



Van Lanschot

# Transforming to a specialist wealth manager

Investor Presentation  
September 2015



# Van Lanschot at a glance

## Van Lanschot's profile

- One strategy: pure-play, independent wealth manager focusing on preservation and creation of wealth for our clients
- Two leading brands: Van Lanschot and Kempen & Co
- Three core activities: Private Banking, Asset Management and Merchant Banking

## Execution of strategy on track

- Private Banking: securities commission +18%, launch of Evi Pension, new proposition for entrepreneurs, increase in mortgage production
- Asset Management: inflow in euro credit strategy following Gold-rating Morningstar, acquisition of fiduciary management MN UK
- Merchant Banking: commission income doubled, solid market share in selected niches, involved in appealing transactions
- Corporate Banking: run-off is ahead of schedule, sale of non-performing CRE loans announced

## Solid performance on all key financials

	H1 2015	H1 2014
• Net profit	€ 34.0m	€ 49.4m
	30-06-2015*	31-12-2014
• Common Equity Tier I ratio	14.6%	14.6%
• Total Capital ratio	15.3%	15.2%
• Leverage ratio (fully loaded)	5.7%	5.3%
• Funding ratio	94.3%	95.3%
• Client assets	€ 58.5bn	€ 57.4bn

## Financial targets 2017

	H1 2015	Target 2017
• Common Equity Tier I ratio	14.6%	>15%
• Return on Common Equity Tier I	5.7%	10-12%
• Efficiency ratio	70.7%	60-65%

\* At 30 June 2015 based on phase-in and excluding retained earnings. Comparative figures at 31 December 2014 including retained earnings



Van Lanschot

# Agenda

## **1. Profile & Strategy of Van Lanschot**

## 2. Financial Performance H1 2015

# Transforming from small “universal” bank to specialised wealth manager

Why wealth management?

## Building on our distinctive strengths

We can build on our inherent strengths in private and institutional wealth management by working together for the benefit of new and existing clients

## Supported by demographics and economic fundamentals

There is room for a high-quality, high-service, independent wealth manager in the Benelux, leading to an attractive business model supported by demographics and macro economic fundamentals

## Our mission:

Preservation and creation of wealth for our clients

# Van Lanschot builds on the experience of its three core activities



Van Lanschot



KEMPEN CAPITAL MANAGEMENT



KEMPEN & CO  
Merchant Bank

## Private Banking

- Private Bank of choice for high net-worth individuals, entrepreneurs and family businesses
- Specialised services for business professionals and executives, healthcare professionals, and foundations and associations
- Three service concepts: Private Banking, Personal Banking and Private Office
- A network of 36 branches of which 27 in the Netherlands, 7 in Belgium and 2 in Switzerland (onshore only)
- AuM of € 20.7 billion\*

## Asset Management

- Specialised European investment management boutique with a sharp focus and a clear investment philosophy
- Focus on a limited number of high quality investment strategies: small caps, property, high-dividend equities, fixed-income securities and funds of hedge funds
- Fiduciary services for national and international pension funds and insurance companies providing a comprehensive asset management solution based on clients' specific needs
- AuM of € 36.9 billion\*

## Merchant Banking

- Specialist services in brokerage, mergers and acquisitions, capital market transactions and finance advice to institutional investors, corporates, financial institutions and semi-public and public entities
- Pursuing a niche strategy aimed at the Benelux market and European life sciences & healthcare and property sectors

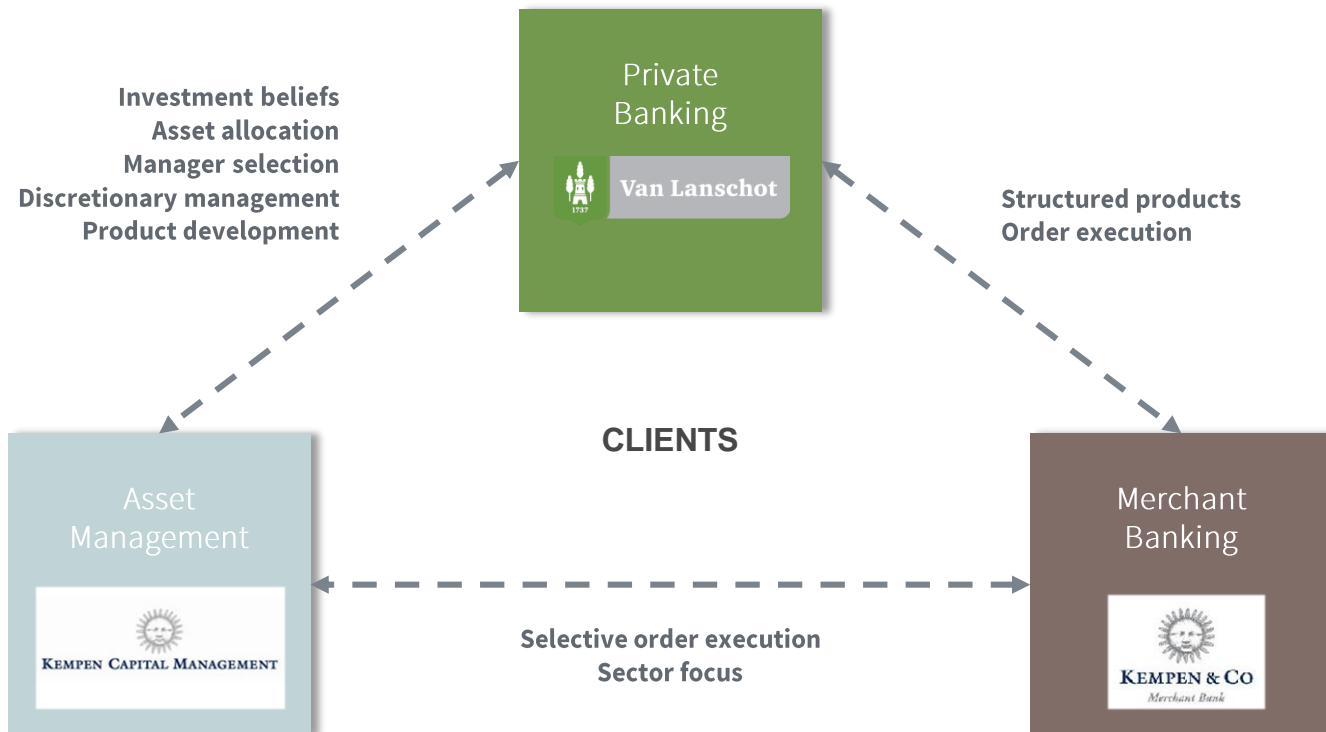
\* As of H1 2015. AuM of Asset Management including €9.0 billion of AuM managed for Van Lanschot Private Banking






Van Lanschot

# These core activities have individual strengths which are mutually reinforcing

## Complementary and synergistic businesses






# Three drivers to implement our strategic repositioning

<p>Focus</p> 	<ul style="list-style-type: none"> <li>Clearly defined Private Banking offering with specific service concepts (Private Banking, Personal Banking and Private Office)             <ul style="list-style-type: none"> <li>Specialist services for specific client segments (e.g. Entrepreneurs, Healthcare, Executives, Business Professionals)</li> </ul> </li> <li>Continued development of Asset Management and Merchant Banking activities in line with niche strategy</li> <li>Active and accelerated reduction of activities without a clear link to core activities (e.g. Corporate Banking, where all commercial lending to clients without a clear link to the private bank has been centralised)</li> </ul>
<p>Simplify</p> 	<ul style="list-style-type: none"> <li>Transparent and simplified product and service offering</li> <li>Efficient organisation, with centralised teams for Private Banking mid-office and investment expertise</li> <li>Lean IT and streamlined back-/mid-office</li> <li>Significant reduction of cost base</li> </ul>
<p>Grow</p> 	<ul style="list-style-type: none"> <li>Private Banking: offer inclusive (online) wealth management services and leverage on new-style wealth planning advisory service</li> <li>Asset Management: leveraging strong long-term track record in niche products and integrated solutions and expanding client base geographically</li> <li>Merchant Banking: further strengthen coverage in chosen niches and selectively expand geographic coverage</li> </ul>

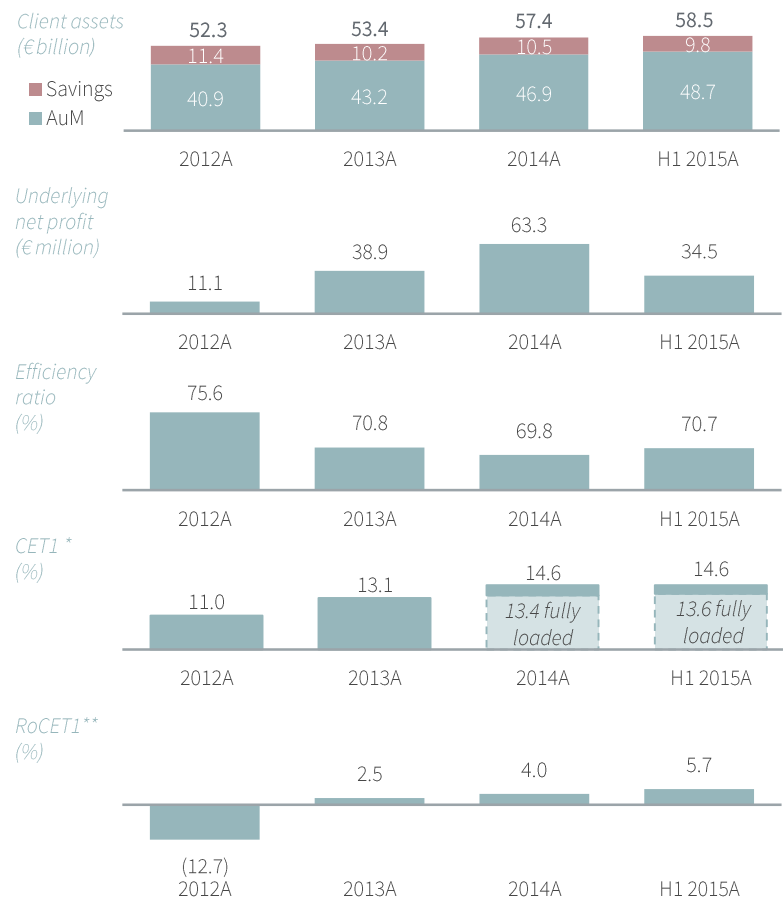
2017 Targets	Efficiency ratio	60-65%	CET I ratio*	>15%	Return on CET I**	10-12%
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# Considerable transformation progress to date

