



## PRESS RELEASE

### **Van Lanschot to focus, simplify and grow to strengthen position as independent wealth manager**

***Strategic choice for activities that preserve and create client wealth; Van Lanschot welcomes starters building wealth and deepens online offering***

- **Focus on private banking, asset management and merchant banking**
- **New service model for private banking that welcomes wealth management starters**
- **More online solutions for wealth management, investment advice and savings in combination with personal service and specialist expertise**
- **Targeted reduction of corporate loan book where there is no link to private banking**
- **Simplification of product portfolio, organisation and IT infrastructure**
- **Increased efficiency and further reduction of around 250 jobs in 2013 and 2014**
- **New financial targets for 2017: Core Tier I ratio of at least 15%; return on Core Tier I equity of 10-12%; improved efficiency ratio of 60-65%**

*'s-Hertogenbosch, 14 May 2013*

Van Lanschot today presents the results of the strategic review it carried out in recent months.

Karl Guha, CEO of Van Lanschot: "We have made a clear choice to position ourselves as a specialised, independent wealth manager, dedicated to the preservation and creation of wealth for our clients.

Focus, simplify and grow – these actions are at the heart of this strategic review. The choices we are making reflect our profile as a pure-play wealth manager.

Our strength lies in the special, strong relationship that our established names, Van Lanschot and Kempen & Co, have with private and institutional clients. Private banking, asset management and merchant banking are the areas in which we excel and can differentiate ourselves thanks to our personal service, expertise and experience.

We see significant opportunities for growth in these core activities. We will improve our private banking offer for clients in the Netherlands, Belgium and Switzerland, and extend it to include additional online services. Moreover, we will welcome starters on the wealth management market so they too can benefit from our know-how and the attention we pay to our clients.

Our asset management and merchant banking activities, which operate under the flag of Kempen & Co, are well-positioned and generate excellent results. We will continue this successful strategy, and further increase the role of these activities in strengthening the wealth management proposition that we, as a group, can offer our clients.



We will create new specialised job positions within our private banking, asset management and merchant banking core activities in order to facilitate our planned growth.

As a result of these clear choices, we have also decided to reduce that part of the corporate loan book that is unrelated to private banking. We will also simplify our product range and adapt our infrastructure and organisation. A reduction in jobs at Van Lanschot is a painful but unavoidable consequence. We will handle this process with the greatest care.

The bank's first quarter 2013 results, published in April, demonstrate resilience in a relentlessly tough economic environment. Van Lanschot is a healthy, solid bank that is unique in its ability to offer clients specialised and independent wealth management services.

With the execution of this strategic review we will build a specialised, independent and profitable wealth manager, with a future full of possibilities and growth opportunities, drawing on our own strength and expertise.”

### **Reinforcement of the private bank**

The clear choice for activities focused on the preservation and creation of wealth is based on our strength and expertise in this area. Wealth management is the core activity we offer new and existing clients. The client decides how and when services and advice are provided. In private banking too, we see increasing demand for online services, combined with personal attention and contact with an adviser.

Van Lanschot is responding to these developments by introducing more online services for asset management, investment advice and savings. As clients' financial requirements and inquiries become more complex, specialist knowledge is increasingly important. We see excellent opportunities to make our experience and expertise accessible to different client groups at all wealth levels. This will open the bank's doors to clients starting out in wealth management and who are seeking expertise and advice in wealth creation.

Van Lanschot is and will remain the private bank of choice for wealthy clients, entrepreneurs and family businesses. Van Lanschot also focuses on business professionals & executives, healthcare professionals, and associations & foundations. Van Lanschot has the knowledge and expertise in house to meet the needs of these client groups in relation to wealth planning, investment services and financing.

We will expand our services for wealthier clients and those with more complex financial issues. Van Lanschot can offer added value in this segment in particular, given its access to the merchant banking and asset management activities of Kempen & Co. This puts institutional advice in asset management, corporate finance and securities within the reach of our clients.

Van Lanschot will maintain its unique local presence with a network of 34 branches and client meeting centres in the Netherlands, Belgium and Switzerland.

In Belgium we are in an excellent position to increase considerably our presence and market share in private banking. Here too, the introduction of new online products and services will allow us to serve more clients at different stages of wealth development. We will also remain active in Switzerland, through our branches in Zurich and Geneva, to support our services for clients in the Netherlands and Belgium.



### **Growth in asset management and merchant banking**

In recent years Kempen & Co has successfully established its position as an international player in asset management, corporate finance and securities. As a specialised merchant bank and asset manager, Kempen & Co has achieved excellent results in a number of selected niches.

Kempen Capital Management (KCM) has a strong long-term focus and a clear investment vision focused on a number of investment strategies where it is a market leader. It also offers pension funds and insurers an alternative to an in-house investment unit. KCM's growth is the result of the excellent investment performance it achieves for its clients.

