

# Investor presentation

August 2019



**VAN LANSCHOT  
KEMPEN**



# Van Lanschot Kempen at a glance

## Profile

- Well capitalised, profitable wealth manager with a strong specialist position in the market
- Strong brand names, reliable reputation, rich history
- Clear choice for wealth management, targeting private, institutional and corporate clients
- Tailored, personal and professional service
- Mutually reinforcing core activities, each with its own distinct culture and positioning as a niche player
- Strong track record in transformation processes and de-risking of the company
- Strong capital position and balance sheet

## Our wealth management strategy

Supported by our strong client relationships we want to be a leading player in our relevant markets and geographies

Our strategic pillars:

- Accelerate growth – organically and inorganically
- Activate our full potential
- Advance through digitalisation and advanced analytics
- Adapt the workforce

## Solid performance on all key financials

	H1 2019	H2 2018	H1 2018
• Net result	€83.6m	€41.0m	€39.3m
• Underlying net result	€92.5m	€55.8m	€47.2m
• CET 1 ratio, fully loaded*	22.7%	21.4%	21.4%
• Total capital ratio, fully loaded	25.8%	23.5%	23.3%
• Client assets	€97.3bn	€81.2bn	€83.7bn
• AuM	€82.6bn	€67.0bn	€69.1bn
• Loan book	€8.9bn	€8.7bn	€9.1bn

## 2023 financial targets

	H1 2019	Target 2023
• Common Equity Tier 1 ratio	22.7%	15 - 17%
• Return on CET1	12.9%**	10 - 12%
• Efficiency ratio	75.5%	70 - 72%
• Dividend pay-out		50 - 70%***

\* At 31 December 2018 including retained earnings. At 30 June 2018 and 30 June 2019 excluding retained earnings

\*\*Of underlying net result attributable to shareholders

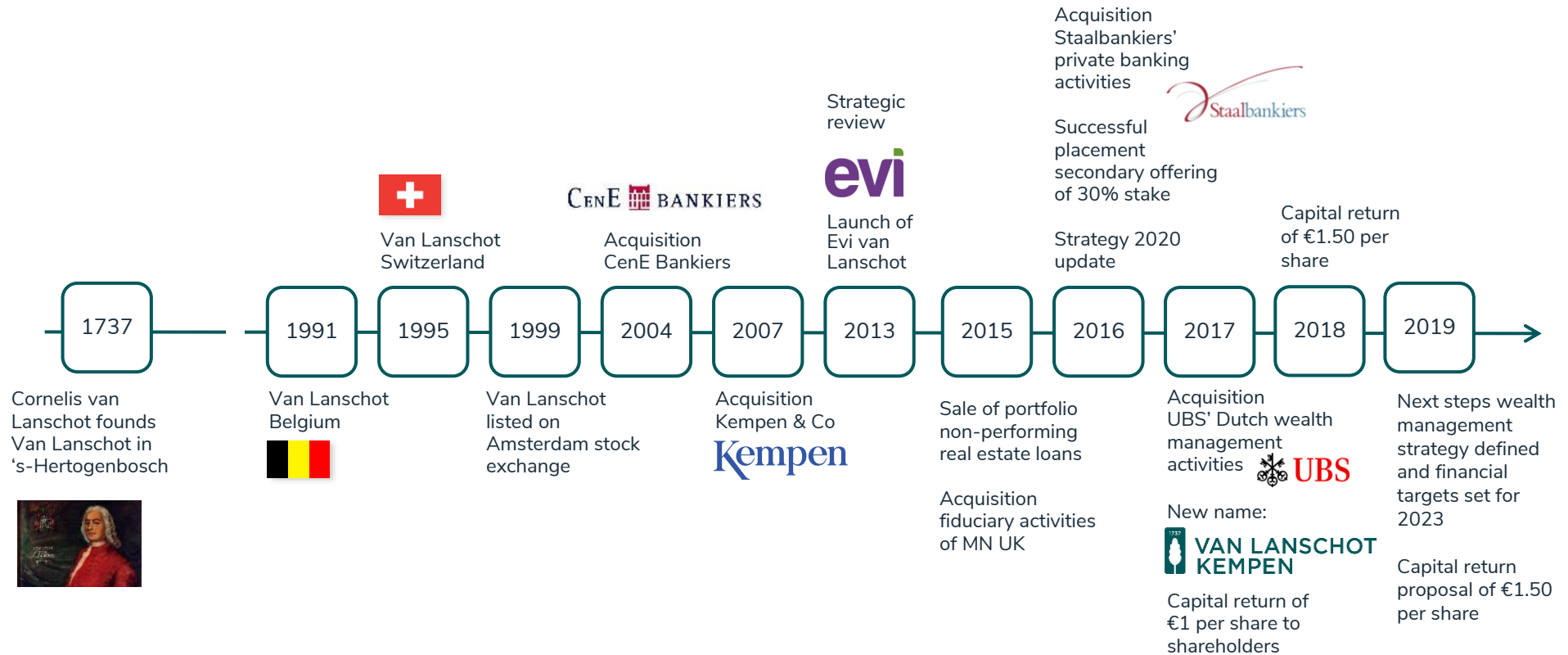
\*\*\*Based on the (annualised) underlying net result attributable to shareholders. Book profits on VLC & Partners and AIO II have not been annualised.