## Key achievements to date

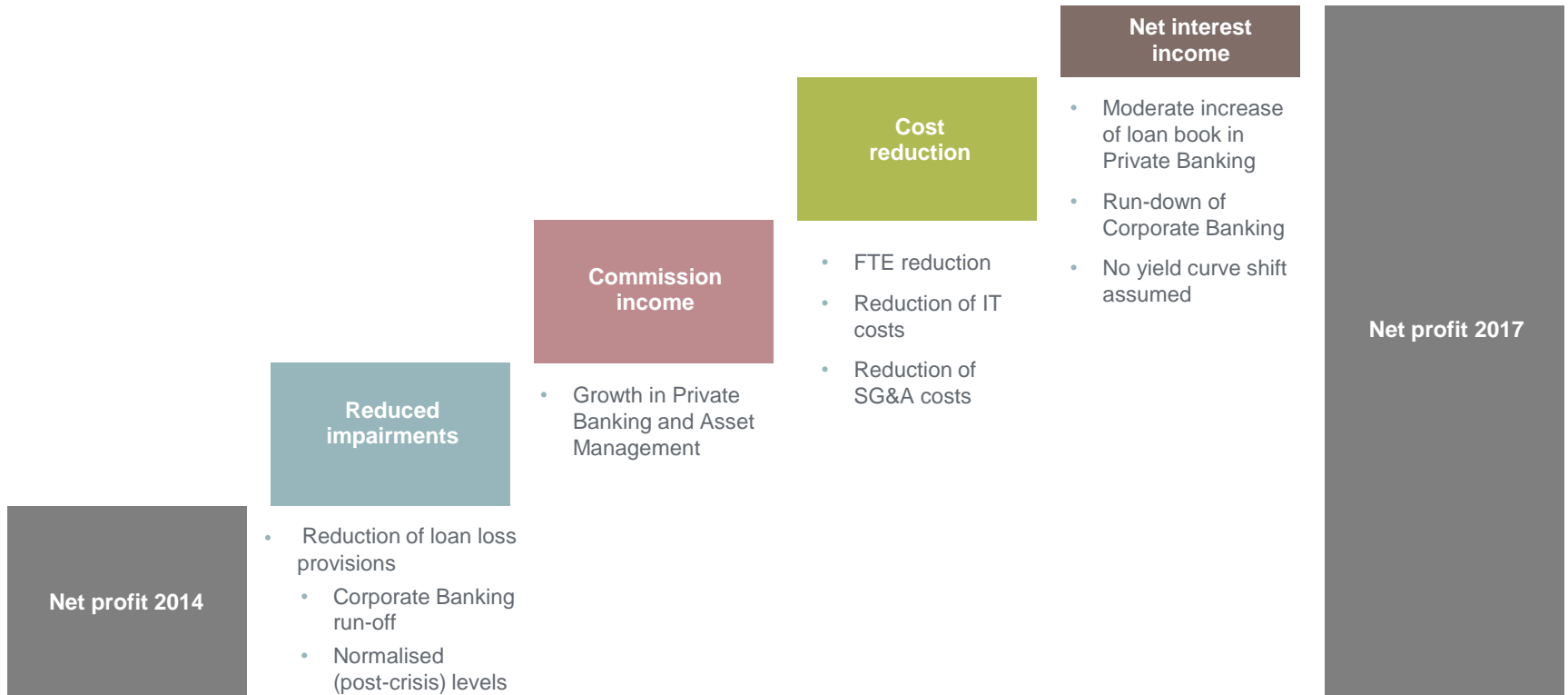
Focus	Key Achievements
	<ul style="list-style-type: none"> <li>✓ Transformation of Private Banking into three service levels (differentiation of services) and streamlining of operations</li> <li>✓ AM and MB successfully expanding in target niches</li> <li>✓ RWA of Corporate Banking significantly reduced</li> <li>✓ Financial position and results significantly strengthened</li> </ul>
	<ul style="list-style-type: none"> <li>✓ Centralisation of mid-office and investment advisory teams</li> <li>✓ Significant reduction in number of (sub) products offered (e.g. single, integrated online savings and deposit account)</li> <li>✓ Simplification of IT and operational infrastructure ongoing</li> </ul>
	<ul style="list-style-type: none"> <li>✓ &gt;€1bn in assets raised with Evi in the Netherlands and Belgium</li> <li>✓ Launch of new Global Property and Global Small-cap funds</li> <li>✓ Strong market shares in selected niches</li> <li>✓ Involved in high-profile Merchant Banking deals</li> </ul>

## Strong recovery financial performance



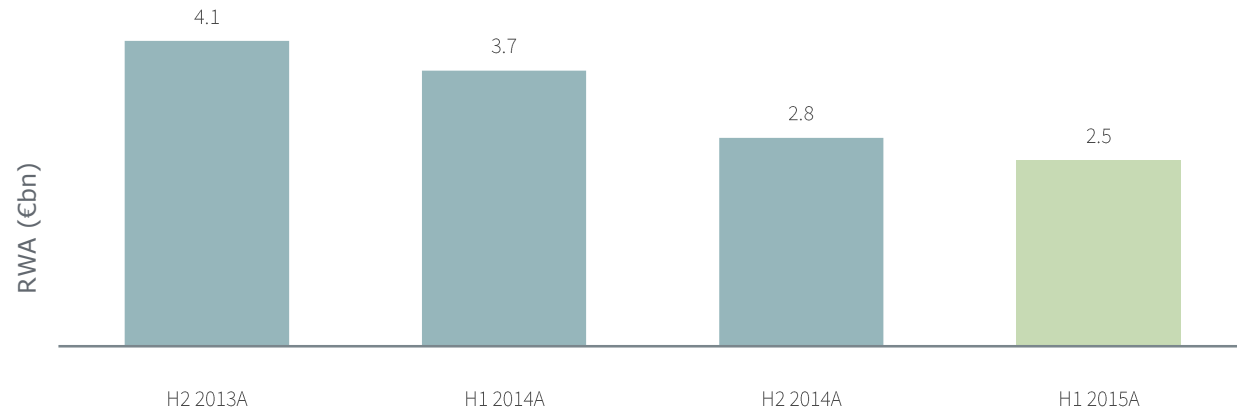


# Clearly defined path to realise target profitability level



# Significant capital release from run-down of Corporate Banking loan book

Achieved run-down Corporate Banking (post strategy review)



Capital release ("illustration" purposes)\*

RWA reduction (€ billion)	0.5	0.3	1.0	0.3
Gross capital released (Assuming 10% of RWA reduction; € million)	50	30	95	30

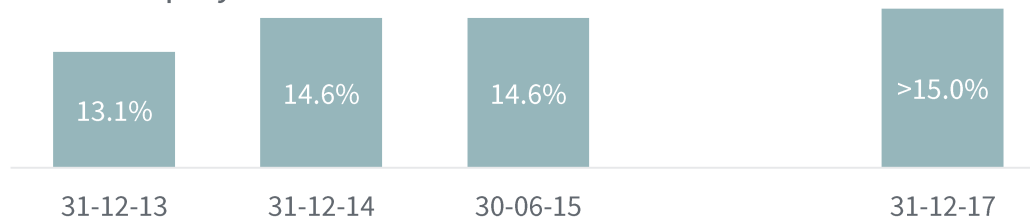
*Significant gross release to date*

\* Includes RWA reduction through reduction of exposure as well as model optimisation

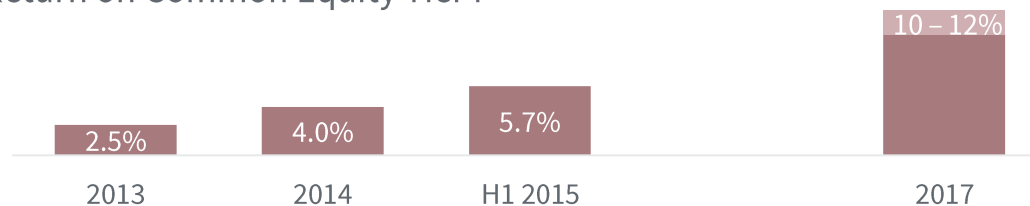
# On track to achieve financial targets 2017



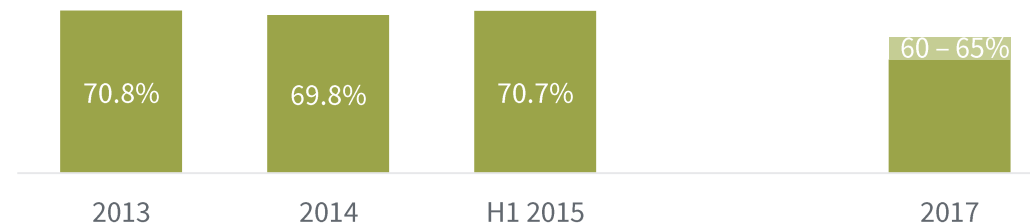
Common Equity Tier I ratio\*



Return on Common Equity Tier I\*\*



Efficiency ratio



\* 2014 reflects Common Equity Tier I-ratio phase-in, including retained profit, 30-06-2015 excluding retained profit.

