3.7 million). We have agreed to acquire the remaining 30% of the shares at the beginning of 2025 and beginning of 2026. In addition, earn-out agreements have been made.

Based on the agreed transaction structure, IFRS requires the full consolidation of Mercier Vanderlinden at the time of the initial closing. As a consequence, certain elements from the transaction will need to be treated as profit and loss items until 2026. In our H1 2022 results, the following expenses related to the accounting treatment of Mercier Vanderlinden are included:

- Interest costs (for the accrued time value of money) and staff costs relating to the liability, totalling €5.9 million (as we agreed on a discount if one of the partners were to leave prior to 2025 or 2026);
- Given the negative market performance in H1 2022 in terms of AuM and profitability, the estimated cost for the final purchase in 2025/26 has decreased by €1.0 million.

We recognised €0.3 million in special items in H1 2022 for restructuring charges relating to the acquisition of Hof Hoorneman Bankiers (H1 2021: €1.2 million).

In H1 2022, the 's-Hertogenbosch court issued an unfavourable ruling on an interest-rate derivates case and we had to make provisions in the amount of €9.9 million.

Income tax

Income tax for H1 2022 amounted to €12.4 million (H1 2021: €15.7 million), which translates to an effective tax rate of 20.4% compared with 21.2% in H1 2021.

Our effective tax rate is lower than the general Dutch tax rate of 25.8% due to income from our private equity portfolio being subject to equity exemption rules.

Earnings per share

Earnings per share (€ million)	H1 2022	H1 2021		H2 2021	
Net result	**48.2**	**58.3**	-17%	**85.5**	**-44%**
Share of non-controlling interests	-0.1	-0.1	-3%	0.0	
Share of holders of AT1 capital securities	-3.4	-3.4	0%	-3.4	0%
Net result for calculation of earnings per ordinary share	**44.8**	**54.9**	-18%	**82.1**	**-45%**
Earnings per ordinary share (€)	**1.10**	**1.34**	-18%	**2.01**	**-45%**
Underlying net result for calculation of earnings per ordinary share	**57.3**	**55.8**	3%	**97.3**	**-41%**
Underlying earnings per ordinary share (€)	**1.40**	**1.36**	3%	**2.38**	**-41%**
Weighted number of outstanding ordinary shares (x 1,000)	40,793	40,986		40,910	

Share of holders of AT1 capital securities relates to the coupon of the €100 million Additional Tier 1 bond we issued in March 2019. These securities count as Tier 1 qualifying capital when determining capital adequacy.

Client assets

Client assets (€ billion)	30/06/2022	31/12/2021		30/06/2021	
Client assets	**118.5**	**131.2** [4]	**-10%**	**121.0**	**-2%**
Assets under management	99.6	112.1	-11%	104.2	-4%
Savings and deposits	11.9	11.7	2%	10.2	17%
Assets under monitoring and guidance	3.2	3.5	-8%	3.2	0%
Assets under administration	3.8	3.8	1%	3.4	14%
Client assets	**118.5**	**131.2**	**-10%**	**121.0**	-2%
Private Clients	54.2	58.7	-7%	48.7	11%
Wholesale & Institutional Clients	62.7	71.0	-12%	70.6	-11%
Other	1.6	1.5	4%	1.7	-6%

Client assets (€ billion)	Private Clients	Wholesale & Institutional Clients	Other	Total
Client assets at 31/12/2021	**58.7**	**71.0**	**1.5**	**131.2**
Assets under management in/outflow	1.4	3.5	0.0	4.9
Savings and deposits in/outflow	0.2	—	0.0	0.2
Market performance of assets under management	-6.0	-11.5	0.0	-17.5
Change in assets under monitoring and guidance	—	-0.3	—	-0.3
Change in assets under administration	-0.1	0.0	0.1	0.0
Client assets at 30/06/2022	**54.2**	**62.7**	**1.6**	**118.5**

Private Clients

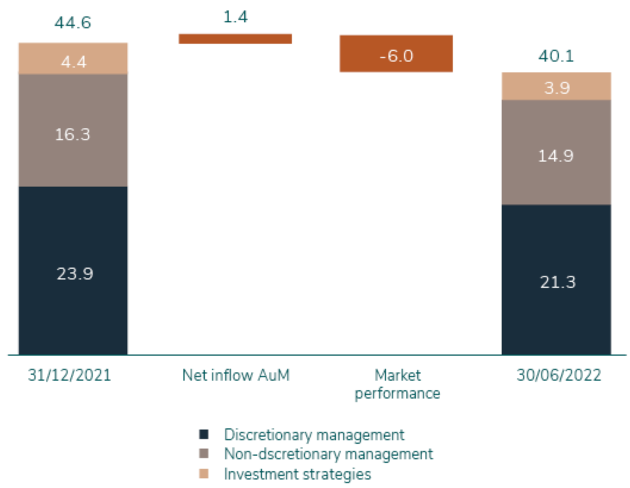
Client assets at Private Clients dropped 7% in H1 2022 to €54.2 billion as a result of fiercely negative market performance of €6.0bn. This was partly offset by strong net inflow in AuM of €1.4 billion, realised in the Netherlands, Belgium, Switzerland and Evi.

At the end of H1 2022, assets under discretionary management made up 53% of total AuM, non-discretionary management amounted to 37% of total AuM and the positions of our private clients invested in our investment strategies added up to 10% of total AuM.

In Belgium, we achieved a strong net inflow of €0.6 billion in the first six months. However, the negative market performance led to a decrease in AuM to €9.1 billion (2021: €9.7 billion). Total client assets amounted to €10.3 billion (2021: €10.7 billion).

Our Evi proposition is part of the Private Clients segment. In H1 2022, AuM fell by 14% to €1.3 billion (2021: €1.5 billion) as a result of negative market performance combined with some net inflow.

AuM at Private Clients
(€ billion)



[4] Comparative figure 31/12/2021 for AuA is retroactively restated by €11 million.

Wholesale & Institutional Clients

AuM at Wholesale & Institutional Clients declined to €59.5 billion due to a negative market performance of €11.5 billion, partly offset by the inflow of €3.5 billion.

Fiduciary mandates showed net inflow of €3.8 billion, primarily from the inflow of a new fiduciary advisory mandate of c. €4 billion from the KLM cabin crew pension fund. In the UK, AuM decreased to €5.7 billion (2021: €8.0 billion) due to a combination of net outflow of €0.3 billion and a negative market performance.

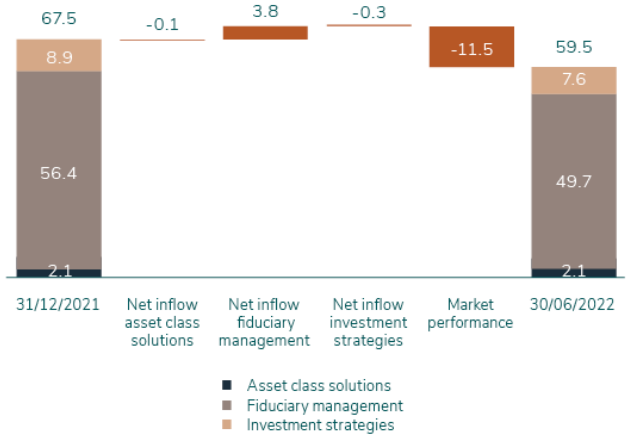
Investment strategies saw a net outflow of €0.3 billion. This was driven by credit strategies and real asset strategies, and was only partly offset by the strong inflow in small cap strategies.

As of this year, we introduced asset class solutions (ACS) as an AuM category. ACS is a total solution for clients to invest in illiquid asset classes, for example European private debt or farmland. The solutions consist of both Van Lanschot Kempen funds and third-party funds. Client needs, innovation and customisation are all important aspects of ACS. Previously, ACS AuM featured in the investment strategies category.

ACS showed a net outflow of €0.1 billion. Total ACS AuM amounted to €2.1 billion at 30 June 2022.

Total client assets at Wholesale & Institutional Clients stood at €62.7 billion at the end of H1 2022.

AuM Wholesale & Institutional Clients[5]
(€ billion)



[5] In H1 2022, as a reclassification, €1.2 billion was moved from investment strategies to fiduciary management, €0.1 billion was moved from investment strategies to the Private Clients segment and €2.1 billion was moved from investment strategies to ACS. Comparative figures as at 31 December 2021 have been adjusted accordingly.

Statement of financial position

Statement of financial position and capital management (€ million)	30/06/2022	31/12/2021		30/06/2021	
Equity attributable to shareholders	1,244	1,308	-5%	1,291	-4%
Equity attributable to AT1 capital securities	102	102	0%	102	0%
Equity attributable to non-controlling interests	0	0		0	11%
Savings and deposits	11,933	11,730	2%	10,228	17%
Loans and advances to clients	9,094	8,876	2%	8,663	5%
Total assets	16,702	16,307	2%	15,030	11%
Loan-to-deposit ratio (%)	76.2	75.7	1%	84.7	-10%

Loan portfolio

Loan portfolio (€ million)	30/06/2022	31/12/2021		30/06/2021	
Mortgages	6,365	6,337	0%	6,154	3%
Other loans	2,376	2,199	8%	2,137	11%
Loan portfolio	**8,741**	**8,536**	**2%**	**8,291**	**5%**
Mortgages distributed by third parties	394	389	1%	432	-9%
Total	**9,136**	**8,925**	**2%**	**8,723**	**5%**
Impairments	-41	-49	-17%	-61	-32%
Total loan portfolio	**9,094**	**8,876**	**2%**	**8,663**	**5%**

Our loan portfolio increased by €0.2 billion to €9.1 billion. This portfolio breaks down into Dutch residential mortgages and other loans. Other loans comprise loans to high net-worth individuals as well as commercial loans that fit into our private clients relationship model, such as healthcare, family businesses and business professionals.