Van Lanschot Kempen is a specialist,  
independent wealth manager



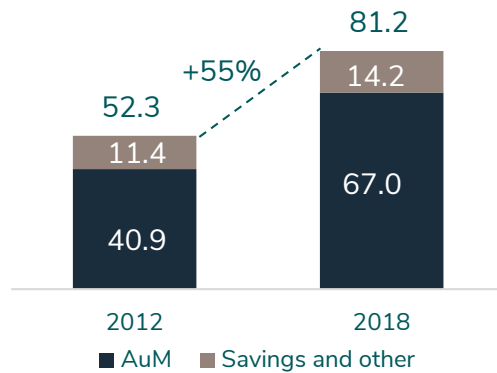
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# Van Lanschot Kempen's rich history reaches back over 280 years

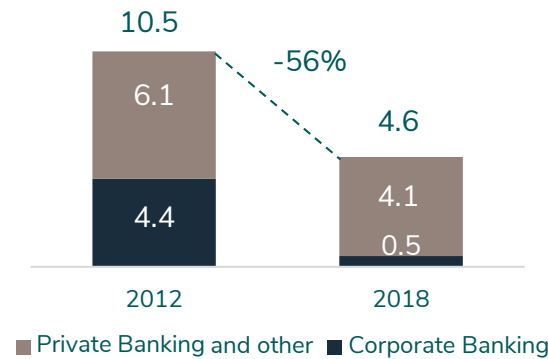


# Our transformation to a specialised wealth manager

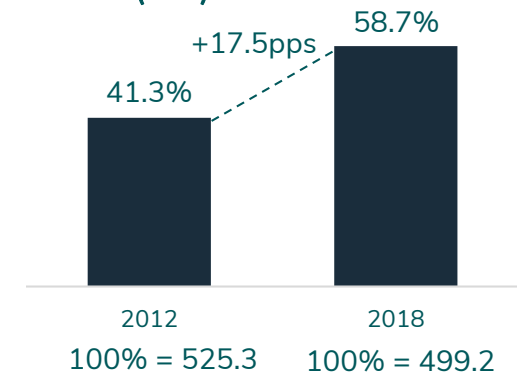
## Client assets and AuM (€bn)



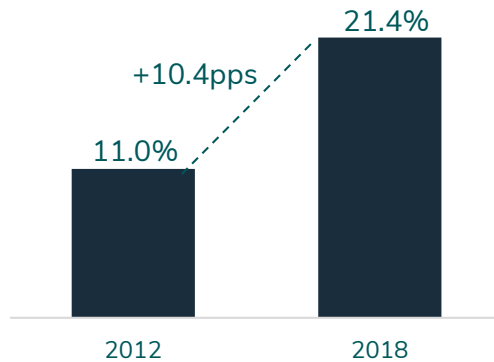
## Risk-weighted assets (€bn)



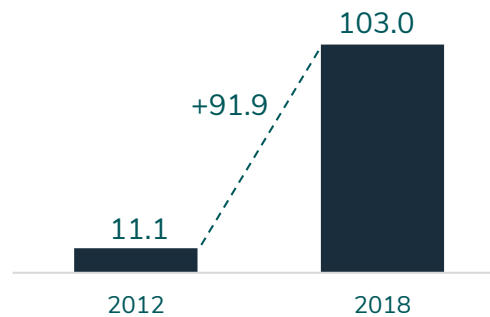
## Commissions as % of operating income (€m)



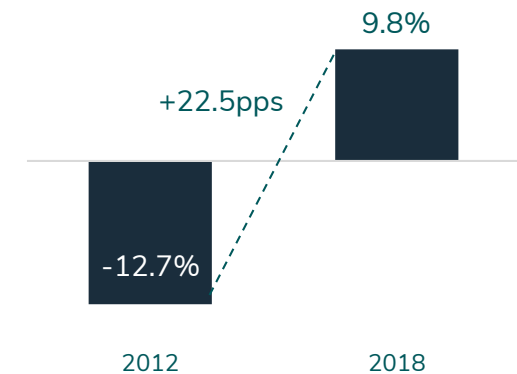
## Common Equity Tier 1 ratio



## Underlying net result (€m)



## Return on Common Equity Tier 1



# As a wealth manager Van Lanschot Kempen builds on the experience of its core activities



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**Van Lanschot**  
SINDS 1737