\*\* Based on average Common Equity Tier I. 2014 excluding one-off gain following from pension scheme change. H1 2015 annualised.

# Next steps in strategy implementation

## Core activities

### Private Banking structured growth program

- Ongoing development of (mobile) product offering
- Optimisation of our distribution network
- Improve overall client experience and acquisition efforts to drive growth in number of clients and share of wallet
- Consider selected add-on acquisitions

### Personal Banking reinvent

- Leverage Evi to attract new and younger client base
- Product development (Evi pensions, improved mortgage and execution only propositions)
- Improve servicing and profitability of legacy portfolio

### Private Banking Belgium increase market share

- Build on current momentum
- Expand Evi to include investment proposition
- Exchange of best practices with the Netherlands

### Asset Management growth

- "Grow to capacity" selected high quality investment strategies in combination with integrated solutions for pensions funds and insurance companies
- Grow European client base with dedicated international sales efforts (institutional and wholesale distribution)
- Leverage stable teams with solid, well recognised performance
- Explore opportunities for diversification in terms of capabilities and geographies

### Merchant Banking focus continues

- Continued focus on market niches: European Real Estate, Life Sciences and Benelux
- Maintain momentum in involvement in larger European deals
- Ongoing development of structured products
- Conservative approach to capital usage and risk

# Next steps in strategy implementation

## IT/Operations and Corporate Banking

### Efficient organisation and IT transformation

- Continue with digitalisation and automation of operating processes
- Phase-out IT legacy systems and reduce number of applications
- Replace and redesign current Customer Relationship Management and data warehouse systems
- Closer alignment client facing mid-office teams and business
- Complete FTE reduction plan
- Enforce cost discipline

### Corporate Banking accelerate portfolio run-off

- Accelerated autonomous run down of portfolio, possibly supplemented with selected portfolio sales
- Continue successful repricing policy
- Manage cost levels in line with run-off

# Announced sale of non-performing real estate loan portfolio improves Van Lanschot's risk profile

## Description of announced sale

- Divestment of non-performing real estate portfolio (> € 400 million face value), which is part of the Corporate Banking loan book
- Sold to Cerberus Capital Management; expected to close in H2 2015

## Rationale to divest

- Sale fits with objective to completely run-off Corporate Banking loan book
- The transaction improves the risk profile of Van Lanschot
- Expected to have a positive effect on future loan loss provisioning

## Implications on figures

- The portfolio is classified as “assets held for sale” per 30 June 2015
- Sale has marginally positive effect on core capital; Risk Weighted Assets reduction is limited as majority of portfolio is provisioned for
- One-off pre-tax charge of approximately € 23 million in H2 2015

# Acquisition of MN UK bolsters international growth of Asset Management

## Description of acquisition

- Kempen Capital Management, (KCM) acquired the UK fiduciary management (FM) activities of MN with assets totalling € 10.9 billion of which € 3.5 billion represents full-service FM mandates
- Pending regulatory approval, the transaction will be completed on 1 Oct 2015

## Accessing UK fiduciary market

- Demand for FM is increasing in the UK
- MN has successfully built a fiduciary business in the UK and KCM intends to further develop it, as it has done in the Netherlands over the past 10 years

## Strengthening IBD efforts

- The UK is KCM's second home market, and the acquisition of all MN UK activities allows KCM to further expand its UK business
- The MN UK team has 6 client-facing professionals

## Talent management tool

- An increasing part of the team at Asset Management has an international background. Having presence in London helps to continue this development, as well as to attract and retain talent



Van Lanschot

# Agenda

1. Profile & Strategy

**2. Financial Performance H1 2015**



# Highlights 2015 half-year results

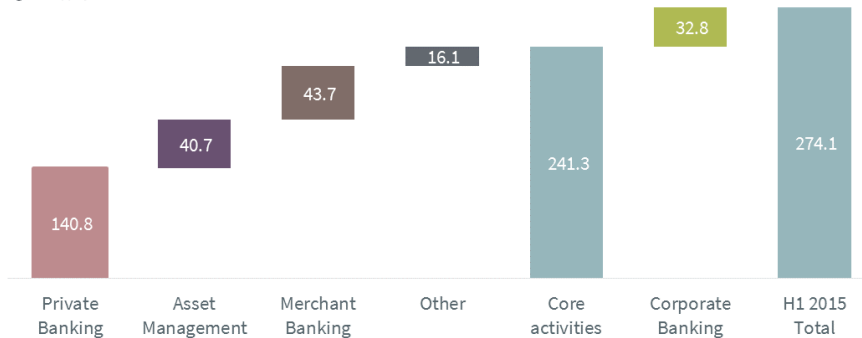
<b>Execution of strategy on track</b>	<b>Quality of earnings improves, announced transactions in line with strategy</b> <ul style="list-style-type: none"><li>• Private Banking: securities commission +18%, launch of Evi Pension, new proposition for entrepreneurs, increase in mortgage production</li><li>• Asset Management: inflow in credit strategy following Gold-rating, acquisition of fiduciary management MN UK</li><li>• Merchant Banking: commission income doubled, solid market share in selected niches, involved in appealing transactions</li><li>• Corporate Banking: run-off ahead of schedule, sale of non-performing CRE loans announced</li></ul>
<b>Strong growth in commission income</b>	<b>Net profit of € 34.0 million (H1 2014: € 49.4 million)</b> <ul style="list-style-type: none"><li>• Strong growth in commission income +24%</li><li>• Interest income slightly lower as result of run-off Corporate Banking and current market conditions</li><li>• Lower other income after significant gains in H1 2014 on participations and financial transactions</li><li>• Loan loss provisioning -10%</li></ul>
<b>Inflow of discretionary mandates</b>	<b>Client assets increase € 1.1 billion to € 58.5 billion</b> <ul style="list-style-type: none"><li>• Strong market performance</li><li>• € 0.3 billion inflow of discretionary mandates at Private Banking</li><li>• Client savings decrease due to savings rate reduction in line with funding strategy; focus on clients with Private Banking profile</li><li>• Assets under management at Asset Management grow 2%</li></ul>
<b>Strong capital ratios</b>	<b>Common Equity Tier I ratio stable at 14.6%</b> <ul style="list-style-type: none"><li>• Leverage ratio (fully loaded) 5.7% (+0.4%-point)</li><li>• Common Equity Tier I ratio (fully loaded) 13.6% (+0.2%-point)</li><li>• Well diversified funding profile: funding ratio of 94.3%, in addition to wholesale funding</li><li>• Conditional Pass-Through Covered Bond issued with low coupon (0.275%)</li></ul>

# All activities contribute to our net profit

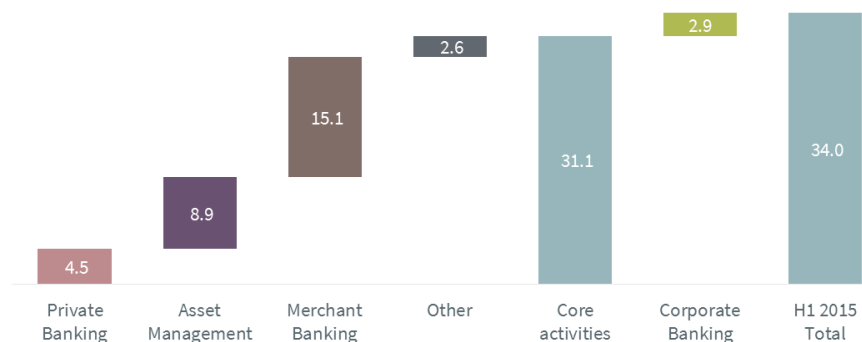
**Net profit is € 34.0 million  
(H1 2014: € 49.4 million)**

- The core activities, Private Banking, Asset Management and Merchant Banking, generate 82% of the operating income (2014: 75%)
- All activities contribute to the profitability of Van Lanschot
- Corporate Banking contributes positively as a result of lower loan loss provisioning

**Operating income by segment**  
€ million



**Net profit**  
€ million

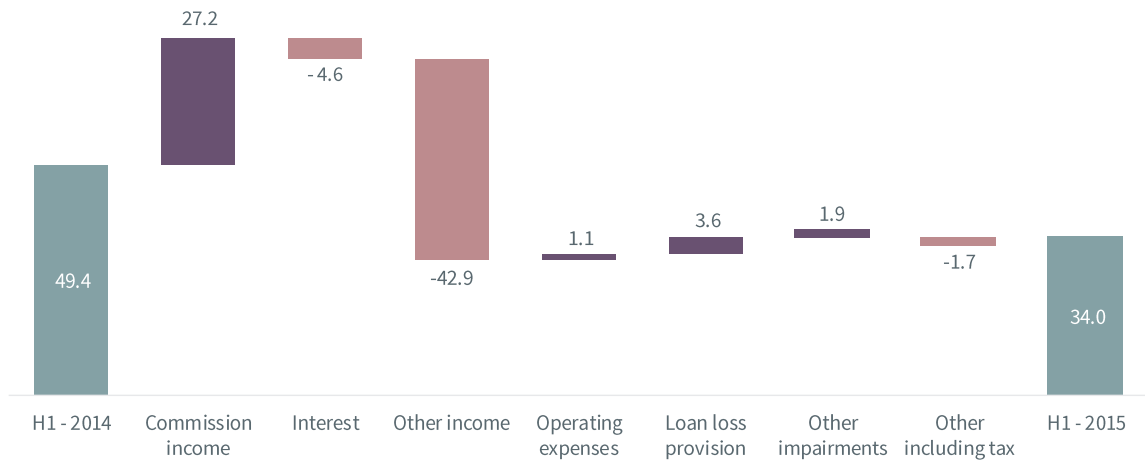


# Quality of earnings improves

**Net profit is € 34.0 million  
(H1 2014: € 49.4 million)**

- Increase in commission income (+24%) driven by Merchant Banking and Private Banking
- Decrease in interest income due to reduction of loan book and lower interest income on investment portfolio as capital market rates are low
- Other income lower due to significant gains on participations and financial transactions in H1 2014
- Operating expenses largely in line with H1 2014
- Loan loss provisioning down as provisioning at Corporate Banking clearly improved