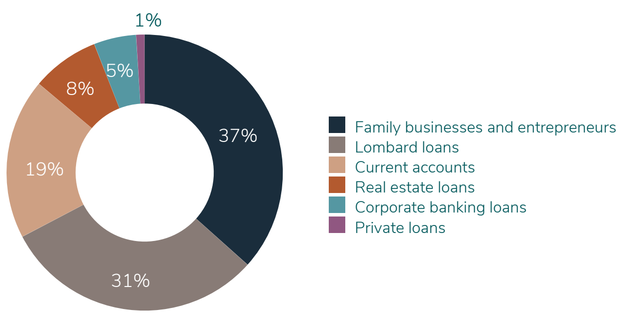
Mortgages

Mortgages increased to €6.4 billion (2021: €6.3 billion) and make up 70% of our total loan portfolio. These mortgages are primarily granted to high net-worth individuals. The weighted average loan-to-value (LTV) ratio is 61%.

Other loans

In H1 2022, other loans increased to €2.4 billion (2021: €2.2 billion). This growth was predominantly in Lombard loans in Belgium.

Other loans: type of loan
(100% = €2.4 billion)



Mortgages distributed by third parties

The portfolio of mortgages distributed by third parties consists of regular Dutch residential mortgages. It accounts for 4% of our total loan portfolio, with a volume of €0.4 billion (2021: €0.4 billion). As of July 2022, these mortgages are no longer issued.

Impaired loans and provisions

We take provisions for the impaired loans in our loan book. Impaired loans totalled €114 million as of June 2022, a 25% decrease compared with 2021 (€153 million) due to some individual clients and the wind-down of some remaining corporate banking loans. The total impaired ratio improved from 1.7% to 1.2% at the end of June 2022.

Stage 3 provisions for impaired loans amounted to €31 million, working out at a coverage ratio of 27%. The relatively low coverage ratio is explained by the high quality of the collateral pledged against the loans.

Provision as at 30/06/2022 (€ million)	Loan portfolio	Impaired loans	Provision	Impaired ratio 30/6/2022	Coverage ratio 30/6/2022	Impaired ratio 31/12/2021	Coverage ratio 31/12/2021
Mortgages	6,365	24	1	0.4%	5%	0.5%	5%
Other loans	2,376	89	30	3.7%	34%	5.5%	34%
Loan portfolio	**8,741**	**113**	**31**	**1.3%**	**28%**	**1.8%**	**28%**
Mortgages distributed by third parties	394	1	—	0.2%	—	0.2%	—
Total loan portfolio	**9,136**	**114**	**31**	**1.2%**	**27%**	**1.7%**	**28%**
Provision	-41						
Total	**9,094**		**31**				
ECL Stage 1 and 2 (IFRS 9)			10				
Total ECL (IFRS 9)			**41**				

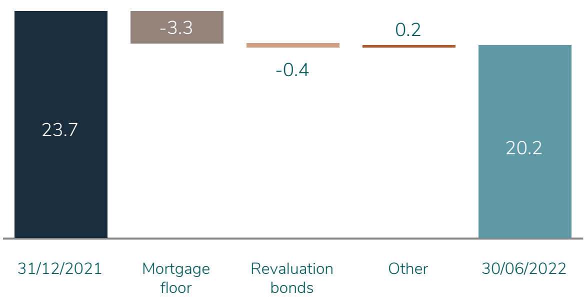
Capital management

Capital and liquidity management (€ million)	30/06/2022	31/12/2021		30/06/2021	
Total risk exposure amount	4,482	3,921	14%	4,586	-2%
Common Equity Tier 1 ratio (%)[6]	20.2	23.7		21.9	
Tier 1 ratio (%)[6]	22.5	26.3		23.1	
Total capital ratio (%)[6]	25.8	30.1		25.2	
Leverage ratio (%)	6.1	6.3		7.2	

The Common Equity Tier 1 (CET 1) ratio decreased in H1 2022 to 20.2% (2021: 23.7%). This decrease was mainly due to the introduction by De Nederlandsche Bank of higher capital requirements for residential mortgages (an impact of 3.3 percentage points) and the revaluation of bonds in our investment portfolio, driven by higher interest rates.

Total risk exposure amount (TREA) increased to €4.5 billion at 30 June 2022 (year-end 2021: €3.9 billion), also driven by the introduction of the higher capital requirements for residential mortgages.

Common Equity Tier 1 ratio (%)



Regulatory capital (€1,000)	30/06/2022	31/12/2021	30/06/2021
Total risk exposure amount	4,482,407	3,921,110 [7]	4,586,203
Common Equity Tier 1	906,634	930,789	1,006,206
Required Common Equity Tier 1	377,094	330,337	473,610
Tier 1	1,006,634	1,030,789	1,059,825
Required Tier 1	465,341	407,643	593,138
Total capital	1,156,634	1,180,789	1,155,810
Required total capital	583,004	510,717	752,509

[6] 31/12/2021 including retained earnings; 30/06/2021 and 30/06/2022 excluding retained earnings.
[7] Total risk exposure amount at 31 December 2021 has been adjusted.

SREP

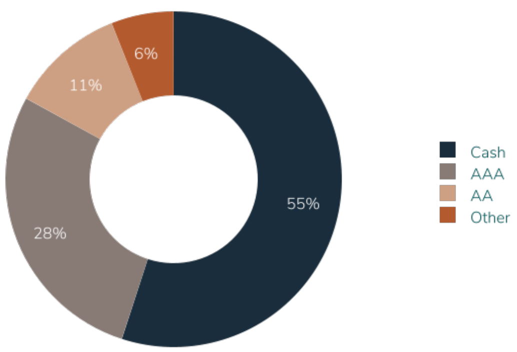
In August 2022, DNB set the new capital requirements that we have to meet. Our CET 1 requirement was set at 6.5%, whereas the total SREP capital requirement (TSCR) stands at 11.5%. Including current combined buffer requirements and Pillar 2 guidance, overall required CET 1 capital amounted to 9.2% of our total risk exposure amount. The table shows that, at 30 June, we met our capital requirements comfortably, despite the risk weight floor for residential mortgages that applies as of January 2022. Recently, DNB decided to extend this measure until 1 December 2024. In addition, DNB announced that it would increase the countercyclical buffer from 0% to 1% for exposures in the Netherlands. Provided there is no sharp deterioration in the risk profile, this buffer will take effect on 25 May 2023 and will increase our overall required capital by 1%.

SREP and overall capital requirements for 2022 (%)	CET 1	Tier 1	Total capital
Pillar 1	4.5	6.0	8.0
Pillar 2	2.0	2.6	3.5
Total SREP capital requirement	**6.5**	**8.6**	**11.5**
Capital conservation buffer	2.5	2.5	2.5
Countercyclical capital buffer	0.0	0.0	0.0
Pillar 2 guidance	0.2	0.2	0.2
Overall capital requirement	**9.2**	**11.4**	**14.2**
Capital ratios as per 30/6/2022	20.2	22.5	25.8

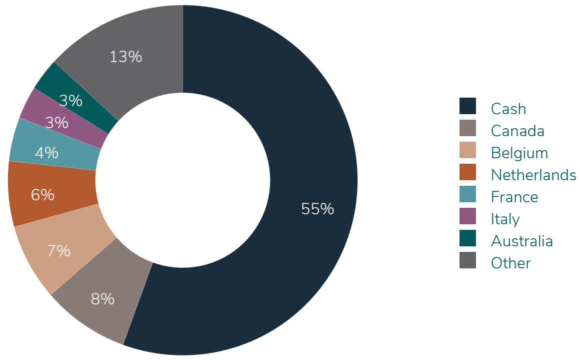
Investment portfolio and cash

The total investment portfolio and cash[8] amounted to €6.1 billion at the end of H1 2022 (year-end 2021: €6.3 billion). Cash held with central banks stood at €3.4 billion. Financial assets at fair value through other comprehensive income remained stable at €2.1 million. The investment portfolio is primarily held for asset and liability management purposes, and mainly comprises low-risk and highly liquid instruments.

Investment portfolio and cash by rating at 30/06/2022
(100% = €6.1 billion)

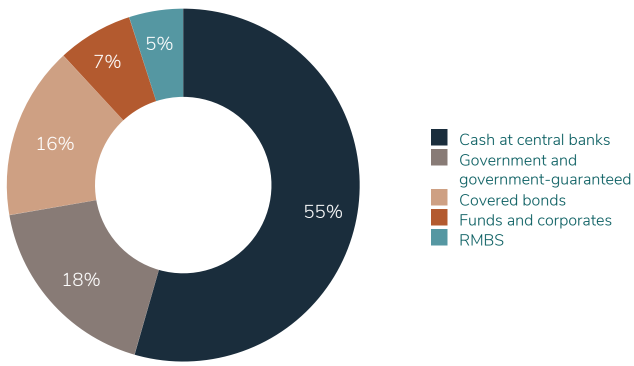


Investment portfolio and cash by country at 30/06/2022
(100% = €6.1 billion)



The Other category includes Luxembourg, Denmark, Norway and New Zealand (each accounting for 2% of the total portfolio).

Investment portfolio and liquidity by counterparty at 30/06/2022
(100% = €6.1 billion)

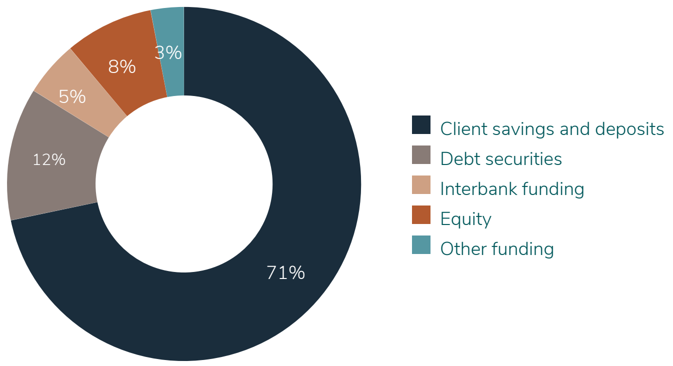


Loan-to-deposit ratio

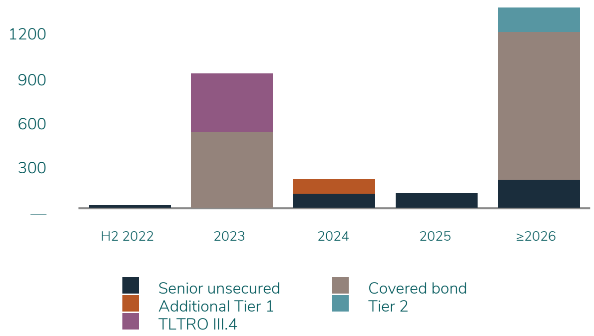
We aim to retain access to both retail and wholesale markets through diversified funding. At the end of H1 2022, our loan-to-deposit ratio had increased by 0.5 percentage points to 76.2% (year-end 2010: 75.7%). In June 2022, we issued a €500 million soft bullet covered bond programme, with a long five-year term and a 2.500% fixed coupon. This has led to a further strengthening and diversification of our funding profile.