- Private Banking
- Discretionary asset management, investment advice, financial planning, savings and deposits, structured products and lending
- Servicing entrepreneurs, family businesses, high net-worth individuals, business professionals and executives, healthcare professionals, foundations and associations
- AuM: €23.3bn
- Savings and deposits: €8.9bn, loans: €8.3bn
- Offices in NL, BE and CH

**evi**

- Online wealth management services for the mass affluent and millennials
- Online wealth management solutions, discretionary asset management, savings and pension solutions
- AuM client base c. 16,000
- AuM: €1bn
- Savings: €0.6bn
- Focus on NL and BE

**Kempen**

- Asset management
- Comprehensive fiduciary wealth management services
- Niche investment strategies (high div. equities, small-caps, real estate, credits, infrastructure, government bonds, etc.)
- Focus on European clients; institutional, wholesale distribution, family offices and endowments
- AuM: €69.4bn\*, AuMG: €3.3bn
- Offices in NL, UK, FR

**Kempen**

- Merchant Banking
- Equities research and trading, corporate finance and debt advisory services
- Focus on European corporates and worldwide institutional clients; sectors covered are real estate, life sciences, financial institutions & fintech, infrastructure, maritime & offshore, and the Benelux region
- Offices in NL, BE, UK, US



# We want to be a leading wealth manager in our markets

## Continue with our wealth management strategy

- Well-capitalised, profitable wealth manager with a strong position in the market
- Knowledge and experience, personal, client-focused approach, unique combination of activities and track record set us apart from the competition
- Strategy offers ample growth opportunities

## Leading player in our relevant markets

- A leading wealth manager in the Benelux region
- A prominent, active investment manager that delivers alpha in illiquidity, income and ESG in Europe
- The leading fiduciary manager in the Netherlands, challenger in UK fiduciary market
- The preferred trusted adviser in selected merchant banking niches across Europe
- The number one online wealth management alternative for the mass affluent in selected markets

## From responsible to sustainable investing

- Conviction-based, active investor, focusing on the long term
- We are convinced we can achieve significant social and environmental impact by advising our clients in making sustainable investment decisions
- We aim to increase our positive contribution and visibility

## 2023 financial targets

- CET 1 ratio: 15-17%
- RoCET 1: 10-12%
- Dividend policy: 50-70% of underlying net result attributable to shareholders
- Efficiency ratio: 70-72%



# We have defined four strategic pillars that enable us to deliver on our promises

- Pursue a solutions-led approach building on client needs
- Consider acquisitions in existing and contiguous markets

**Accelerate growth-organically and inorganically**

**Advance through digitalisation and analytics**

- Create solutions based on superior insights into client needs & market developments
- Enhance client experience
- Streamline products, processes and systems

- Offer clients the full potential of services and products from our group and open architecture platform
- Benefit from knowledge sharing, make optimum use of resources and reduce overlap

**Activate our full potential**

**Adapt the workforce**

- Empower our people to embrace technology and adopt a more data-driven way of working and decision-making
- Embrace an agile approach with multidisciplinary teams
- Hire new talent to bring in different skills and capabilities





# To deliver on our promises we have taken clear actions

## Accelerate growth – organically and inorganically

- Net inflows of AuM and favourable stock market performance, adding €16.1bn to client assets
- Start of €9.0bn fiduciary mandate
- Ongoing scan for acquisitions in existing and contiguous markets to accelerate our growth

## Activate our full potential

- Next steps for Evi: wealth management proposition for Evi's mass affluents
- Co-creation between Private Banking and Asset Management allows for swift and tailored product development

## Advance through digitalisation and analytics

- Outsourced payment services to Fidor: new payments platform and payments app launched
- Started roll-out of digital and analytics knowledge across the business

## Adapt the workforce

- Launch of new online learning platform
- Introduction of Private Banking Academy
- Implementation of agile approach with multidisciplinary set-up of several teams
- Attracted new talent, bringing different skills and capabilities into our organisation



# From responsible to sustainable wealth manager – highlights H1 2019



Signed up to financial sector commitment to report on climate impact of loan portfolio and investments as of

**2020**



AuM at Private Banking invested in sustainable or impact investing solutions

**>€1.5bn**



Increase in number of approved fund managers that are scored on their overall sustainability profile

**+52%**



Engaging with companies in which our funds invest

**81**  
companies



Employee engagement score is above target

**82%**



Continued interest in ESG products

- Global Impact Pool
- Sustainable solutions in various asset classes
- Duurzaam+ proposition
- Groenhypotheek



# Our positioning in a changing environment

## Key themes



Low interest rates impact our interest income



Market volatility and flat yield curve impact our clients



Increased focus on compliance



Pressure on sustainability of business model for traditional banking

## Our positioning

- Focus on wealth management, leading to less dependence on interest income
- Keep Private Banking loan portfolio stable