**Key drivers of net profit in H1-2015**  
€ million

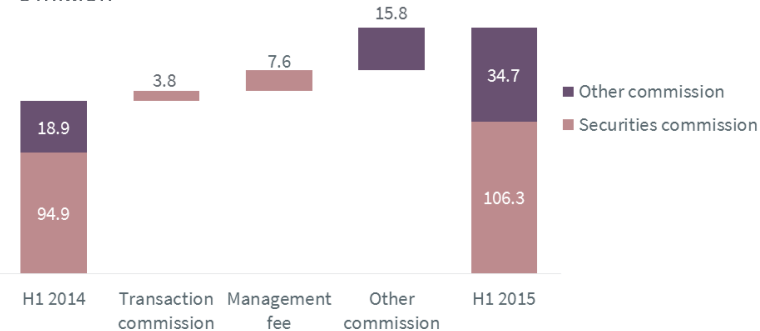


# Merchant Banking and Private Banking drive increase in commission income

- Securities commission increases 12% vs. H1 2014, based on both transaction fees and management fees
- Transaction income increases in particular due to the positive stock market climate
- Management fees grow mainly due to the growth of assets under management
- Recurring income in the form of management fees almost stable at 81% of total securities commission (H1 2014: 82%)
- Merchant Banking commission increases due to
  - significantly higher other commission following from equity capital market deals and advisory activities
  - Higher securities trading leading to higher transaction commission

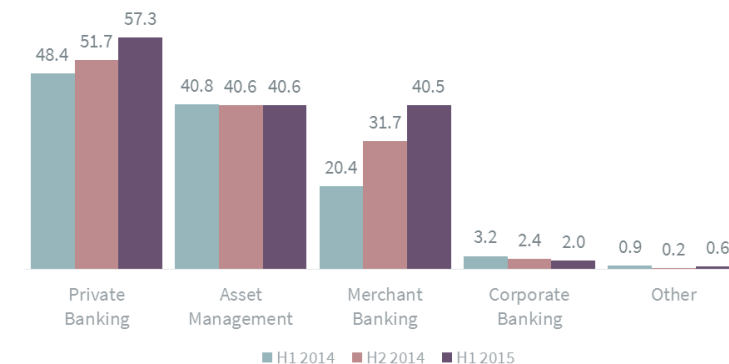
## Total commission income

€ million



## Commission income by segment

€ million

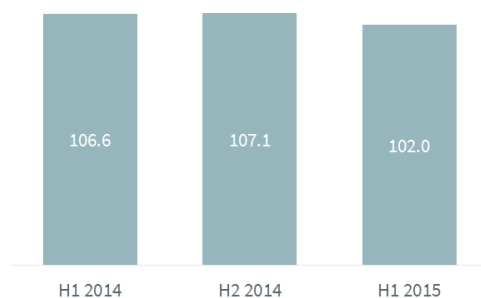


# Limited decrease in interest income following loan book reduction, interest margin stable

- The interest income decline results from the run-off of the corporate loan book and lower income from the investment portfolio
- Relatively high liquidity buffers in conjunction with low yield environment put pressure on interest margin. To manage the liquidity buffer savings rates have been lowered further in 2015, resulting in a outflow of € 0.7 billion in savings & deposits

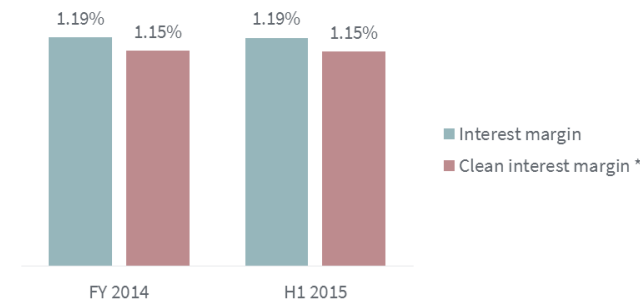
## Interest income

€ million



## Interest margin

%



\* Clean interest margin is interest margin adjusted for among others initial loan commission and penalty interest

# Other income decreases to € 31.1 million

## Profit on financial transactions

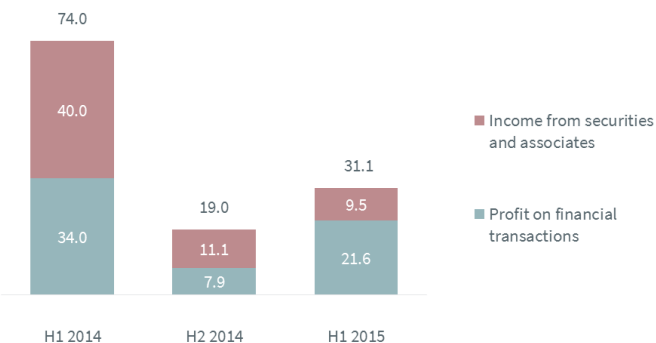
- Profit on financial transactions amounts to € 21.6 million, of which profit on investment portfolio (€ 19.1 million) decreased compared to H1 2014 (€ 31.4 million)

## Income from securities and associates

- Income from securities and associates (€ 9.5 million) decreased as last year included a material gain following the sale of a participation

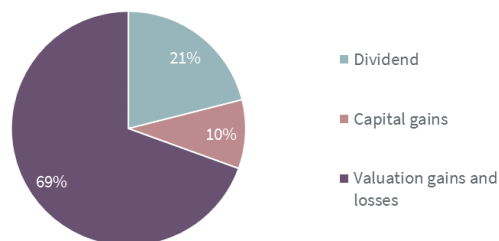
## Other income

€ million



## Income from securities and associates

100% = € 9.5 million

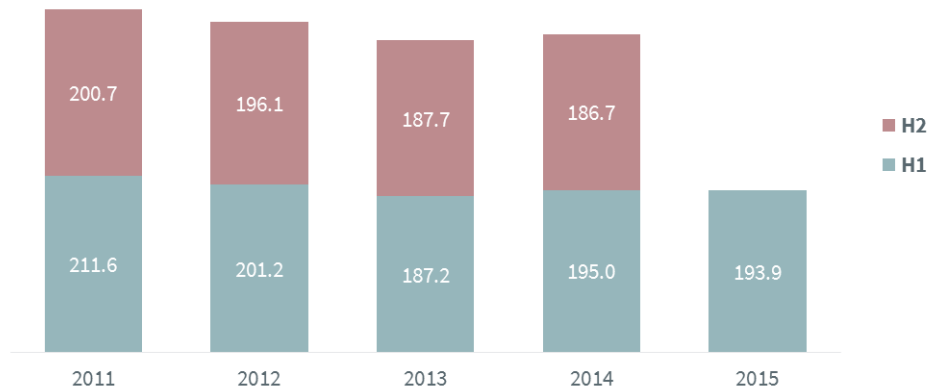


# On track to realize efficiency ratio target in 2017

- Operating expenses fairly stable at €193.9 million
- Efficiency ratio amounts to 70.7%
- The number of fte decreases with 15 to a total of 1,697
- Van Lanschot continues to simplify products and processes, to improve IT-infrastructure and to streamline back office activities
- The transformation leads to temporarily higher costs in order to eventually reduce the cost level
- Marketing efforts will be continued to support income growth
- Van Lanschot is on track to realize its efficiency ratio target of 60-65% in 2017

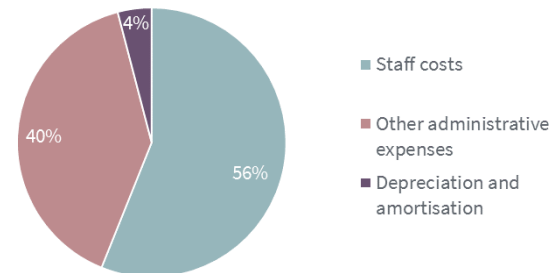
## Operating expenses

€ million



## Operating expenses H1 2015

100% = €193.9 million

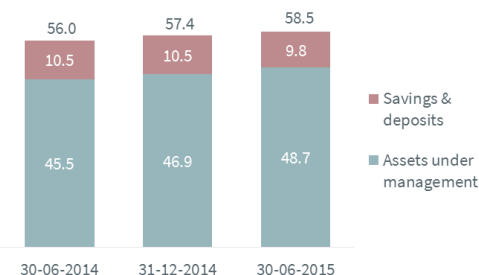


# Positive market performance supports client assets growth

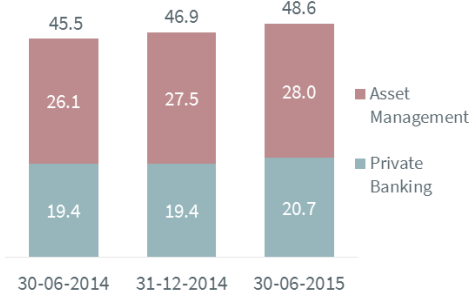
## Client assets grow € 1.1 billion to € 58.5 billion