[8] Investment portfolio and cash comprises the balance of financial assets at fair value through other comprehensive income, other financial assets at amortised cost, financial assets designated at fair value through profit or loss, cash withdrawable on demand from central banks, and highly liquid (cash) investments.

Funding mix at 30/06/2022
(100% = € 16.7 million)



Redemption profile
(€ million)



Events after the reporting period

There have been no significant events since the reporting date that affect the relevance of information provided in the 2022 half-year results.

RECONCILIATION OF IFRS AND MANAGEMENT REPORTING

Reconciliation of IFRS and management reporting (€ million)	IFRS	Non-strategic investments	Amortisation of intangible assets arising from acquisitions	Expenses related to accounting treatment of Mercier Vanderlinden	Restructuring charges	Other adjustments	Managerial
Commission	201.2	—	—	—	—	0.1	201.3
Interest	56.9	0.0	—	3.1	—	9.7	69.7
Income from securities and associates	6.2	—	—	—	—	—	6.2
Result on financial transactions	16.8	—	—	-1.0	—	—	15.8
Other income	2.6	-2.6	—	—	—	—	—
Income from operating activities	**283.8**	**-2.6**	—	**2.1**	—	**9.8**	**293.1**
Staff costs	150.3	-3.1	—	-2.8	—	—	144.3
Other administrative expenses	63.5	0.8	—	—	-0.1	0.0	64.2
Depreciation and amortisation	15.3	-0.2	-7.6	—	—	—	7.5
Operating expenses	**229.1**	**-2.5**	**-7.6**	**-2.8**	**-0.1**	**0.0**	**216.0**
Gross result	**54.7**	**-0.1**	**7.6**	**4.9**	**0.1**	**9.9**	**77.1**
Impairments	-5.9	—	—	—	-0.2	—	-6.1
Operating profit before tax of non-strategic investments	—	0.1	—	—	—	—	0.1
Operating result before special items and tax	**60.6**	—	**7.6**	**4.9**	**0.3**	**9.9**	**83.3**
Amortisation of intangible assets arising from acquisitions	—	—	7.6	—	—	—	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	**60.6**	—	—	—	—	—	**60.6**
Income tax	12.4	—	—	—	—	—	12.4
Net result	**48.2**	—	—	—	—	—	**48.2**

Van Lanschot Kempen Financial report

2022 HALF-YEAR RESULTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(€1,000)

		30/06/2022	31/12/2021
Assets			
Cash and cash equivalents and balances at central banks	1	3,552,602	3,714,194
Financial assets from trading activities		26,278	30,876
Due from banks		109,014	71,275
Derivatives	2	493,809	252,872
Financial assets at fair value through profit or loss	3	206,403	299,126
Financial assets at fair value through other comprehensive income	4	2,103,672	2,130,327
Loans and advances to the public and private sectors	5	9,094,471	8,875,601
Other financial assets at amortised cost	6	431,230	257,399
Investments in associates using the equity method		96,304	82,441
Property and equipment	7	71,134	77,463
Goodwill and other intangible assets	8	314,140	321,861
Current tax assets		1,286	5,474
Deferred tax assets		21,532	7,758
Other assets		180,068	179,929
Total assets		**16,701,942**	**16,306,596**
Equity and liabilities			
Financial liabilities from trading activities		98	53
Due to banks	9	807,798	501,411
Public and private sector liabilities	10	11,933,058	11,729,556
Derivatives	2	213,996	180,117
Financial liabilities at fair value through profit or loss	11	494,002	560,421
Issued debt securities	12	1,408,197	1,418,865
Provisions	13	61,561	52,569
Current tax liabilities		15,760	18,295
Deferred tax liabilities		24,336	19,045
Other liabilities		226,426	245,412
Subordinated loans	14	171,148	171,527
Total liabilities		**15,356,380**	**14,897,271**
Issued share capital		41,362	41,362
Treasury shares		-18,766	-11,853
Share premium reserve		323,719	323,719
Other reserves	15	852,657	817,333
Undistributed profit attributable to shareholders		44,764	136,983
Equity attributable to shareholders		**1,243,735**	**1,307,544**
AT1 capital securities		100,000	100,000
Undistributed profit attributable to holders of AT1 capital securities		1,688	1,688
Equity attributable to AT1 capital securities		**101,688**	**101,688**
Other non-controlling interests		64	21
Undistributed profit attributable to other non-controlling interests		76	74
Equity attributable to other non-controlling interests		139	95
Total equity		**1,345,563**	**1,409,327**
Total equity and liabilities		**16,701,942**	**16,306,596**
Contingent liabilities		105,264	107,314
Irrevocable commitments		1,118,670	1,159,058
Contingent liabilities and irrevocable commitments		**1,223,934**	**1,266,372**

The number beside each item refers to the Notes to the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF INCOME
For the six months ended 30 June (€1,000)

		H1 2022	H1 2021
Income from operating activities			
Interest income calculated using the effective interest method		101,165	97,600
Other interest income		-855	14,586
Interest expense calculated using the effective interest method		29,796	18,347
Other interest expense		13,622	17,951
Net interest income	16	**56,892**	**75,889**
Income from associates using the equity method		14,664	7,538
Other income from securities and associates		-8,461	14,793
Income from securities and associates	17	**6,203**	**22,331**
Commission income		205,287	180,787
Commission expense		4,063	4,804
Net commission income	18	**201,224**	**175,982**
Result on financial transactions	19	**16,818**	**-4,791**
Net sales		3,597	8,992
Cost of sales		957	2,712
Other income	20	**2,640**	**6,280**
Total income from operating activities		**283,777**	**275,690**
Expenses			
Staff costs	21	150,291	134,577
Other administrative expenses	22	63,523	60,487
Staff costs and other administrative expenses		**213,814**	**195,065**
Depreciation and amortisation		**15,303**	**12,370**
Operating expenses		**229,117**	**207,435**
Impairments of financial instruments		-7,209	-3,539
Other impairments		1,284	-2,189
Impairments	23	**-5,925**	**-5,728**
Total expenses		**223,192**	**201,707**
Operating profit before tax		**60,585**	**73,985**
Income tax	24	12,370	15,672
Net result		**48,215**	**58,313**
Of which attributable to shareholders		44,764	54,860
Of which attributable to holders of AT1 capital securities		3,375	3,375
Of which attributable to other non-controlling interests		76	78
Earnings per share (€)	25	1.27	1.33

The number beside each item refers to the Notes to the consolidated statement of income.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June (€1,000)

		H1 2022	H1 2021
Net result (as per consolidated statement of income)		**48,215**	**58,313**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Other comprehensive income through revaluation reserve			
Revaluation of financial assets at fair value through other comprehensive income		-30,328	1,279
Income tax effect		7,825	-320
Total other comprehensive income through revaluation reserve	15	**-22,503**	**959**
Other comprehensive income from value changes of derivatives (cash flow hedges)			
Increase in value of derivatives directly recognised in equity		439	4,922
Income tax effect		-113	-1,230
Total other comprehensive income from value changes of derivatives (cash flow hedges)	15	**326**	**3,692**
Other comprehensive income from currency translation differences			
Other comprehensive income from currency translation differences		1,161	677
Income tax effect		—	—
Total other comprehensive income from currency translation differences	15	**1,161**	**677**
Total other comprehensive income to be reclassified in subsequent periods to profit or loss		**-21,016**	**5,328**
Other comprehensive income not to be reclassified in subsequent periods to profit or loss			
Change in fair value attributable to change in credit risk of financial liabilities at fair value through profit or loss			
Change in fair value attributable to change in credit risk of financial liabilities at fair value through profit or loss		4,604	-7,025
Income tax effect		-1,188	1,756
Total change in fair value attributable to change in credit risk of financial liabilities at fair value through profit or loss	15	**3,416**	**-5,269**
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans		1,618	23
Income tax effect		-404	-391
Total remeasurement of defined benefit plans	15	**1,214**	**-368**
Total other comprehensive income not to be reclassified in subsequent periods to profit or loss		**4,630**	**-5,637**
Total other comprehensive income		**-16,386**	**-310**
Total comprehensive income		**31,830**	**58,003**
Of which attributable to shareholders		28,378	54,550
Of which attributable to holders of AT1 capital securities		3,375	3,375
Of which attributable to other non-controlling interests		76	78

The number beside each item refers to the Notes to the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2022 (€1,000)

	Share capital	Treasury shares	Share premium reserve	Other reserves	Undistri-buted profit	**Total equity attributable to shareholders**	Equity attributable to AT1 capital securities	Equity attributable to other non-controlling interests	**Total equity**
At 1 January	**41,362**	**-11,853**	**323,719**	**817,333**	**136,983**	**1,307,544**	**101,688**	**95**	**1,409,327**
Net result (as per consolidated statement of income)	—	—	—	—	44,764	**44,764**	3,375	76	48,215
Total other comprehensive income	—	—	—	-16,386	—	**-16,386**	—	—	-16,386
Total comprehensive income	**—**	**—**	**—**	**-16,386**	**44,764**	**28,378**	**3,375**	**76**	**31,830**
Share plans	—	—	—	-2,499	—	**-2,499**	—	—	-2,499
To/from other reserves	—	5,572	—	55,558	-55,558	**5,572**	—	—	5,572
Dividends	—	—	—	—	-81,425	**-81,425**	-3,375	—	-84,800
Other changes	—	-12,485	—	-1,348	—	**-13,833**	—	—	-13,833
Change in non-controlling interests	—	—	—	—	—	**—**	—	-32	-32
At 30 June	**41,362**	**-18,766**	**323,719**	**852,657**	**44,764**	**1,243,736**	**101,688**	**139**	**1,345,563**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2021 (€1,000)