- Provide integrated wealth management solutions for private, institutional and corporate clients
- Plan for swift, tailored alternative product development

- Business model allows for focus on specific target groups
- Commit fully to meet high standards of CDD/AML regulations and fulfil role in combating money laundering and financial crimes
- Have an advanced monitoring system and team of experts in place

- Make a clear choice for wealth management with capital light balance sheet
- Benefit from focused strategy and client base to allow for swift implementation of new technology



# 2019 half-year results

Net profit over €83m and capital return proposal



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# Net result up to €83.6m due to significant book profits



Net result €83.6m (H1 2018 €39.3m)  
Underlying net result €92.5m  
(H1 2018 €47.2m)

Commission income €142.2m (-5%)  
Interest €84.7m (-6%)  
Book profits\* €52.2m



Operating expenses  
€190.4m (-9%)

Efficiency ratio 75.5%  
(H1 2018: 81.1%)



Client assets €97.3bn (+20%)  
AuM €82.6bn (+23%)

AuM net inflows €8.7bn



Strong capital ratios  
CET 1 ratio rises to 22.7%

Proposed capital return  
€1.50 per share

\* VLC & Partners (including the expected value of the agreed earn-out) and AIO II



# Highlights H1 2019

Over €1.5bn in sustainable AuM at Private Banking



New payments platform and payments app launched



Introduction of 'Groenhypotheek'



Next steps for Evi determined



Successful launch European Private Equity Fund



Start of €9.0bn fiduciary mandate



Adviser in €1.4bn Dutch residential real estate deal



Capital return proposal of €1.50 per share



# Overview net result

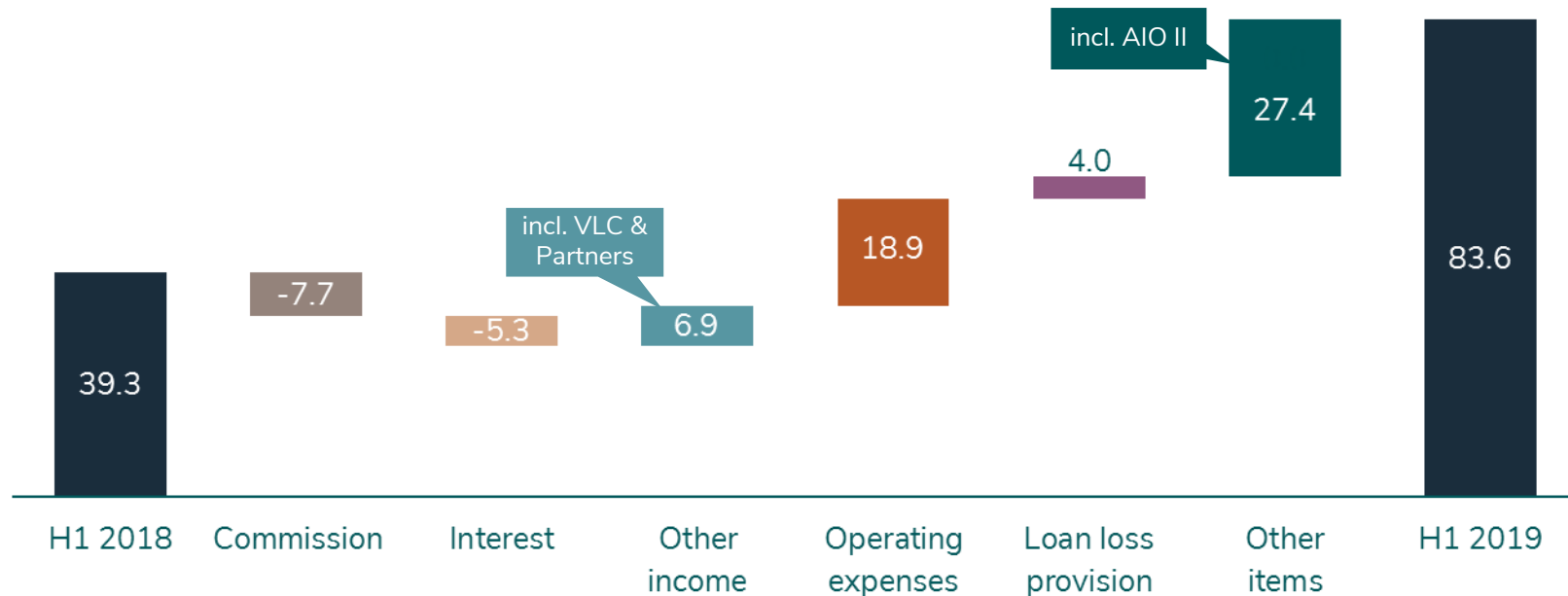
€ m	H1 2019	H1 2018	% change
Commission	142.2	149.9	-5%
Interest	84.7	90.0	-6%
Other income	25.2	18.3	38%
<b>Income from operating activities</b>	<b>252.1</b>	<b>258.2</b>	<b>-2%</b>
Operating expenses	-190.4	-209.3	-9%
<b>Gross result</b>	<b>61.7</b>	<b>48.9</b>	<b>26%</b>
Loan loss provision	7.5	3.5	114%
Other impairments	-0.1	1.1	-106%
Operating profit before tax of non-strategic investments	37.0	8.8	
<b>Operating profit before special items and tax</b>	<b>106.2</b>	<b>62.3</b>	<b>70%</b>
Strategic investment programme	-9.4	-10.5	-10%
Amortisation of intangible assets arising from acquisitions	-3.1	-4.2	-27%
Restructuring charges	-2.5	-	
<b>Operating profit before tax</b>	<b>91.2</b>	<b>47.6</b>	<b>92%</b>
Income tax	-7.7	-8.3	-7%
<b>Net profit</b>	<b>83.6</b>	<b>39.3</b>	<b>113%</b>
<b>Underlying net result*</b>	<b>92.5</b>	<b>47.2</b>	<b>96%</b>
Efficiency ratio (%)	75.5%	81.1%	