- Assets under management are up 4% in H1 2015 mainly due to market performance
- Savings & deposits decreased by € 0.7 billion due to savings rate reduction as result of funding strategy. Focus remains on clients with a Private Banking profile
- Private Banking client assets grow by € 0.6 billion. Discretionary mandates realizes a net inflow of € 0.3 billion, while non-discretionary mandates have outflow of € 0.3 billion mainly at execution only. 43% of Private Banking AuM is now in discretionary management
- Assets under management of Asset Management increase due to market performance. Inflow in euro credit strategy following Gold-rating Morningstar. Net outflow is mainly caused by rebalancing of institutional clients as a result of market expectations

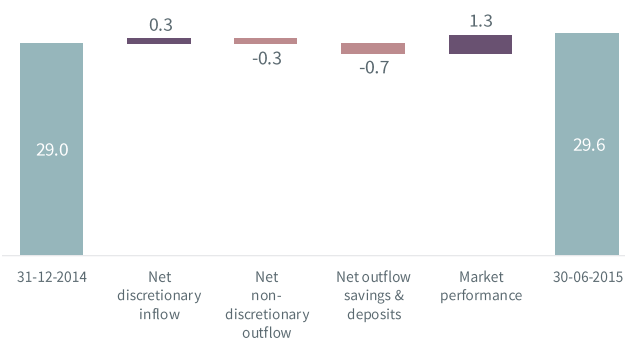
Client assets  
€ billion



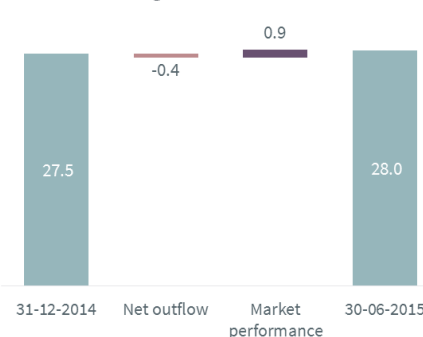
Assets under management  
€ billion



Development client assets: Private Banking  
€ billion



Development assets under management: Asset Management  
€ billion





# Loan book: run-off Corporate Banking ahead of schedule; growth in gross production mortgages

**Total loan book (€ 10.4 billion) reduces by 5% in H1-2015. Run-off Corporate Banking is ahead of schedule**

## Mortgages Private Banking

- Mortgage book down by 1% in H1 2015
- Growth in gross production, while trend of (early) repayment continues

## Other Private Banking loans

- Increase mainly due to securities lending and transfer of loans from Corporate Banking that now match Private Banking criteria

## SME loans

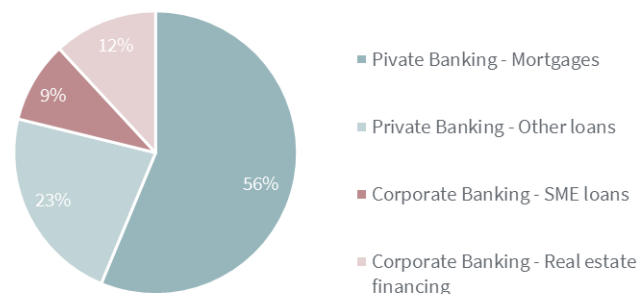
- Run-off supported by improving economic climate
- Portfolio remains well diversified by sector

## Real estate

- Portfolio of non-performing real estate loans (> € 400 million), announced to be sold, is classified as assets held for sale per 30-06-2015
- Exclusion of this portfolio largely explains reduction of provisions level

## Loan book per 30-06-2015 \*

100% = € 10.6 billion (excluding provisions)



€ million	30-06-2015	31-12-2014	Δ
Mortgages	5,961	6,041	-1%
Other loans	2,389	2,212	8%
<b>Private Banking</b>	<b>8,350</b>	<b>8,253</b>	<b>1%</b>
SME loans	983	1,289	-24%
Real estate financing	1,259	1,803	-30%
<b>Corporate Banking</b>	<b>2,242</b>	<b>3,092</b>	<b>-27%</b>
Provisions	-203	-324	-37%
<b>Total*</b>	<b>10,389</b>	<b>11,021</b>	<b>-6%</b>

\*Total loan book excluding € 43 million mortgages third party distribution

# Loan loss provisioning continues to trend down

**Additions to loan loss provision down 10% to € 31.9 million versus € 35.5 million in H1 2014**

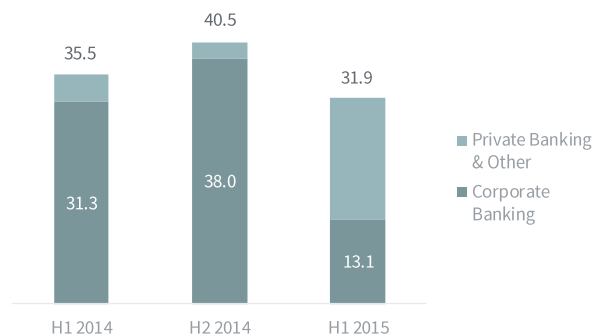
## Private Banking

- Loan loss provisioning (€ 16.1 million) is higher in H1 2015 compared to H1 2014 (€ 4.1 million)
- Provisioning level H1 2015 is result of a few individual cases and stricter provisioning criteria

## Corporate Banking

- Loan loss provisioning of € 13.1 million decreases compared to H1 2014 (€ 31.3 million)
- The impaired ratio (6.7%) is positively effected by the announced sale of non-performing real estate loans

**Additions to loan loss provision**  
€ million



€ million	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	122	52	2.0%	43%
Other loans	152	73	6.4%	48%
<b>Private Banking</b>	<b>274</b>	<b>125</b>	<b>3.3%</b>	<b>46%</b>
SME loans	126	49	12.8%	39%
Real estate financing	25	15	2.0%	60%
<b>Corporate Banking</b>	<b>151</b>	<b>64</b>	<b>6.7%</b>	<b>42%</b>
IBNR		13		
<b>Total</b>	<b>425</b>	<b>203</b>	<b>4.1%</b>	<b>44%</b>

# Common Equity Tier I ratio stable at 14.6%

## Risk-weighted assets

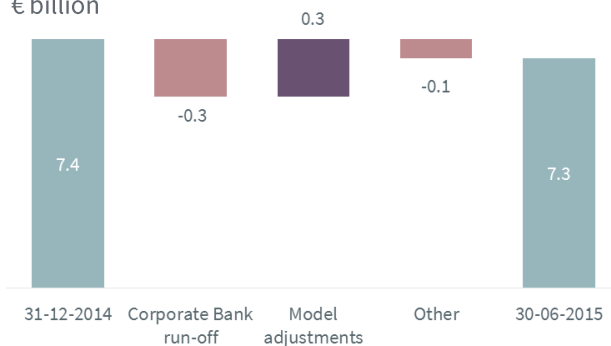
- Corporate Banking run-off leads to RWA reduction of € 0.3 billion
- RWA developments mainly caused by decreasing loan book and IRB model adjustments
- Decrease of total RWA € 0.1 billion in H1 2015

## Van Lanschot meets the Basel III capital requirements

- Fully loaded Common Equity Tier I ratio 13.6 %
- Leverage ratio 5.7%
- The liquidity coverage ratio and the net stable funding ratio are well above 100%

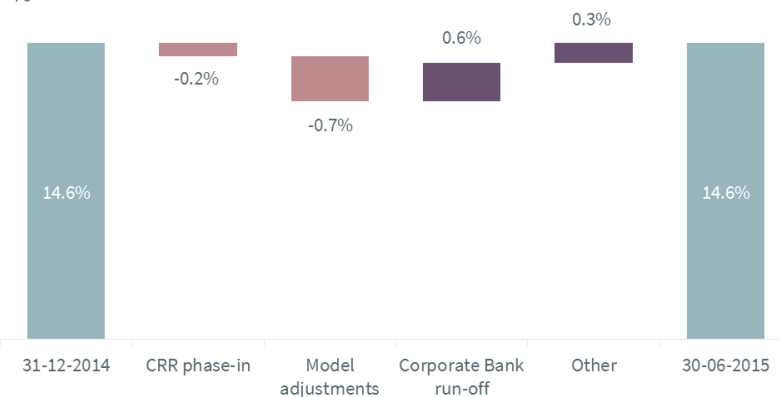
## Risk-weighted assets

€ billion



## Development of Common Equity Tier I ratio phase-in

%



Appendix

# Experienced and balanced management

## Highly experienced Executive Board



**Karl Guha (1964)**  
*Chairman of the Board*

**Background:**  
CRO at UniCredit Banking Group



**Constant Korthout (1962)**  
*CFO/CRO*

**Background:**  
Group CFO at Robeco Group



**Arjan Huisman (1971)**  
*COO*

**Background:**  
Partner Boston Consulting Group



**Richard Bruens (1967)**  
*Private Banking*

**Background:**  
Global Head Private Wealth Management at ABN AMRO Private Banking International



**Paul Gerla (1966)**  
*CEO Kempen & Co  
Asset Management*

**Background:**  
CFO Shell Pension Fund, Finance Director Shell Malaysia



**Joof Verhees (1960)**  
*Merchant Banking*

**Background:**  
Managing Director at Rabo Securities and head of European trading for ABN AMRO in London

## Well regarded Supervisory Board

**Tom de Swaan (1946)**  
*Chairman*

- Chairman of the Supervisory Board at Zurich Insurance Group
- Member of the supervisory board at DSM and a non-executive Director at GlaxoSmithKline
- Former CFO ABN AMRO, former Board member Dutch Central Bank

**Jos Streppel (1940)**  
*Deputy Chairman*

- Chairman of the Supervisory Board at KPN
- Former CFO of Aegon and FGH Bank
- Former chairman of the Monitoring Commission Corporate Governance

**Willy Duron (1945)**

- Honorary Chairman of KBC Group
- Former CEO KBC Group

**Godfried van Lanschot (1964)**

- Independent investor

**Bernadette Langius (1960)**

- Former CEO of ABN AMRO Private Banking Netherlands
- Board Member at VU University