	Share capital	Share premium reserve	Other reserves	Undistri-buted profit	**Total equity attributable to shareholders**	Equity attributable to AT1 capital securities	Equity attributable to other non-controlling interests	**Total equity**
At 1 January	**40,000**	**154,753**	**1,016,720**	**43,009**	**1,254,482**	**101,688**	**-73**	**1,356,096**
Net result (as per consolidated statement of income)	—	—	—	54,860	**54,860**	3,375	78	58,313
Total other comprehensive income	—	—	-310	—	**-310**	—	—	-310
Total comprehensive income	**—**	**—**	**-310**	**54,860**	**54,550**	**3,375**	**78**	**58,003**
Share plans	—	—	-8,595	—	**-8,595**	—	—	-8,595
To other reserves	1,362	168,966	-135,591	-34,737	**—**	—	—	—
Dividends	—	—	—	-8,272	**-8,272**	-3,375	—	-11,647
Other changes	—	—	-948	—	**-948**	—	—	-948
Change in non-controlling interests	—	—	—	—	**—**	—	—	—
At 30 June	**41,362**	**323,719**	**871,276**	**54,860**	**1,291,217**	**101,688**	**5**	**1,392,909**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June (€1,000)

		H1 2022	H1 2021
Cash flow from operating activities			
Operating profit before tax		60,585	73,985
Adjustments for			
- Depreciation and amortisation		15,320	12,564
- Costs of share plans		1,299	934
- Results on associates using the equity method		-14,664	-7,354
- Valuation results on financial assets at fair value through profit or loss		8,802	-12,610
- Valuation results on financial liabilities at fair value through profit or loss		-61,877	18,202
- Valuation results on derivatives		56,344	-59,481
- Impairments	23	-5,926	-5,728
- Changes in provisions		12,707	2,596
Cash flow from operating activities		**72,590**	**23,107**
Net change in operating assets and liabilities			
- Financial assets/liabilities from trading activities		4,643	11,209
- Due from/to banks		231,603	72,660
- Loans and advances to public and private sectors / Public and private sector liabilities		-251,931	-166,367
- Derivatives		1,378	5,851
- Withdrawals from restructuring provision and other provisions		-2,096	-8,839
- Other assets and liabilities		-19,952	-65,377
- Tax assets and liabilities		8	-31,343
- Income taxes paid		-12,463	16,918
- Dividends received		1,833	4,013
Total net change in operating assets and liabilities		**-46,977**	**-161,275**
Net cash flow from operating activities		**25,613**	**-138,168**
Net cash flow from discontinued operations		—	—
Cash flow from investing activities			
Investments and acquisitions			
- Debt instruments		-545,277	-254,950
- Equity instruments		-3,884	-70,327
- Associates using the equity method		-10,196	—
- Property and equipment		-3,140	-590
- Goodwill and other intangible assets		—	-59
Divestments, redemptions and sales			
- Debt instruments		320,811	735,897
- Equity investments		76,349	2,426
- Associates using the equity method		9,234	714
- Property and equipment		587	76
Dividends received		1,767	3,014
Net cash flow from investing activities of continuing operations		**-153,749**	**416,200**

The number beside each item in the statement of cash flows refers to the Notes to the consolidated statement of financial position and the Notes to the consolidated statement of income.

Consolidated statement of cash flows (continued)
For the six months ended 30 June (€1,000)

	H1 2022	H1 2021
Cash flow from financing activities		
Share plans	-3,799	-9,529
Change in non-controlling interests	-32	—
Redemption of subordinated loans	-113	-113
Receipts of issued debt securities	500,000	—
Redemption of issued debt securities	-475,810	-16,242
Receipts on financial liabilities at fair value through profit or loss	95,626	57,356
Redemption of financial liabilities at fair value through profit or loss	-95,563	-128,365
Payment of lease liabilities	-6,005	-5,777
Dividends paid	-84,800	-11,647
Net cash flow from financing activities of continuing operations	**-70,496**	**-114,318**
Net change in cash and cash equivalents and balances at central banks	**-198,633**	**163,715**
Cash and cash equivalents and balances at central banks at 1 January[1]	3,714,979	2,224,030
Cash and cash equivalents and balances at central banks at 30 June[1]	3,516,346	2,387,744
Additional disclosure		
Cash flows from interest received	101,480	115,625
Cash flows from interest paid	42,671	41,187

[1] Cash and cash equivalents and balances at central banks also include amounts due from/to banks available on demand.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

General

Van Lanschot Kempen NV (Van Lanschot Kempen Wealth Management NV until 30 June 2021) is an independent wealth manager specialising in the preservation and creation of wealth, in a sustainable way, for both its clients and the society of which it is part.

Van Lanschot Kempen NV ("Van Lanschot Kempen") has its registered office at Hooge Steenweg 29, 5211 JN ´s-Hertogenbosch, the Netherlands. Van Lanschot Kempen is a public limited company incorporated under Dutch law and registered under number 16038212 at the Chamber of Commerce.

Basis of preparation

The condensed interim consolidated financial statements of Van Lanschot Kempen and its subsidiaries (for the half-year reporting period ended 30 June 2022) have been prepared in accordance with IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements include the comparative half-year 2021 figures prior to the legal merger between Van Lanschot Kempen NV and Van Lanschot Kempen Wealth Management NV as of 1 July 2021. The condensed interim consolidated financial statements do not include all financial information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements of Van Lanschot Kempen NV as at 31 December 2021. The condensed interim consolidated financial statements have not been audited or reviewed. All amounts are denominated in thousands of euros, unless stated otherwise. The totals may not always match the sum of the individual values due to rounding.

Continuity

The Management Board has examined the ability of Van Lanschot Kempen to continue its operations and concluded that we are able to do so for the foreseeable future. Moreover, the Management Board is not aware of any material uncertainties that cast significant doubt on our ability to continue as a going concern. The condensed interim consolidated financial statements have been prepared on this basis.

Economic context

Since the start of the Covid-19 pandemic in 2020, there has been a risk of a recession. Although the outlook for the economic recovery from the pandemic is positive, the war in Ukraine and subsequent increased inflation, higher interest rates and volatility in the equity markets have heightened uncertainty about the future economic climate. A lot is still unknown about the impact of these developments on the private clients and entrepreneurs and family business we finance. That said, the impact of the pandemic and the war in Ukraine is currently considered to be limited for Van Lanschot Kempen. During the pandemic and the war in Ukraine we have not experienced major disquiet among our clients, either existing or new.

Van Lanschot Kempen has a solid capital and liquidity position. Our capital and liquidity are above our targets and our net result in H1 2022 amounted to €48.2 million (H1 2021: €58.3 million).

Goodwill amounted to €176.8 million. In mid-2022, we performed a goodwill impairment trigger analysis to determine, among other things, whether the uncertain economic circumstances due to high oil prices and energy prices, caused by amongst others Covid-19 and the developments around the war in Ukraine constitute an impairment trigger for one or more of our cash-generating units (CGUs). We concluded that there is no indication that goodwill is impaired. For more information, see Note 8, Goodwill and other intangible assets.

In H1 2022, the impact of the uncertain economic circumstances caused by the war in Ukraine and Covid-19 on our credit portfolio was minor, even after application of a risk management overlay regarding these developments. This is captured in the decrease in expected credit losses (ECL) during 2022. The risk management overlay takes into account uncertainties at specific clients and in specific industries which are not (yet) reflected in the model parameters. For more information, see Note 26, Loss allowance for expected credit losses (including sensitivity analyses we have performed).

To summarise, Van Lanschot Kempen is well able to cope with the uncertain economic circumstances, thanks to its solid capital and liquidity position, and solid financial performance. Considering the above, we can affirm that the continuity of the company is not under pressure and that there are no indications that cast significant doubt over Van Lanschot Kempen's ability to continue as a going concern.

Summary of significant accounting policies

Accounting policies
The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of Van Lanschot Kempen NV for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective from 1 January 2022.

Significant accounting judgements and estimates
In the process of applying our accounting policies, we use estimates and assumptions which can have a significant impact on the amounts recognised in the condensed interim consolidated financial statements. There were no changes to the significant accounting judgements and estimates in H1 2022. For more information, see “Significant accounting judgements and estimates” in the annual consolidated financial statements of Van Lanschot Kempen NV as at 31 December 2021. These estimates and assumptions are based on the most recent information available. The actual amounts may differ in the future. Where applicable, the impact of uncertain economic circumstances on assumptions used are explained further in the condensed interim consolidated financial statements.

Changes in IFRS standards already effective
The following new or revised standards or interpretations became effective on 1 January 2022 and have an impact on these condensed interim consolidated financial statements. Unless stated otherwise, application of these standards had no material impact on Van Lanschot Kempen’s equity or result.

Amendments to IFRS 3 – Reference to the Conceptual Framework
The amendments are intended to update a reference to the Conceptual Framework without significantly changing the requirements of IFRS 3. The amendments add an exception to the recognition principle of IFRS 3 that requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. In the event of future transactions that are either business combinations or asset acquisitions, an impact assessment will be made.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€1,000)

1. Cash and cash equivalents and balances at central banks	30/06/2022	31/12/2021
Total	3,552,602	**3,714,194**
Cash	28	30
Balances at central banks	3,367,762	3,554,120
Statutory reserve deposits at central banks	16,589	58,212
Amounts due from banks	168,222	101,833
Impairments	0	0

Reconciliation with consolidated statement of cash flows	30/06/2022	31/12/2021	Changes
Cash and cash equivalents	3,552,602	3,714,194	-161,592
Due from banks, available on demand	34,338	30,677	3,661
Due to banks, available on demand	-70,594	-23,040	-47,554
Due from/to banks, available on demand, net	-36,256	7,637	-43,893
Total	3,516,346	**3,721,831**	**-205,485**

2. Derivatives	30/06/2022			31/12/2021		
	Asset	Liability	Contract amount	Asset	Liability	Contract amount
Total	493,809	213,996	6,029,183	252,872	180,117	5,255,321
Derivatives used for trading purposes	60,188	60,175	70,789	48,478	48,255	69,591
Derivatives used for hedge accounting purposes	340,754	30,284	4,574,528	67,106	8,214	3,761,000
Other derivatives	92,867	123,538	1,383,866	137,287	123,649	1,424,730

The fair value of interest rate swaps used as hedge instruments in our hedge accounting increased considerably in the first half of 2022 due to rising interest rates. In response, the number of derivatives and contract amounts also increased compared with year-end 2021.