\* Underlying net result excludes costs associated with the strategic investment programme and restructuring charges



# Higher net result driven by book profits and sharp decline in costs

## Key drivers of net result € m



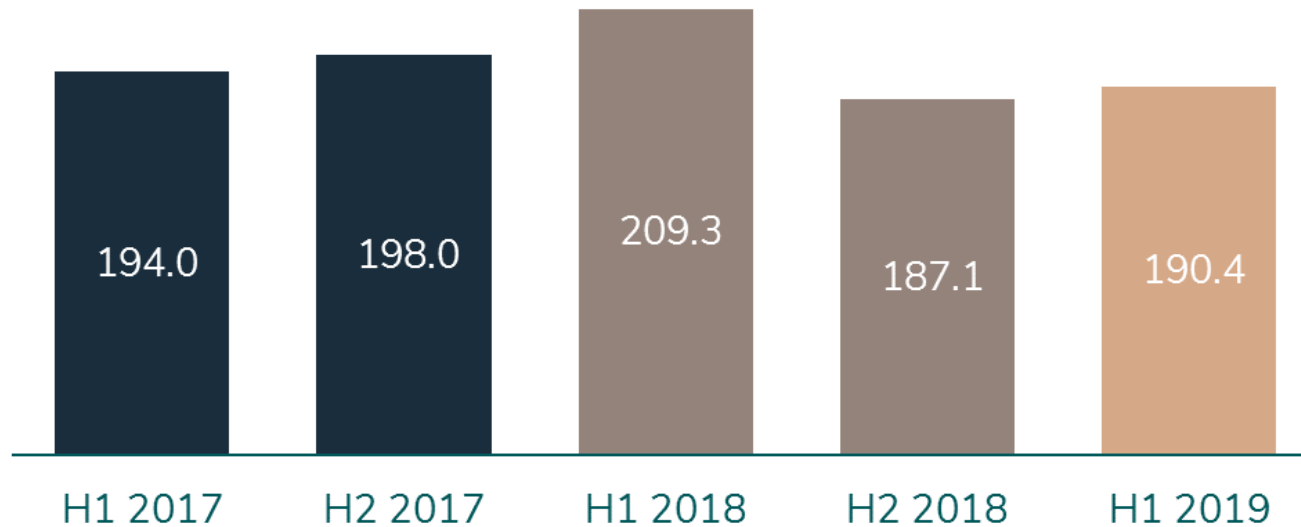
- Decline in commission driven by a combination of slightly lower AuM volumes, change in AuM composition at Asset Management and lower commission at Merchant Banking
- Low interest rate climate and run-off of corporate banking loans result in lower interest income
- Rise in other income driven by the sale of VLC & Partners, partly offset by lower results on financial transactions
- Decline in operating expenses mainly due to lower staff costs, consultancy fees and IT costs
- Other items relate to operating profit of non-strategic investments (sale of AIO II) and income tax