Kempen & Co securities and corporate finance have leading positions in the Benelux in securities services, M&A advisory and capital market transactions. Securities and corporate finance have built up strong European positions in three key sectors (indirect real estate, life sciences and cleantech) in which there are still ample growth opportunities. The client base of securities comprises international asset managers and institutional investors, including virtually all of the world's major investors. Corporate finance serves listed and unlisted companies in its target sectors, and private equity parties.

### **Reduction of corporate loan book**

Corporate activities that have a clear link to the private banking relationship model, such as the financing of business professionals and executives and healthcare professionals, will be continued and managed by specialists.

The focus on preserving and creating wealth will mean the further reduction of the corporate loan book. To that end, this activity will be transferred to a separate business unit and managed by a dedicated expert team.

As a result risk-weighted assets of € 4.4 billion in the corporate loan book will be reduced by almost half in the coming five years. This will contribute directly to improving the Core Tier I ratio.

### **Simplification of product portfolio and IT infrastructure**

Our decision to focus on being a pure-play wealth manager means that we will phase out activities, products and services that do not fit with that core focus. Our product portfolio still has some of the features of a universal bank. Moreover, clients are increasingly demanding a simple and transparent offering.

Therefore we will simplify our product offering significantly. This will not only ensure we respond more effectively to client demands, but will enable us to create a lean and streamlined organisation and IT-infrastructure. This in turn will lead to a substantial improvement in efficiency, not least because we can focus resources on our core activities.



### **Impact on organisation and staff**

The outcome of the strategic review has consequences for our organisation and our employees. The reduction of the corporate loan book, the simplification of our product portfolio and the slimming down of the infrastructure and organisation will lead to the streamlining of departments and a reduction in the number of jobs.

Some 250 jobs (FTEs) will be lost in the next two years as a result of reorganisation, restructuring, performance management and natural attrition. Compulsory redundancies cannot be ruled out. This is expected to lead to reorganisation charges of € 20 million.

This extends the existing investment and cost reduction programme, which was announced in January 2012. The majority of the job reductions announced at that time will be achieved by the end of 2013. In the longer term we expect a further adjustment in the organisation and the number of jobs. This will be achieved primarily through performance management and natural attrition.

We will endeavour to ensure that this process is handled with the utmost care in the interests of the employees involved. These planned decisions fall under the scope of the redundancy plan agreed with the trade unions last year and will be submitted to the Works Council for its advice.

### **Location of Van Lanschot's headquarters**

We have conducted a study into the best location for the headquarters, corporate departments and support staff. Van Lanschot's roots and history are in 's Hertogenbosch, and therefore the bank's headquarters and the majority of support staff will remain there. A number of departments for which the potential labour market is chiefly concentrated in the Randstad conurbation will relocate to Amsterdam in due course.

### **Financial targets**

On 26 April 2013, Van Lanschot published its first quarter 2013 results. The increase in profit to € 24.8 million and the significant improvement of the Core Tier I capital ratio to 11.9% demonstrate the bank's resilience in the face of continuing difficult economic conditions. Van Lanschot's foundations remain unquestionably solid, as evident in the strong capital and liquidity position.

We expect the strategic decision to focus activities on the preservation and creation of client wealth to lead to improved profitability and capital ratios. We are therefore introducing new financial targets for 2017:

- Core Tier I ratio of at least 15%
- Return on Core Tier I equity of 10-12%
- Efficiency ratio of 60-65%

The plans announced today are expected to lead to a further substantial reduction of the cost base from € 409 million in 2012 to approximately € 340 million in 2017.

The targets for Leverage ratio, Net Stable Funding Ratio and Liquidity Coverage Ratio will be maintained and coupled to the Basel III requirements which will apply from 2014.



We will continue to work towards the future realisation of our existing dividend policy – the distribution of 40-50% of the net profit attributable to shareholders. In the short term, our priority will be to achieve our capital objectives.

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***A presentation on the strategic review can be found on [www.vanlanschot.nl/aboutvanlanschot](http://www.vanlanschot.nl/aboutvanlanschot)***

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Van Lanschot NV is the holding company of F. van Lanschot Bankiers NV, the oldest independent bank in the Netherlands with a history dating back to 1737. Van Lanschot, a wealth manager operating under the Van Lanschot and Kempen & Co brand names, is active in private banking, asset management and merchant banking, with the aim of preserving and creating wealth for its clients. Van Lanschot NV is listed on Euronext Amsterdam. [www.vanlanschot.nl](http://www.vanlanschot.nl).

## **DISCLAIMER**

### **Forward looking statements**

This press release contains forward-looking statements concerning future events. Those forward-looking statements are based on the current information and assumptions of the Van Lanschot management concerning known and unknown risks and uncertainties. Forward-looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to Van Lanschot's expectations regarding such matters as the assessment of market risk or income growth or, more generally, the economic climate and changes in the law and taxation. Van Lanschot cautions that expectations are only valid on the specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like. The financial data regarding forward-looking statements concerning future events included in this document have not been audited.