3. Financial assets at fair value through profit or loss	30/06/2022	31/12/2021
Total	206,403	**299,126**
Debt instruments		
Government paper and government-guaranteed paper	25,063	25,175
Sovereign, supranationals and agencies (SSA) bonds	—	10,006
Covered bonds	35,092	35,390
Puttable investment funds	122,005	183,917
Company cumprefs (shareholdings) (FVPL mandatory)	1,552	1,496
Total debt instruments	**183,712**	**255,984**
Equity instruments (FVPL mandatory)		
Shares, listed	—	—
Shares, unlisted	22,690	43,142
Total equity instruments	**22,690**	**43,142**

Puttable investment funds decreased compared with year-end 2021, mainly due to sales in our management book.

Unlisted shares decreased due to the sale of a part of our share in a subsidiary measured at fair value through profit or loss, thereby reducing our interest from 100% to 47.74%. As a result, this subsidiary was deconsolidated and recognised at fair value as an associate valued using the equity method. The interest was sold at a limited loss (see Other gains on sales in Note 17, Income from securities and associates).

4. Financial assets at fair value through other comprehensive income	30/06/2022		31/12/2021	
	Fair value	Face value	Fair value	Face value
Total	2,103,672	2,161,724	2,130,327	2,095,915
Debt instruments				
Government paper and government-guaranteed paper	289,429	293,400	307,564	297,750
Sovereign, supranationals and agencies (SSA) bonds	510,657	538,773	529,133	521,273
Banks and financial institutions, listed	30,622	32,500	32,778	32,500
Covered bonds	925,566	950,828	839,770	827,378
Asset-backed securities	291,339	290,223	364,082	361,014
Companies, listed	56,058	56,000	57,000	56,000
Total debt instruments	2,103,672	2,161,724	2,130,327	2,095,915

5. Loans and advances to the public and private sectors	30/06/2022	31/12/2021
Total	9,094,471	8,875,601
Mortgage loans	6,885,257	6,608,797
Loans	1,494,692	1,408,666
Current accounts	549,754	509,920
Securities-backed loans and settlement claims	331,770	280,221
Value adjustments fair value hedge accounting	-125,857	117,450
Impairments	-41,144	-49,452

Impairments on Loans and advances to the public and private sectors reflect the loss allowance for expected credit losses and amounted to €41.1 million at half-year 2022 (2021: €49.5 million). For more information, see Note 26, Loss allowance for expected credit losses.

The negative hedge result is mainly due to rising interest rates and is offset by the increased value of interest rate swaps. This resulted in a minor change in hedge effectiveness.

6. Other financial assets at amortised cost	30/06/2022		31/12/2021	
	Fair value	Face value	Fair value	Face value
Total	431,230	434,893	257,399	254,500
Debt instruments				
Government paper and government-guaranteed paper	249,822	250,000	223,112	220,300
Sovereign, supranationals and agencies (SSA) bonds	34,097	34,493	—	—
Banks and financial institutions, listed	14,998	15,000	14,995	15,000
Covered bonds	132,315	135,400	19,299	19,200
Impairments	-1	—	-8	—

7. Property and equipment	30/06/2022	31/12/2021
Total	71,134	77,463
Buildings	23,342	24,968
Right-of-use – buildings	32,672	36,759
Right-of-use – transport equipment	6,383	7,409
IT, operating system software and communications equipment	2,660	3,464
Other assets	4,184	4,380
Work in progress	1,893	484

The total value of Property and equipment fell from €77.5 million to €71.2 million at half-year 2022, mainly due to depreciation on Right-of-use assets – buildings.

Lease liabilities amounted to €40.7 million at half-year 2022 (2021: €46.7 million) and are included in Other liabilities.

8. Goodwill and other intangible assets	30/06/2022	31/12/2021
Total	**314,140**	**321,861**
Goodwill	176,761	176,761
Other intangible assets	137,379	145,100

We have defined six CGUs, namely Private Clients, Wholesale & Institutional Clients, Investment Banking Clients, Mercier Vanderlinden, Non-strategic investments, and Other. These correspond to our operating segments (see section on segment information) except for CGU Non-strategic investments and CGU Mercier Vanderlinden. Segment Other is split between the CGUs Other and Non-strategic investments. CGU Mercier Vanderlinden is part of the Private Clients segment.

At half-year 2022, we performed a goodwill impairment trigger analysis. Based on this analysis, we concluded that no impairment test was needed. At year-end 2022, we will perform our annual impairment test on goodwill and will perform a useful-life test on other intangible assets.

The impact of the current market circumstances on the performance of the CGUs with allocated goodwill has been limited during 2022, thanks to Van Lanschot Kempen's solid market position and specific client groups. Although the Private Clients and Wholesale & Institutional Clients segments were impacted by negative market performance, their performance was solid with net AuM inflows, and the projected financial results do not indicate a trigger for impairment. Despite the difficult market conditions, M&A results at Investment Banking Clients were good. The pipeline for the rest of the year is likewise well-filled.

9. Due to banks	30/06/2022	31/12/2021
Total	**807,798**	**501,411**
Deposits	337,205	78,371
Payables arising from unsettled securities transactions	66,428	21,950
Loans and advances drawn	4,166	1,090
Special loans from ECB	400,000	400,000

The increase in Deposits is mainly due to cash collateral related to derivative transactions and in line with the negative value changes on swaps used for hedge accounting.

Special loans from the ECB consist of funding obtained under the targeted longer-term refinancing operations III programme (TLTRO III).

In H1 2022, we met the eligible net lending criteria to receive the benefit of the below-market rate of interest (special interest rate period – SIRP) on the special loans issued by the ECB (TLTRO III). This is recognised in the income statement under "Interest income calculated using the effective interest method". See also Note 16, Net interest income.

10. Public and private sector liabilities	30/06/2022	31/12/2021
Total	**11,933,058**	**11,729,556**
Savings	4,027,241	3,803,623
Deposits	387,103	362,547
Current accounts	7,060,509	7,170,291
Other client assets	459,202	392,021
Value adjustments fair value hedge accounting	-998	1,072

11. Financial liabilities at fair value through profit or loss	30/06/2022	31/12/2021
Total	**494,002**	**560,421**
Unstructured debt instruments	31,661	33,466
Structured debt instruments	462,342	526,955

12. Issued debt securities	30/06/2022	31/12/2021
Total	**1,408,197**	**1,418,865**
Covered bonds	1,421,570	1,398,361
Value adjustments fair value hedge accounting	-13,374	20,504

13. Provisions	30/06/2022	31/12/2021
Total	61,561	52,569
Provisions for pensions	37,649	38,610
Provision for long-service benefits	3,539	3,515
Provision for restructuring	1,394	1,743
Provision for interest rate derivatives	9,978	160
Provision for financial guarantees and loan commitments	2,872	1,784
Other provisions	6,128	6,757

Other provisions includes a provision for the repayment of variable interest charged on revolving consumer credit products to our current and former clients, in line with previous rulings by the Dutch Institute for Financial Disputes (Kifid). At year-end 2021, we estimated an amount of €3.3 million to provide for the interest to be offset and the costs incurred in carrying out the scheme. A few clients have now been compensated, resulting in a decrease of the provision by €0.4 million.

In April 2022, the 's-Hertogenbosch court issued an unfavourable ruling on an interest-rate derivatives case. The outcome was not in our favour and we recognised a provision in the amount of €9.9 million. This is reflected in the increase in provision for the interest rates derivatives, this amount is included in the consolidated statement of income under interest income on derivatives, see Note 16.

14. Subordinated loans	30/06/2022	31/12/2021
Total	171,148	171,527
Certificates of indebtedness	154,774	154,964
Other subordinated loans	16,109	16,223
Value adjustments fair value hedge accounting	265	340

15. Other reserves	Revaluation reserve financial assets at fair value through other comprehensive income	Actuarial results on defined benefit schemes	Currency translation reserve	Cash flow hedge reserve	Own credit risk reserve	Retained earnings	Total
At 1 January 2022	1,939	-39,199	1,389	-8,318	-4,876	866,397	817,333
Net changes in fair value	-22,503	—	—	326	—	—	-22,177
Value change own credit risk	—	—	—	—	3,416	—	3,416
Profit appropriation	—	—	—	—	—	55,558	55,558
Share plans	—	—	—	—	—	-2,499	-2,499
Other changes	—	1,214	1,161	—	—	-1,348	1,027
At 30 June 2022	-20,564	-37,985	2,550	-7,992	-1,460	918,108	852,657
Tax effects	7,825	-404	—	-113	-1,188	—	6,120

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME (€1,000)

16. Net interest income	H1 2022	H1 2021
Total interest income	**100,310**	**112,186**
Interest income on cash equivalents	—	2
Interest income on balances at central banks	1,961	1,967
Interest income on banks and private sector	96,803	92,771
Interest income on financial assets at fair value through other comprehensive income	73	95
Interest income on other financial assets at amortised cost	2,328	2,765
Interest income calculated using the effective interest method	**101,165**	**97,600**
Interest income on financial assets at fair value through profit or loss	74	55
Interest income on derivatives	-5,165	12,437
Other interest income	4,236	2,094
Other interest income	**-855**	**14,586**

Interest expense	H1 2022	H1 2021
Total interest expense	**43,418**	**36,297**
Interest expense on balances at central banks	6,249	3,667
Interest expense on banks and private sector	9,330	4,774
Interest expense on issued debt securities	4,872	4,376
Interest expense on subordinated loans	9,116	5,127
Interest expense on financial assets at fair value through other comprehensive income	229	403
Interest expense calculated using the effective interest method	**29,796**	**18,347**
Interest expense on financial assets at fair value through profit or loss	—	136
Interest expense on derivatives	7,774	16,214
Other interest expense	5,848	1,601
Other interest expense	**13,622**	**17,951**
Net interest income	**56,892**	**75,889**

In H1 2022, net interest income was €19.0 million lower than in H1 2021. The decrease in interest income on derivatives is partly explained by the provision for interest-rate derivatives of €9.9 million, recognised in H1 2022.