# Cost-saving measures lead to 9% fall in operating expenses

Operating expenses  
€ m

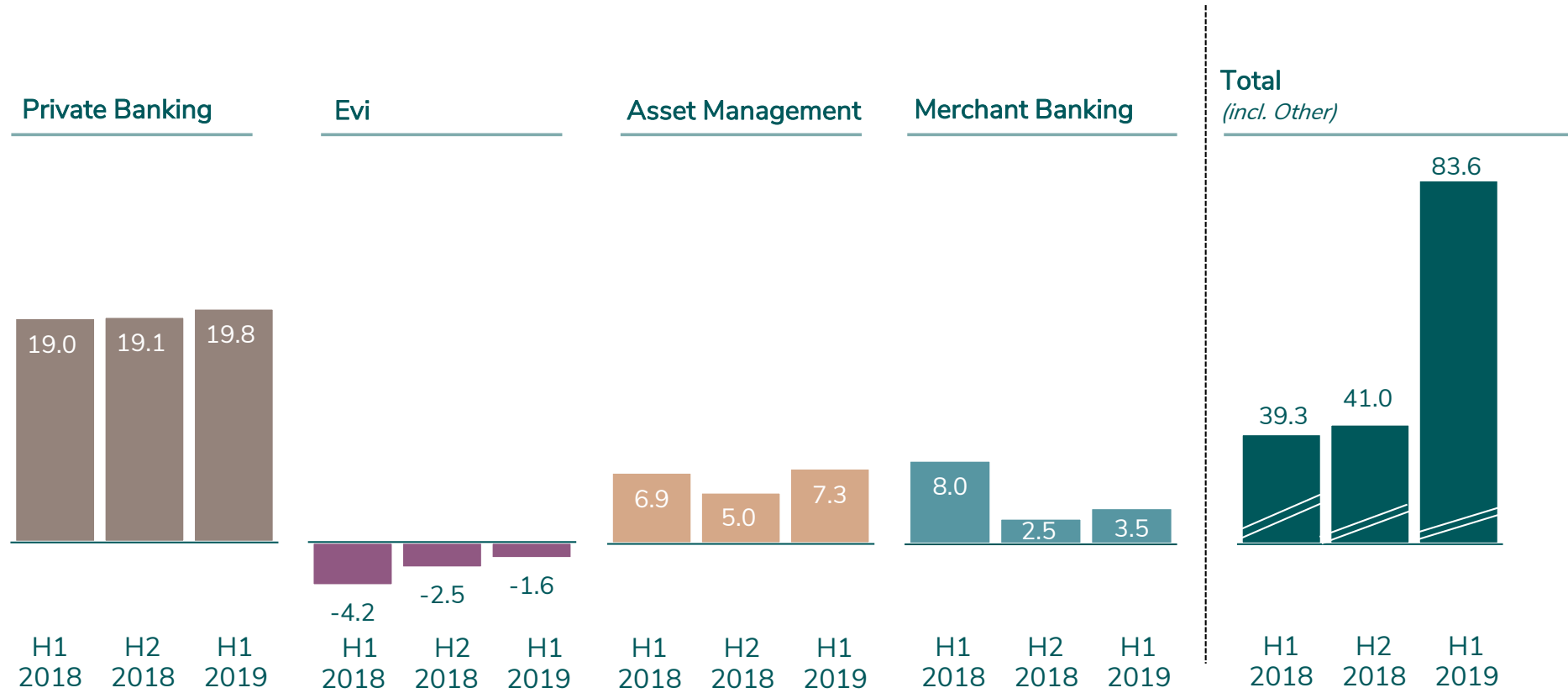


- H1 2019 costs significantly below H1 2018 due to cost-saving measures
- Focus on costs reflected mainly in lower staff costs, consultancy fees and IT costs
- Measures initiated in 2018 required additional restructuring charge of €2.5m in H1 2019
- We are on track to reach a cost level of around €390m in 2019