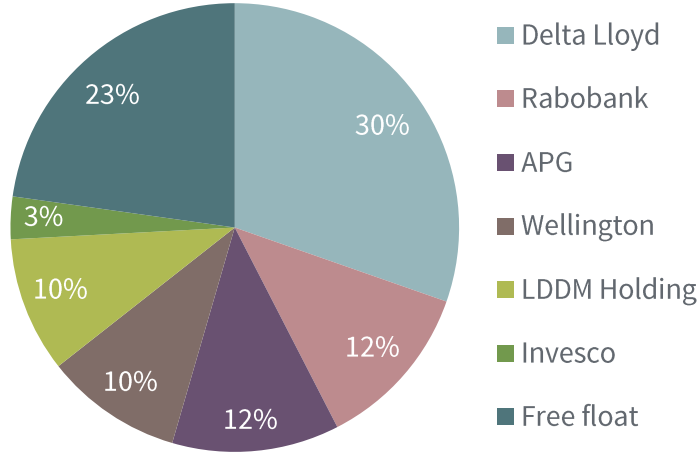
**Jeanine Helthuis (1962)**

- Former CEO of Monuta

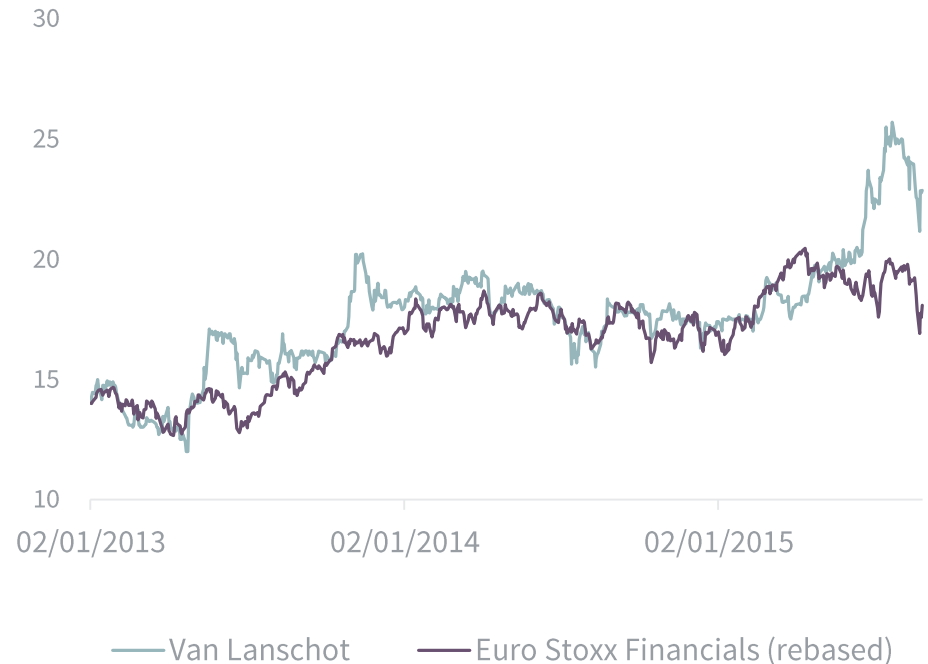
# Van Lanschot is listed on the Amsterdam stock exchange

Upward trend since strategic review in 2013

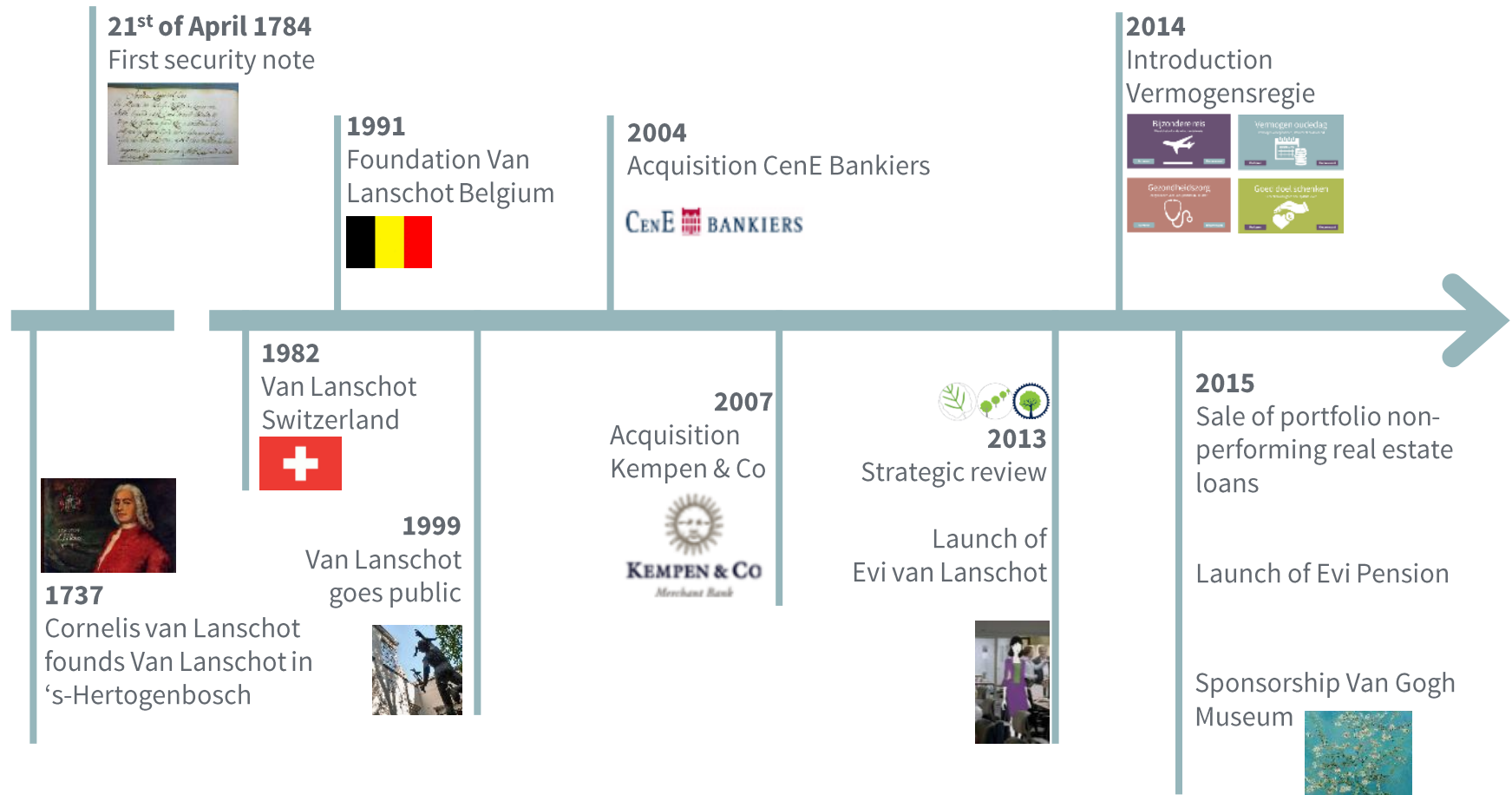
## Overview of principal shareholders



## Share price development



# Van Lanschot's rich history reaches back over 275 years



# Private Banking focusses on three segments: Mass Affluent, HNWI and UHNWI

## *Why the market is attractive for Van Lanschot*

## *Why Van Lanschot can be successful*

Mass  
Affluent (Personal  
Banking/Evi)

- Feeder function for Private Banking
- Weak value proposition in the Dutch market by competitors
- Dutch clients attracted to self-service proposition

- Personalised client service model with lower coverage ratio vs. competitors
- Local roots close to clients
- Strong and stable (no government aid)
- Transparent & simplified product offering
- Cutting-edge online platform and self service proposition

High Net Worth individuals  
(Private Banking)

- Lack of choice for clients
- Lack of focus of incumbents
- No traditional/independent Private Banks
- Attractive margins, especially in discretionary management

- Bank of choice for specialties
- Traditional, independent Private Bank
- Local footprint through branch network
- Preferential access to excellent asset manager with expertise in discretionary management