The interest income on balances at central banks is related to the negative interest paid on the ECB's special loans, recognised under Due to banks.

17. Income from securities and associates	H1 2022	H1 2021
Total	**6,203**	**22,331**
Income from associates using the equity method	7,246	7,354
Realised result of associates using the equity method	7,418	184
Realised and unrealised gains/losses on investments at fair value through profit or loss	-8,256	14,793
Other gains on sales	-206	—

Income from securities and associates fell by €16.1 million, mainly due to realised and unrealised gains/losses on investments at fair value through profit or loss. The significant decrease compared with half-year 2021 was mainly due to negative market performance and consequently lower result in our management book.

18. Net commission income	H1 2022	H1 2021
Total	**201,224**	**175,982**
Securities commissions	13,039	13,915
Management commissions	163,673	132,812
Cash transactions and funds transfer commissions	2,864	2,387
Corporate Finance and Equity Capital Markets commissions	17,671	23,117
Other commissions	3,977	3,752

Management commissions were up by €30.9 million in H1 2022 due to higher average volumes and the inclusion of the Mercier Vanderlinden partnership. The latter was completed in July 2021 and contributed to the increase in H1 2022.

The result of Corporate Finance and ECM-deals in half-year 2022 amounted to €17.8 million, a decrease of €5.4 million from the year-earlier figure due to the very strong first half of 2021.

19. Result on financial transactions	H1 2022	H1 2021
Total	**16,818**	**-4,791**
Gains/losses on securities trading	-975	1,233
Gains/losses on currency trading	4,136	4,393
Gains/losses on derivatives under hedge accounting	5,056	-4,034
Realised gains on financial assets at fair value through other comprehensive income	—	218
Gains/losses on economic hedges/hedge accounting not applied	-36,011	22,216
Gains/losses on financial assets and liabilities at fair value through profit or loss	44,612	-28,817

Compared with half-year 2021, result on financial transactions was up by €21.6 million. The balance of losses on economic hedges and gains on financial assets at fair value through profit or loss came in €15.2 million higher. This balance reflects the revaluation result caused by changes in capital market yields in the marked-to-market portfolio and a number of derivatives positions.

The ineffectiveness of hedge accounting resulted in a gain of €5.1 million, mostly realised on macro-hedge accounting.

20. Other income	H1 2022	H1 2021
Total	**2,640**	**6,280**
Net sales	3,597	8,992
Cost of sales	-957	-2,712

Other income comprises net sales and cost of sales from non-strategic investments arising from debt conversion. In certain cases, where a company has not been able to repay a corporate loan granted by Van Lanschot Kempen, the loan has been converted into a shareholding, thus giving the company time to recover.

Other income decreased mainly due to the sale of our non-strategic investment in Holowell Holding BV in the second half of 2021.

21. Staff costs	H1 2022	H1 2021
Total	**150,291**	**134,577**
Salaries and wages	110,438	102,727
Pension costs for defined contribution schemes	13,463	12,156
Pension costs for defined benefit schemes	1,333	1,463
Other social security costs	11,237	10,343
Share-based payments for variable remuneration	2,663	2,154
Other staff costs	11,157	5,734

Staff costs rose by €15.7 million, mainly due to regular wage increases and a higher number of staff. In addition, staff costs related to the Mercier Vanderlinden partnership were not included in half-year 2021 figures.

Other staff costs increased mainly due to the Mercier Vanderlinden partnership, mobility costs and costs related to learning and development

22. Other administrative expenses	H1 2022	H1 2021
Total	**63,523**	**60,487**
Accommodation expenses	4,367	4,520
Marketing and communication	3,509	3,364
Office expenses	2,028	1,856
IT expenses	17,889	16,539
External auditors' fees	2,016	2,074
Consultancy fees	6,383	7,228
Travel and hotel fees	1,362	309
Information providers' fees	8,577	7,546
External service provider charges	5,027	5,136
Other	12,366	11,916

Other administrative expenses increased, partly due to increased IT expenses of €1.4 million. In addition, travel and hotel fees were higher due to fewer Covid-19-related restrictions.

Consultancy fees relate to advisory services (business consultancy, tax) and the implementation and maintenance of software and hardware. The decrease in consultancy fees was mainly due to several strategic projects in H1 2021.

23. Impairments	H1 2022	H1 2021
Total impairments	**-5,925**	**-5,728**
Cash and cash equivalents and balances at central banks	0	0
Due from banks	5	—
Financial assets at fair value through other comprehensive income	-263	-55
Loans and advances to the public and private sectors	-6,737	-3,216
Other financial assets at amortised cost	-6	-5
Financial guarantees and loan commitments	-207	-263
Impairment of financial instruments	**-7,209**	**-3,539**
Investments in associates using the equity method	—	-2,189
Property and equipment	1,284	—
Other impairments	**1,284**	**-2,189**

See Note 26, Loss allowance for expected credit losses, for more information on impairments related to financial instruments.

24. Income tax	H1 2022	H1 2021
Operating profit before tax	60,585	73,985
Total gross result	**60,585**	**73,985**
Prevailing tax rate in the Netherlands	25.8%	25.0%
Tax	12,370	15,672
Total tax	**12,370**	**15,672**
Expected tax on the basis of the prevailing tax rate in the Netherlands	15,631	18,496
Increase/decrease in tax payable due to		
Non-deductible interest	173	109
Tax-free income from securities and associates	-2,302	-2,719
Non-deductible costs	812	505
Non-deductible losses	-26	-99
Adjustments to taxes for prior financial years	-962	-85
Impact of foreign tax rate differences	-21	129
Addition/(release) deferred tax assets	—	75
Other changes	-935	-739
	-3,261	**-2,824**
Total tax	**12,370**	**15,672**

ADDITIONAL NOTES
(€1,000)

25. Earnings per share	H1 2022	H1 2021
Net result	**48,215**	58,313
Share of AT1 capital securities	3,375	-3,375
Share of other non-controlling interests	76	-78
Net result for calculation of earnings per share	**51,666**	**54,860**
Weighted average number of shares in issue	40,792,618	41,361,668
Earnings per share (€)	1.27	1.33

26. Loss allowance for expected credit losses

The loss allowance for expected credit losses (ECL) on financial instruments are described in the following section. The table below shows the IFRS 9 stage and coverage ratios for loss allowances recognised in Loans and advances to the public and private sector, categorised by ECL by stage, as at 30 June 2022 and 31 December 2021.

€ million	As at 30 June 2022				As at 31 December 2021			
	Loan portfolio	Provision	Coverage ratio	Stage ratio	Loan portfolio	Provision	Coverage ratio	Stage ratio
Stage 1	8,161	4.5	0.1%	89.3%	8,051	3.6	0.0%	90.2%
Stage 2	861	5.4	0.6%	9.4%	721	3.5	0.5%	8.1%
Stage 3	114	31.3	27.5%	1.2%	153	42.4	27.8%	1.7%
Total	9,136	41.1	0.5%		8,925	49.5	0.6%	

Stage 1
Model-based Stage 1 provisions increased to €5.0 million during H1 2022 (2021: €4.7 million). The macroeconomic figures published by the Netherlands Bureau for Economic Policy Analysis (CPB by its Dutch acronym) in March 2022 and DNB in June 2022 predict a recession in 2022 and 2023. In view of the recent developments on uncertain economic circumstances due to high oil prices and energy prices, caused by Covid-19 and Ukraine and their impact on a number of sectors we decided to apply a management overlay for exposures in some economic sectors, as model outcomes do not (yet) fully capture credit risks in these sectors. As a result of the overlay (€3.2 million), some exposures were transferred to Stage 2.

Stage 2
Model-based Stage 2 provisions increased to €7.8 million (2021: €4.5 million) due to the management overlay and negative CPB and DNB predictions, partly offset by improved credit quality (transfers to Stage 1) and limited transfers to Stage 3. The nominal value of Stage 2 exposures would have been lower if no management overlay had been applied. The combined effect resulted in a slightly changed coverage ratio compared with year-end 2021.

Stage 3
The baseline scenario for Stage 3 provisions is determined by our Credit Risk, Restructuring & Recovery department, with limited IFRS 9 model adjustments. In H1 2022, Stage 3 provisions were down significantly to €31.4 million (2021: €42.4 million) due to some large releases of existing client provisions and limited new defaults.

The table below shows total loss allowances recognised by IFRS 9 stage. The total change in Stage 3 amounted to a decrease of €11.0 million.

IFRS 9	30/6/2022	31/12/2021	Write-offs	Change provision	Total change
Stage 1	4,989	4,651	—	338	338
Stage 2	7,758	4,517	—	3,241	3,241
Stage 3	31,374	42,404	-697	-10,333	-11,030
Total	**44,121**	**51,572**	**-697**	**-6,754**	**-7,451**

For the portfolios that fall under the scope of IFRS9, Van Lanschot Kempen performs a scenario analysis to calculate the sensitivity of ECL to macroeconomic variables. The main economic drivers of ECL are gross domestic product (GDP), volume of exports (EXP), total investments (TI), private consumption (PC), residential real estate price (RREP) and government consumption (GC). In the table below, ECLs are shown per stage and per scenario.

Sensitivity analysis as at 30 June 2022	Stage 1	Stage 2	Stage 3	Total	Change
Original situation	4,989	7,758	31,374	44,121	
Base-case scenario	4,655	7,228	30,715	42,598	-1,523
Upside scenario	2,977	5,959	29,287	38,223	-5,898
Downside scenario	5,909	8,871	32,719	47,499	3,378

We incorporate forward-looking information for the sophisticated approach. We use macroeconomic variables and consider three macroeconomic scenarios in calculating ECL: a base-case scenario, an upside scenario and a downside scenario. The scenario weightings were 25% for both the positive and negative scenarios and 50% for the base-case scenario as at 31 December 2021.