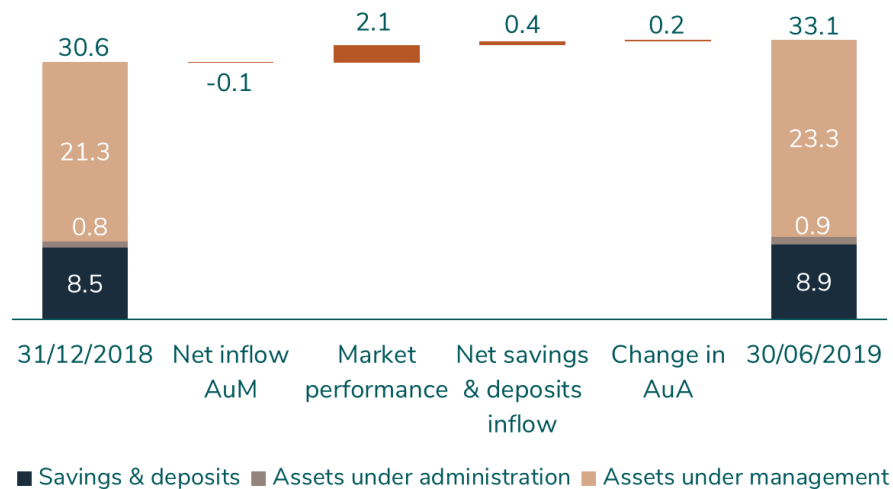
# H1 2019 net result of €83.6m

€ m



# Private Banking client assets rose 8% to €33.1bn

Private Banking client assets\*  
€ bn



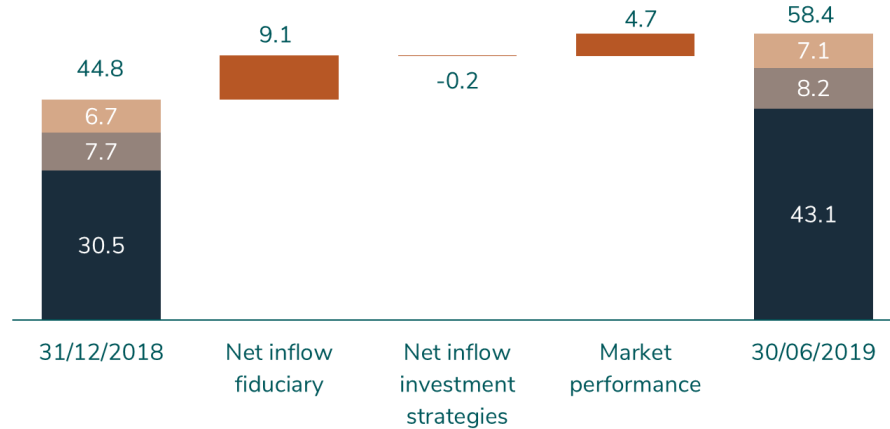
Net AuM inflow at Private Banking  
€ bn



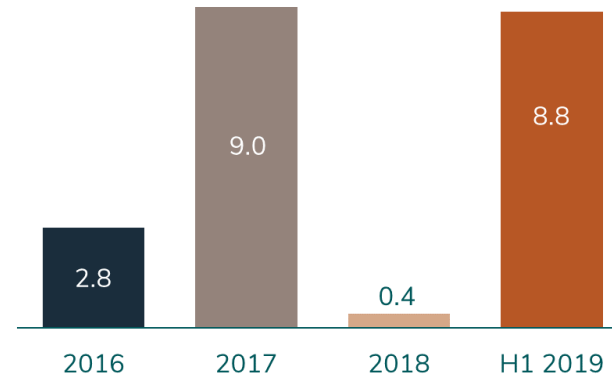
- Client assets rose to €33.1bn due to positive market performance and net inflow of savings and deposits
- Slight outflow of €0.1bn reflects clients being more hesitant to invest, due to volatile Q4 2018 and worldwide political and economic uncertainties
- Net result amounted to €19.8m (H1 2018: €19.0m)
- Private Banking on track to complete its strategic investment programme by the end of 2019

# Net inflows at Asset Management driven by fiduciary management

AuM Asset Management  
€ bn



Net inflow AuM at Asset Management  
€ bn



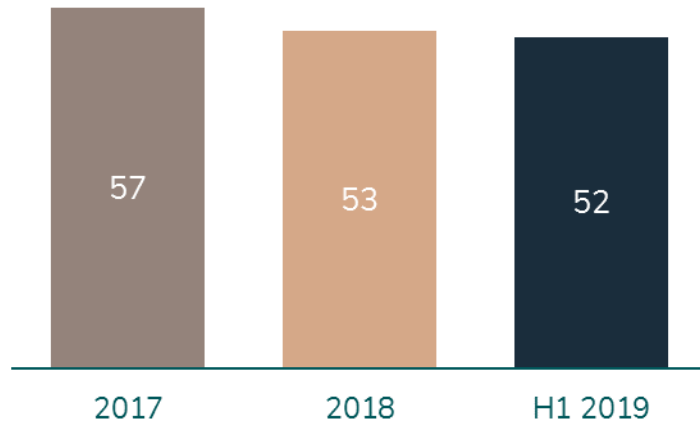
■ Solutions - fiduciary ■ Fixed income & passive ■ Equity active & alternatives

- Net inflow driven by new fiduciary mandates, mainly St. Pensioenfonds PostNL (€9.0bn)
- Small outflow (€0.2bn) from investment strategies mainly as a result of the decision to centralise small cap strategies
- Newly launched funds – European Private Equity Fund and Global Listed Infrastructure Fund – showed promising start
- Net result amounted to €7.3m (H1 2018: €6.9m) due to lower operating expenses, partly offset by lower commission due to a change in AuM composition