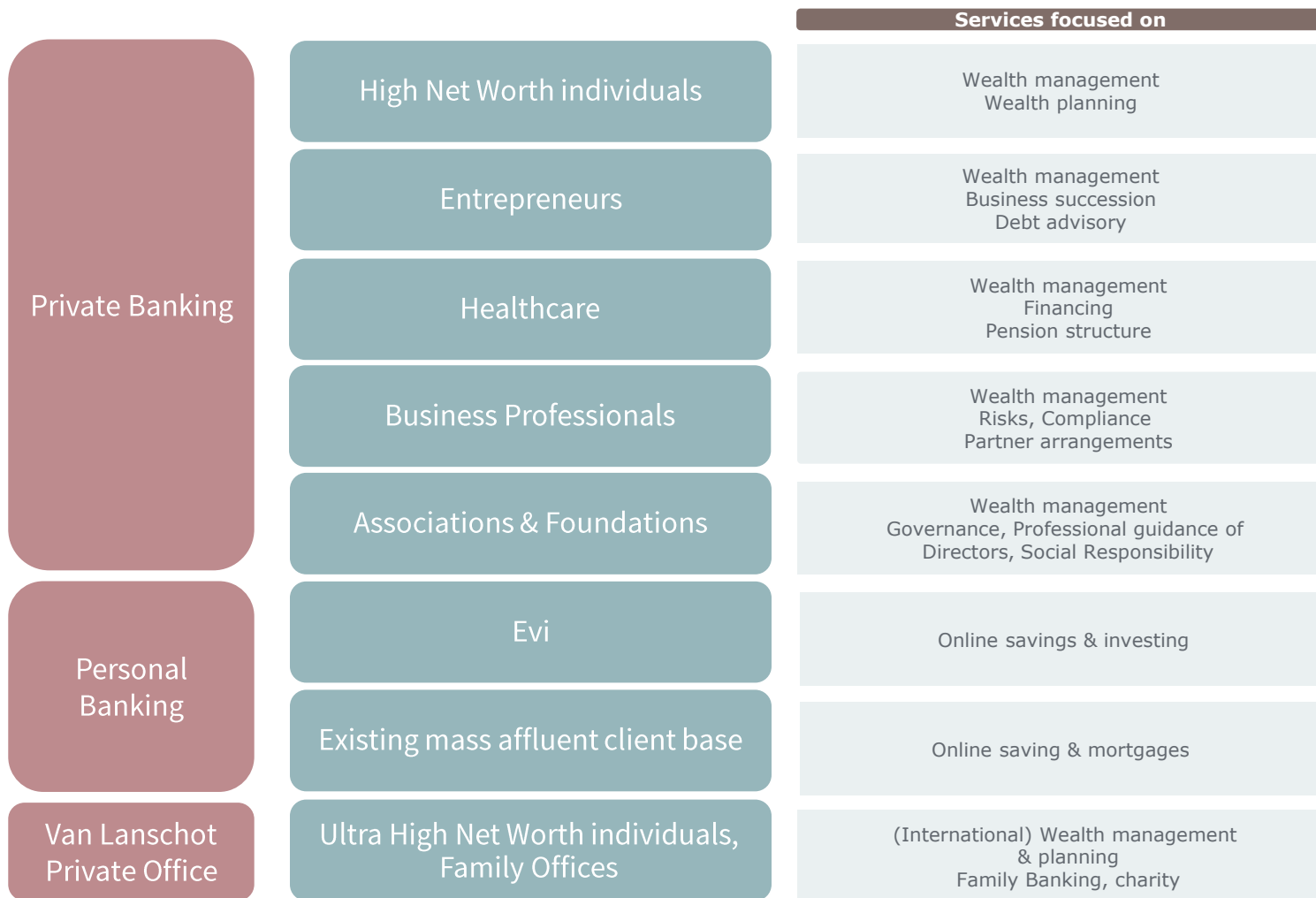
Ultra High Net Worth  
individuals (Van Lanschot  
Private Office)

- Fastest growing segment in the market
- Low level of competition in the Netherlands, with market leader under state aid
- Foreign players struggling to be profitable (due to cost base)
- Positive reputation and competence/skill externalities

- Strong expertise in professional advisory services
- Access to Corporate Finance and Investment expertise through Kempen & Co
- Local footprint through branch network
- Commitment to the segment



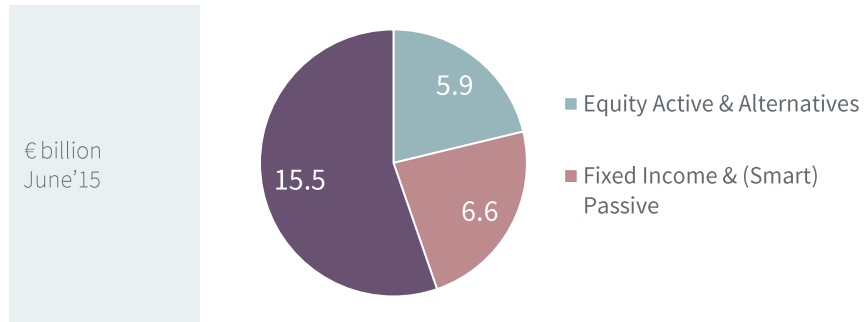
# Within the three service concepts we have identified target client groups



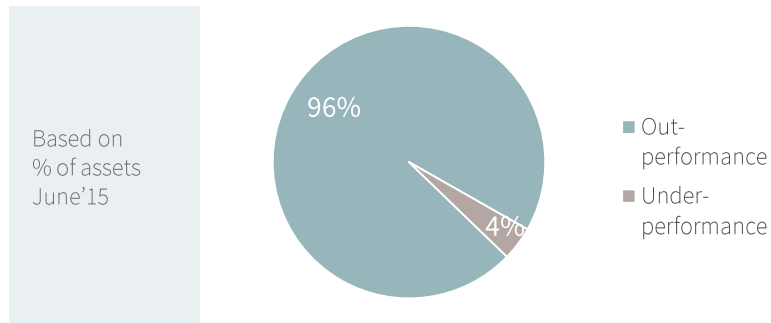
# Asset manager delivering the client needs

## Kempen & Co—Asset Management

### Breakdown of AUM



### Performance vs. benchmark



### Selected awards for the asset management platform



#### Kempen European High Dividend Fund

Morningstar Rating \*\*\*\*  
Morningstar Analyst Rating  
*Only dutch asset manager with gold rating*



#### Kempen Euro Credit Fund

Morningstar Rating \*\*\*\*\*  
Morningstar Analyst Rating  
*Only credit manager in Europe with gold rating*



#### Kempen Global High Dividend Fund

Morningstar Rating \*\*\*\*  
Morningstar Analyst Rating  
*Only dutch asset manager with gold rating*



#### Kempen Orange Fund

Morningstar Rating \*\*\*\*\*  
Morningstar Analyst Rating  
*DFT Product of the month June 2014*



#### Kempen Non-Directional Partnership (FoHF)

Morningstar Rating \*\*\*  
European Fund Award 2013:  
Best Diversified Fund of Hedge Funds



#### Kempen Capital Management N.V.

2013 and 2014 Focus Elite Award

# Merchant Banking capitalising on its market leadership in selected niches

## Kempen & Co—Merchant Bank

### Corporate Finance

- **34 deals** executed in 2014
- **37% of revenues** outside Benelux market
- Involved in **three** out of **ten** IPO's in the Benelux
- Advised clients on **€2 bln** of debt refinancings in 12 months



Benelux

- Strong client base with loyal (recurring) clients
- International ambition of selected niches (HVAC, Offshore)



European Real Estate

- Strong international client base with recurring clients
- Market leader in German real estate ECM
- Healthy mix of (inter)national M&A and ECM deals
- Building international network of non-listed investors



Life Sciences

- International expansion
- Diversification into subsectors
- Full use of platform ECM, M&A and DS

### Securities

- Three **#1 position** in Thomson Reuters Extel list in 2014
- More than **120 structured products** issued in 2014 with a notional of €425m
- **49 top 3 market positions** in the focus niches
- More than **15%** brokerage topline growth



Benelux

- Prominent market position in Dutch & Belgian Equities
- Following more than 60 Dutch and Belgian companies



European Real Estate

- Strong track record
- Leading trading market shares
- Internationally recognised pan-European research products
- Highly active in the field of Corporate Access



Life Science

- Expanding pan-European coverage
- Highly active in the field of Corporate Access
- Specialist on Sales-Trading and Trading

# Key figures 2015 half-year results

€ million

	H1 - 2015	H2 - 2014	H1 - 2014	H1 - 2015 vs H1 - 2014
Commission income	141.0	126.5	113.8	
Interest	102.0	107.1	106.6	
Other income	31.1	19.0	74.0	
<b>Income from operating activities</b>	<b>274.1</b>	<b>252.6</b>	<b>294.4</b>	<b>-7%</b>
Operating expenses	193.9	186.7	195.0	
One-off gains / losses	-0.7	66.5	-6.2	
<b>Gross result after one-off gains / losses</b>	<b>79.5</b>	<b>132.4</b>	<b>93.2</b>	<b>-15%</b>
Gross result before tax of non-strategic investments	-0.1	1.8	1.6	
Additions to loan loss provision	31.9	40.5	35.5	
Other impairments	2.8	14.8	4.7	
<b>Operating profit before tax</b>	<b>44.7</b>	<b>78.9</b>	<b>54.6</b>	<b>-18%</b>
Income tax	10.7	19.6	5.2	
<b>Net result</b>	<b>34.0</b>	<b>59.3</b>	<b>49.4</b>	<b>-31%</b>
Underlying net profit *	34.5	9.4	54.1	-36%
Efficiency ratio (%)	70.7%	73.9%	66.2%	

\* Underlying net profit is net profit excluding one-off gains and losses

# Balance sheet with strong capital and funding position

## Significant capital buffer

- Total equity of € 1.4 billion, of which € 1.3 billion in share capital and reserves
- Common Equity Tier I ratio (phase-in) 14.6%
- Leverage ratio (fully loaded) 5.7%

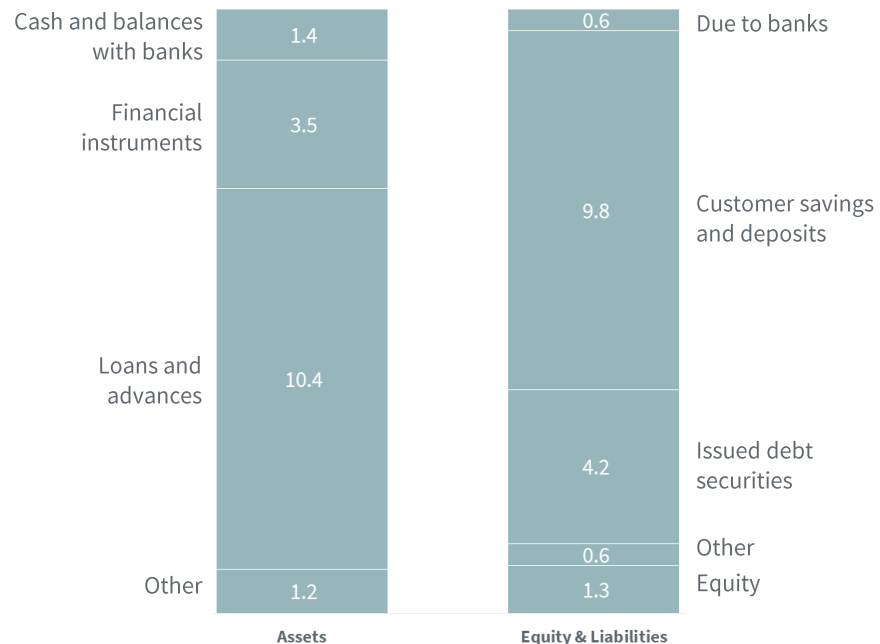
## Low risk assets

- Loan book decreases € 0.6 billion to € 10.4 billion in line with focus on wealth management
- Ultimate goal to run off Corporate Banking loan book entirely
- Investment portfolio consists mainly of low risk European government bonds and bonds issued by financial institutions