In 2022, we adjusted the weightings to 10% for the positive scenario, 40% for the negative scenario and 50% for the base-case scenario, given growing uncertainty about the economic recovery due to the war in Ukraine and subsequent higher inflation. The table below shows the macroeconomic variables used for the sophisticated approach as at 30 June 2022 and 31 December 2021.

Macroeconomic variables	As at 30 June 2022			As at 31 December 2021		
	2022	2023	2024	2021	2022	2023
Gross domestic product						
Base-case scenario	2.95%	1.65%	1.85%	4.86%	3.96%	2.06%
Upside scenario	5.44%	4.14%	4.34%	6.82%	5.92%	4.02%
Downside scenario	-0.28%	-1.58%	-1.38%	1.46%	0.56%	-1.34%
Volume of exports						
Base-case scenario	1.29%	4.19%	3.59%	7.58%	6.18%	5.28%
Upside scenario	6.15%	9.05%	8.45%	11.79%	10.39%	9.49%
Downside scenario	-5.01%	-2.11%	-2.71%	0.28%	-1.12%	-2.02%
Total investments						
Base-case scenario	5.83%	4.83%	4.83%	3.09%	4.99%	4.99%
Upside scenario	12.93%	11.93%	11.93%	10.56%	12.46%	12.46%
Downside scenario	-3.39%	-4.39%	-4.39%	-9.87%	-7.97%	-7.97%
Private consumption						
Base-case scenario	3.17%	0.47%	1.77%	3.60%	6.00%	2.50%
Upside scenario	6.03%	3.33%	4.63%	5.72%	8.12%	4.62%
Downside scenario	-0.53%	-3.23%	-1.93%	-0.09%	2.31%	-1.19%
Residential real estate price						
Base-case scenario	14.08%	3.88%	2.68%	15.26%	11.56%	5.26%
Upside scenario	17.09%	6.89%	5.69%	16.63%	12.93%	6.63%
Downside scenario	10.18%	-0.02%	-1.22%	12.88%	9.18%	2.88%
Government consumption						
Base-case scenario	1.34%	4.84%	3.04%	3.47%	4.37%	1.27%
Upside scenario	2.07%	5.57%	3.77%	3.86%	4.76%	1.66%
Downside scenario	0.40%	3.90%	2.10%	2.79%	3.69%	0.59%

For the portfolios that fall under the scope of IFRS9, Van Lanschot Kempen performs a scenario analysis to calculate the sensitivity of ECL to macroeconomic variables. The main economic drivers of ECL are gross domestic product (GDP), volume of exports (EXP), total investments (TI), private consumption (PC), residential real estate price (RREP) and government consumption (GC). In the table below, ECLs are shown per stage and per scenario.

Sensitivity analysis as at 30 June 2022	Stage 1	Stage 2	Stage 3	Total	Change
Original situation	4,989	7,758	31,374	44,121	
Base-case scenario	4,655	7,228	30,715	42,598	-1,523
Upside scenario	2,977	5,959	29,287	38,223	-5,898
Downside scenario	5,909	8,871	32,719	47,499	3,378

27. Fair value

Financial assets at fair value through profit or loss

Some financial instruments are measured at fair value in the statement of financial position. The fair value is based either on quoted prices in active markets, inputs other than quoted prices that are observable in the market, or inputs based on data not observable in the market.

We have developed a policy on the criteria for allocating financial instruments recognised in the statement of financial position at fair value to each of the three levels. A review is carried out at the end of each reporting period to determine whether any changes have taken place in the hierarchy between the levels.

Level 1: Quoted prices in active markets

The fair value of financial instruments traded in an active market is based on the price at the reporting date (market price). The bid price is applied for financial assets and the offer price for financial liabilities. Since these instruments are traded in an active market, their prices adequately reflect current and frequent market transactions between unrelated parties.

Level 2: Inputs observable in the markets

The fair value of financial instruments not traded in an active market (e.g. over-the-counter financial derivatives) is established using cash flow and option valuation models. Using estimates, we make assumptions based on the market conditions (observable data) at the reporting date. The estimated present value of future cash flows is used to determine the fair value of the other financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows. The discount rate is the same as the market interest rate at the reporting date for a similar instrument subject to the same conditions, taking into account collateral furnished under credit support annexes (CSAs).

The fair value of forward currency contracts is calculated by reference to forward exchange rates at the reporting date.

Estimates and judgements made are based on past experience as well as other factors, including expectations with respect to future events that could reasonably occur given current circumstances. Estimates and judgements are assessed on an ongoing basis.

Level 3: Significance of unobservable market data

The financial instruments in this category are assessed on an individual basis. Their valuation is based on the best estimate of management by reference to the most recent prices, prices of similar instruments and, to a not insignificant extent, information not observable in the market. Unobservable inputs may include volatility, correlation, seasonality and credit spreads. A valuation technique is used in which at least one input that has a significant effect on the instrument's valuation is not based on observable market data. A significant effect on the instrument's valuation is considered to be present when the unobservable input accounts for at least 10% of the total instrument's fair value and exceeds a threshold of €50,000. The effect of fair value adjustments on the instrument's valuation is included in the assessment.

Financial instruments at fair value				30/06/2022
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets from trading activities (FVtPL)	25,754	406	118	26,278
Derivatives (FVtPL)	60,188	433,288	333	493,809
Financial assets at fair value through profit or loss	147,075	49,926	9,402	206,403
Financial assets at fair value through other comprehensive income	2,103,672	—	—	2,103,672
Total assets	**2,336,689**	**483,620**	**9,853**	**2,830,162**
Liabilities				
Financial liabilities from trading activities (FVtPL)	98	—	—	98
Derivatives (FVtPL)	60,175	144,559	9,263	213,996
Financial liabilities at fair value through profit or loss	—	441,143	52,859	494,002
Total liabilities	**60,273**	**585,702**	**62,122**	**708,097**

Financial instruments at fair value				31/12/2021
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets from trading activities (FVtPL)	29,704	1,136	36	30,876
Derivatives (FVtPL)	48,478	204,168	225	252,872
Financial assets at fair value through profit or loss	224,196	46,170	28,760	299,126
Financial assets at fair value through other comprehensive income	2,130,327	—	—	2,130,327
Total assets	**2,432,705**	**251,474**	**29,021**	**2,713,200**
Liabilities				
Financial liabilities from trading activities (FVtPL)	53	—	—	53
Derivatives (FVtPL)	48,255	131,119	743	180,117
Financial liabilities at fair value through profit or loss	—	466,217	94,204	560,421
Total liabilities	**48,308**	**597,336**	**94,947**	**740,591**

Transfers of financial assets or liabilities between levels

We have developed a policy document for the fair value hierarchy. This divides the variables used into observable and unobservable market inputs. If the unobservable input variables are significant, the instrument is classified as Level 3. An unobservable input variable is significant if the change in the fair value due to the application of the variable is greater than the threshold values. Our policy is to recognise transfers into and out of fair value hierarchy levels at the end of the reporting period.

In 2022, our valuation technique remained unchanged, with unobservable input variables being assessed on significance. As a result of this assessment, some financial instruments included in Derivatives (liabilities) have been transferred from Level 2 to Level 3 and vice versa.
The Derivatives payables were transferred to Level 2 as a result of the input variables' correlation and seasonality; the shorter remaining term to maturity of these financial instruments meant that these input variables qualified as non-significant, justifying a transfer to Level 2. In the case of Derivatives (liabilities), this entailed a transfer of €1.8 million from Level 2 to Level 3 and a transfer of nil from Level 3 to Level 2.

Breakdown of changes in financial liabilities classified as Level 3 in H1 2022							
	At 1 January	To statement of income	To equity	Issues	Settlements	Transfers	At 30 June
Assets							
Financial assets from trading activities (FVtPL)	36	-2	—	100	-16	—	118
Derivatives (FVtPL)	225	-225	—	333	—	—	333
Financial assets at fair value through profit or loss	28,760	273	—	561	-20,192	—	9,402
Total assets	**29,021**	**46**	**—**	**994**	**-20,208**	**—**	**9,853**
Liabilities							
Derivatives (FVtPL)	743	5,759	—	940	—	1,820	9,263
Financial liabilities at fair value through profit or loss	56,019	-9,332	—	7,273	-1,100	—	52,859
Total liabilities	**56,762**	**-3,573**	**—**	**8,213**	**-1,100**	**1,820**	**62,122**
Total assets less liabilities	**-27,741**	**3,619**	**—**	**-7,219**	**-19,108**	**-1,820**	**-52,269**

Breakdown of changes in financial liabilities classified as Level 3 in H1 2021	At 1 January	To statement of income	To equity	Issues	Settlements	Transfers	At 30 June
Assets							
Financial assets from trading activities (FVtPL)	480	-3	—	—	-458	—	19
Derivatives (FVtPL)	4,565	-1,188	—	4	—	781	4,162
Financial assets at fair value through profit or loss	21,099	-423	—	46	—	—	20,722
Total assets	**26,144**	**-1,614**	**—**	**50**	**-458**	**781**	**24,903**
Liabilities							
Derivatives (FVtPL)	1,859	-711	—	914	-449	1,364	2,977
Financial liabilities at fair value through profit or loss	47,464	5,885	—	1,850	-9,900	-1,037	44,262
Total liabilities	**49,323**	**5,174**	**—**	**2,764**	**-10,349**	**327**	**47,239**
Total assets less liabilities	**-23,179**	**-6,788**	**—**	**-2,714**	**9,891**	**454**	**-22,336**

Fair value changes recognised in profit or loss of financial instruments classified as Level 3	H1 2022			H1 2021		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Net interest income	—	—	—	—	—	—
Income from securities and associates	-2	217	215	-3	-531	**-534**
Result on financial transactions	—	3,404	3,404	—	-6,254	**-6,254**
Impairments	—	—	—	—	—	—
Total	-2	3,621	3,619	-3	-6,785	-6,788

Notes on fair value determination using unobservable market inputs (Level 3)	Fair value		Valuation method	Significance of unobservable market inputs
	30/06/2022	31/12/2021		
Assets				
Financial assets from trading activities	118	36	– Net asset value	– Net asset value – Face value
Derivatives[1]	333	225	– Discounted cash flow – Option model	– Volatility – Correlation
Financial assets at fair value through profit or loss[1]	9,402	28,761	– Discounted cash flow model – Net asset value	– Interest rate – Discount rates – Most recent published net asset values of the underlying assets – Cost or lower market value – Net asset value – Market value – Multiple analysis of comparable companies less a discount for illiquidity and company size based on EVCA guidelines – Most recently known share price – EBITA – Issue or transfer price – Market price on final trading day – Face value less provisions
Total assets	**9,853**	**29,022**		
Liabilities				
Derivatives[1]	9,263	743	– Discounted cash flow – Option model	– Correlation
Financial liabilities at fair value through profit or loss[1]	52,859	94,204	– Discounted cash flow model – Option model	– Volatility – Correlation
Total liabilities	**62,122**	**94,947**		

[1] The range and sensitivity of these financial instruments are disclosed in the table Notes on range and sensitivity of unobservable market inputs (Level 3). No range or sensitivity information is available for the other financial instruments..

Notes on range and sensitivity of unobservable market inputs (Level 3) at H1 2022	Significant unobservable market inputs	Range (weighted average)	Sensitivity
Assets			
Derivatives			
Derivatives fair value hedge accounting			
– Inflation-linked swaps	– Seasonality	6.9%-8.4% (7.6%)	Total impact €0.2m
Structured products derivatives			
– Options	– Correlation	-15.2% - 29.5% (7.2%)	Total impact €0.1m
	– Volatility	n/a	n/a
	– Dividend	n/a	n/a
– Equity swaps	– Correlation	n/a	n/a
	– Volatility	n/a	n/a
	– Dividend	n/a	n/a
Financial assets at fair value through profit or loss			
Debt instruments: company cumprefs (shareholdings)	– Interest rates	6% - 12% (9%)	Total impact -€0.0m
	– Discount rates	6% - 13% (10%)	Total impact -€0.0m
Liabilities			
Derivatives fair value hedge accounting			
– Inflation-linked swaps	– Seasonality	n/a	n/a
Derivatives			
Structured products derivatives			
– Options	– Correlation	-21.6% - 25.5% (1.9%)	Total impact €0.1 m
	– Volatility	n/a	n/a
	– Dividend	n/a	n/a
– Equity swaps	– Correlation	-22.0% - 29.5% (1.8%)	Total impact €0.5m
	– Volatility	13.7% - 25.4% (20.1%)	Total impact €1.3m
	– Dividend	0.8% - 5.7% (3.0%)	Total impact €1.2m
Financial liabilities at fair value through profit or loss			
Structured debt instruments	– Correlation	n/a	n/a

Financial instruments at amortised cost

The value of financial instruments at amortised cost is taken as the amount for which the instrument could be exchanged in a commercial transaction between willing parties, other than in a forced or liquidation sale. If there is an active market, we use the market value to determine the fair value. For financial instruments for which no market prices are available, the fair values are estimated on the basis of the present value or using other estimation or valuation methods.

Financial instruments at amortised cost	30/06/2022		31/12/2021				
	Fair value	Carrying amount	Fair value	Carrying amount	Level	Valuation method	Significant observable and unobservable market inputs
Assets							
Due from banks	108,093	109,014	71,248	71,275	2	Discounted cash flows using applicable money market rates	Interest rate and discount rate
Loans and advances to the public and private sectors	8,546,801	9,094,471	9,153,124	8,875,601	3	Discounted cash flows using current market fees for comparable loans and taking into account the creditworthiness of the counterparty	Interest rate, discount rate and counterparty credit risk
Other financial assets at amortised cost	427,938	431,230	260,785	257,399	1	Quoted prices in active markets	-
Liabilities							
Due to banks	807,764	807,798	501,244	501,411	2	Discounted cash flows using applicable money market rates for liabilities	Interest rate and discount rate
Public and private sector liabilities	11,984,925	11,933,058	11,796,789	11,729,556	3	Discounted cash flows using applicable money market rates for liabilities with a comparable term to maturity, taking account of own credit risk	Interest rate, discount rate and own credit risk
Issued debt securities	1,416,029	1,408,197	1,426,738	1,418,865	1	Quoted prices in active markets	Interest rate and discount rate
Subordinated loans	161,319	171,148	220,153	171,527	3	Discounted cash flows using applicable money market rates for debt instruments with a comparable term to maturity, taking account of own credit risk	Interest rate, discount rate and own credit risk

28. Netting of financial assets and liabilities

Netting of financial assets and liabilities 30/06/2022	Gross	Gross in the statement of financial position	Net in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Derivatives (assets)	621,501	127,692	**493,809**	26,726	**467,083**
Derivatives (liabilities)	341,688	127,692	**213,996**	26,726	**187,270**

Netting of financial assets and liabilities 31/12/2021	Gross	Gross in the statement of financial position	Net in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Derivatives (assets)	274,774	21,902	**252,872**	1,042	**251,830**
Derivatives (liabilities)	202,019	21,902	**180,117**	1,042	**179,075**

29. Related parties

					H1 2022
	Income	Expenses	Amounts receivable	Amounts payable	Guarantees
Total	**13**	**—**	**83**	**6,281**	**47,204**
Parties with a shareholding in Van Lanschot Kempen of at least 5%	5	—	—	1,294	—
Investments in associates using the equity method	8	—	83	4,987	47,204

					H1 2021
	Income	Expenses	Amounts receivable	Amounts payable	Guarantees
Total	**5**	**—**	**—**	**1,259**	**13,209**
Parties with a shareholding in Van Lanschot Kempen of at least 5%	3	—	—	627	—
Investments in associates using the equity method	2	—	—	632	13,209

For further information on related party transactions, see our 2021 annual report (from page 191).

Contingent assets

In 2015, Van Lanschot Kempen started an appeal against the Dutch tax authorities (Belastingdienst) regarding the applied pro-rata percentage used for the calculation of its VAT returns in the Netherlands. In March 2020, the Court in 's-Hertogenbosch ruled in favour of Van Lanschot Kempen. This ruling resulted in Van Lanschot Kempen being able to claim VAT from the Dutch tax authorities for previous years (2014-20), which had already been paid.

In August 2020, the Dutch tax authorities appealed against the ruling at the Supreme Court. All relevant documentation has now been sent to the Supreme Court. In November 2021, we received the opinion of the Advocate General of the Supreme Court. The indicated time frame for the Supreme Court's ruling is now September-October 2022.

SEGMENT INFORMATION

As a specialist wealth manager, we serve the entire spectrum of client groups, ranging from private clients to institutional investors and corporates. Key to our strategy is the ability to adapt quickly to changing client needs and market circumstances.

Private Clients

Private Clients offers private clients and entrepreneurs a broad range of products in the private banking market, while also focusing on business professionals and executives, healthcare professionals, family businesses, foundations and associations. The activities of Evi, Van Lanschot Kempen's online investment coach, are integrated in this segment and specifically target mass affluent individuals and millennials.

Wholesale & Institutional Clients

Wholesale & Institutional Clients focuses on a range of investment strategies and offers fiduciary services to domestic and international clients such as banks, wealth managers, family offices, pension funds and insurers.

Investment Banking Clients

Investment Banking Clients offers specialist services including equities research and trading, mergers & acquisitions services, capital market transactions and debt advisory services to institutional investors, corporates, financial institutions and public and semi-public entities.

Other

These comprise activities in the fields of interest rate, market and liquidity risk management, structured products activities, staff departments, as well as the activities of Van Lanschot Participaties/Bolster and some consolidated investments.

Operating segments in H1 2022 (€ million)	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Statement of income					
Net interest income	55.3	0.0	0.0	1.6	56.9
Income from securities and associates	—	—	—	6.2	6.2
Net commission income	137.0	38.3	24.2	1.7	201.2
Result on financial transactions	2.5	-0.1	-1.8	16.2	16.8
Other income	—	—	—	2.6	2.6
Total income from operating activities	**194.9**	**38.2**	**22.4**	**28.3**	**283.8**
Staff costs	47.7	5.1	11.7	85.9	150.3
Other administrative expenses	30.8	4.4	4.2	24.1	63.5
Allocated internal expenses	59.8	27.7	5.1	-92.6	—
Depreciation and amortisation	7.5	0.4	0.1	7.2	15.3
Impairments	-6.4	—	—	0.4	-5.9
Total expenses	**139.4**	**37.6**	**21.1**	**25.1**	**223.2**
Operating result before tax	**55.5**	**0.6**	**1.3**	**3.2**	**60.6**

Operating segments in H1 2022 (€ million)	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Statement of income					
Net interest income	67.3	0.0	0.0	8.6	75.9
Income from securities and associates	—	—	—	22.3	22.3
Net commission income	106.8	37.7	29.3	2.1	176.0
Result on financial transactions	1.7	0.0	1.3	-7.9	-4.8
Other income	—	—	—	6.3	6.3
Total income from operating activities	**175.8**	**37.7**	**30.7**	**31.5**	275.7
Staff costs	42.5	4.5	11.5	76.1	134.6
Other administrative expenses	29.2	3.2	4.1	24.0	60.5
Allocated internal expenses	52.8	25.4	4.6	-82.8	—
Depreciation and amortisation	3.6	0.4	0.1	8.2	12.4
Impairments	-3.4	—	—	-2.3	-5.7
Total expenses	**124.7**	**33.5**	**20.3**	**23.2**	201.7
Operating result before tax	**51.1**	**4.2**	**10.3**	**8.3**	74.0

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the reporting date that affect the relevance of information provided in the 2022 interim consolidated financial statements.

Other information

MANAGEMENT BOARD RESPONSIBILITY STATEMENT

The members of the Management Board hereby declare that, to the best of their knowledge, the 2022 condensed interim consolidated financial statements, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), give a true and fair view of the assets, liabilities, financial position and income of Van Lanschot Kempen NV and its consolidated entities, and that the condensed interim consolidated financial statements of 30 June 2022 give a true and fair view of the information to be provided in accordance with Article 5 (25) (d) (8) (9) of the Dutch Financial Supervision Act ("Wft").

's-Hertogenbosch, the Netherlands, 24 August 2022

Management Board

Maarten Edixhoven, *Chair*
Constant Korthout
Arjan Huisman
Richard Bruens
Erik van Houwelingen