## Solid, well diversified funding position

- Largely funded by customer savings and deposits; funding ratio of 94.3% at 30 June 2015 in line with wealth management profile
- Funding mix is complemented by wholesale funding; Conditional Pass-Through Covered Bond was issued with low coupon

**Balance sheet 30 June 2015**  
 € billion, balance sheet total = € 16.5 billion





Van Lanschot

Evi van Lanschot

Online savings and  
investments solutions

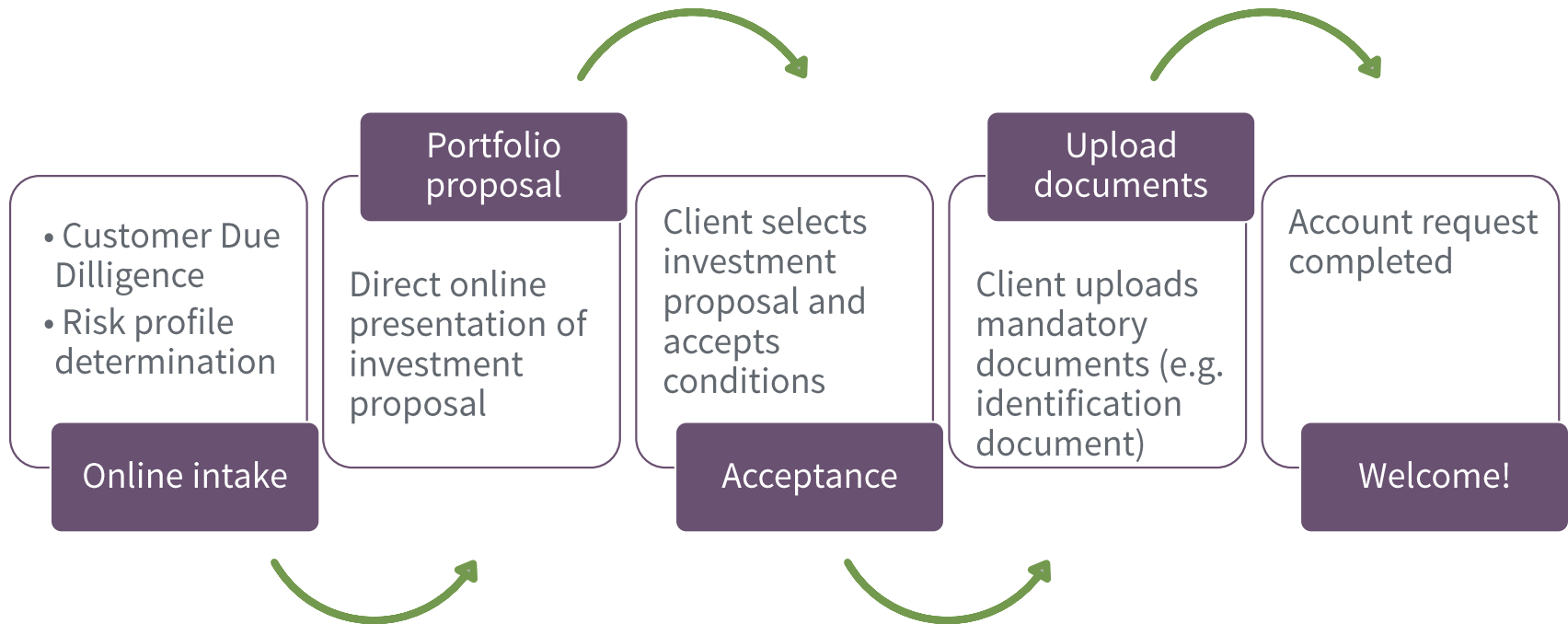


# Private Banking for the younger generation

- Evi is the online savings and investments solution of Van Lanschot. Evi uses the investment knowledge of Kempen Capital Management and Van Lanschot and offers private banking like mutual fund portfolios to retail clients.
- Evi appeals to the younger generation and Private Banking clients preferring an online solution. The state of the art online platform, apps for tablet and mobile are complemented with the possibility to contact investment specialists directly.
- Clients consider Evi as a very accessible way to build wealth and score Evi with an 8.
- Evi offers:
  - Discretionary management
  - Investment advice
  - Savings account
  - Pension investment plan (introduced in 2015)



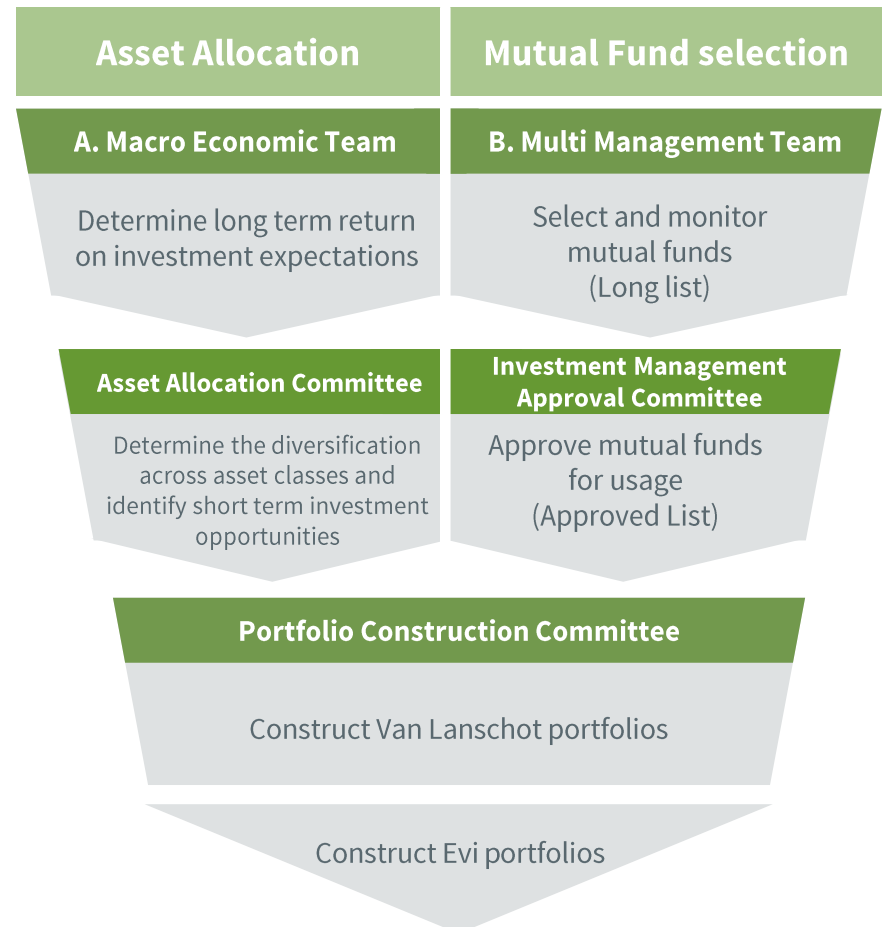
# Evi provides online account opening





# Van Lanschot's investment beliefs form the foundation of Evi's portfolios

- Evi invests in carefully selected mutual funds. These funds are selected and monitored by Kempen Capital Management and Van Lanschot.
- The approved list of Evi contains around 60 funds (active and passive). All these funds can be selected in Evi – investment advice.
- The portfolios in Evi –discretionary management normally contain between 20 and 25 funds.



# Evi offers a omni-channel investment service

Email



Telephone



Face 2 face



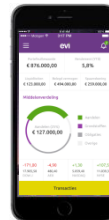
Video chat



Tablet App



Mobile App  
10.2015



Online platform



# Evi van Lanschot had an excellent start

- Evi was launched in Q4 2013. At the end of 2014, over € 1 billion was entrusted to Evi in savings and investments; the average funds entrusted in discretionary management substantially exceed the € 10,000 entry level
- Evi client base is a springboard for growth:
  - Approximately 1/3 of new clients use Evi to make their first investments
  - Almost 40% of all clients only uses Evi for their investments
  - Over 40% of all clients expects to entrust more funds
  - Approximately 50% of new clients is younger than 50, rejuvenating Van Lanschot's client base
- Evi swiftly realized high brand recognition due to prime time advertising on key Dutch TV stations, supported by online advertising
- By the end of 2015 we expect Evi Investments to be ready for launch in Belgium



# Disclaimer

## **Disclaimer and cautionary note on forward-looking statements**

This presentation contains forward-looking statements on future events. These forward-looking statements are based on the current information and assumptions of Van Lanschot's management about known and unknown risks, developments and uncertainties.

Forward-looking statements do not relate strictly to historical or current facts and are subject to risks, developments and uncertainties. The actual results may differ considerably as a result of risks, developments and uncertainties relating to Van Lanschot's expectations regarding, but not limited to, estimates of income growth, costs, the macroeconomic climate, political and market trends, actions by supervisory and regulatory authorities and private entities, and changes in the law and taxation.

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