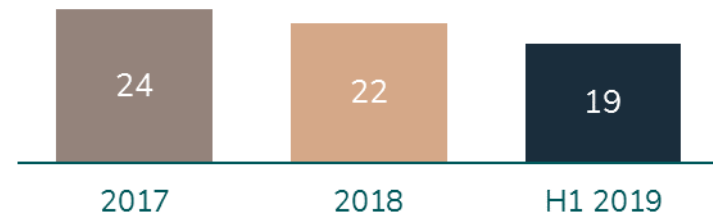


# AuM margin Private Banking fairly stable, decline at Asset Management due to mix effect

AuM margin – Private Banking  
bps



AuM margin – Asset Management  
bps

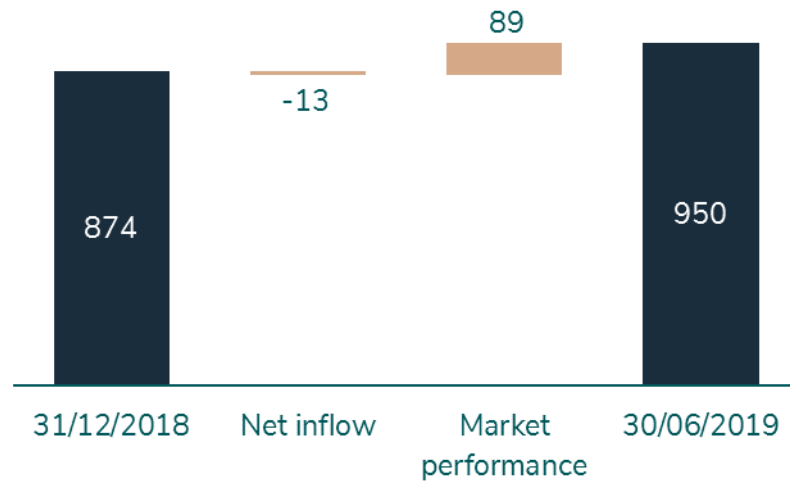


- In 2017, Private Banking's AuM margin was relatively high due to higher transaction provisions and the UBS portfolio acquisition that came in during the second half of 2017
- Margin development partly depends on AuM composition
- Inflow at Asset Management was mainly in fiduciary management
- Majority of fees at fiduciary management are fixed (c. 65%)

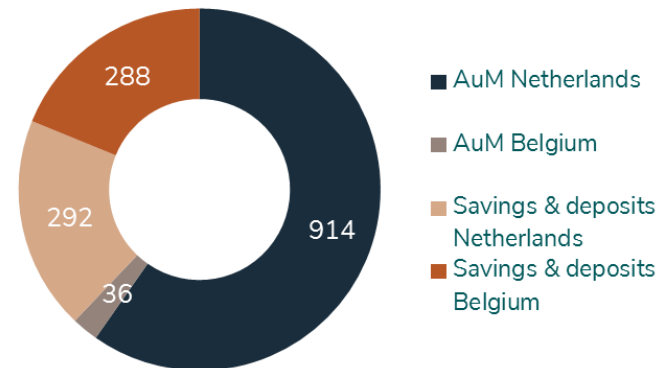


# Evi's net result improved, client assets relatively stable

Evi's AuM  
€ m



Evi's client assets  
€ m



- AuM increase due to positive market performance
- Operating expenses fell by €3.0m compared with H1 2018, due to lower marketing and IT costs
- Net result amounted to -€1.6m (H1 2018: -€4.2m)



# Next steps determined for Evi

## Evi is ready for a new phase



- Evi is positioned as a strong brand
- Over 16,000 AuM clients in Netherlands and Belgium

## Focus on mass affluent market



- Mass affluent segment is a large market offering opportunities for growth
- Increasing wealth management needs

## Wealth management solutions



- Development of online wealth management service
- Offer coaching on financial life events

## Cooperation with Private Banking



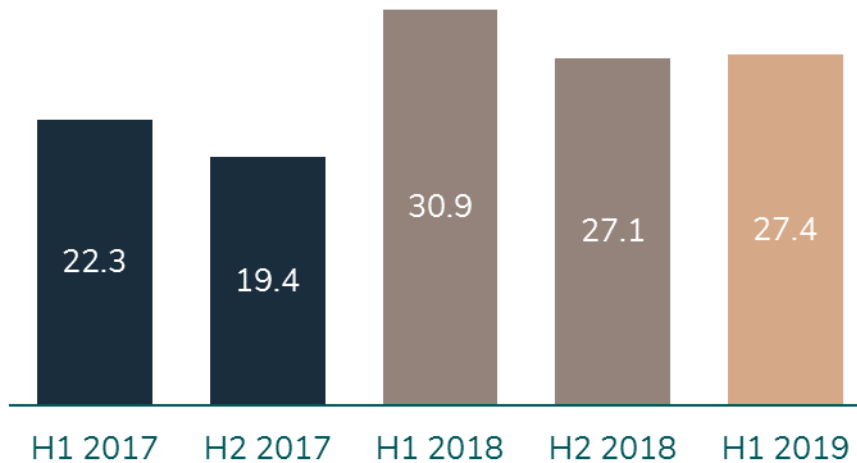
- Leverage on existing knowledge by using recently developed tools and (online) experience
- Cost synergies



# Solid results at Merchant Banking

## Commission

€ m



- After a very strong 2018, H1 2019 showed solid results
- Decrease in commission income visible across the business
- Lower results from structured products
- Net result fell to €3.5m (H1 2018: €8.0m)

## Selection of H1 2019 deals

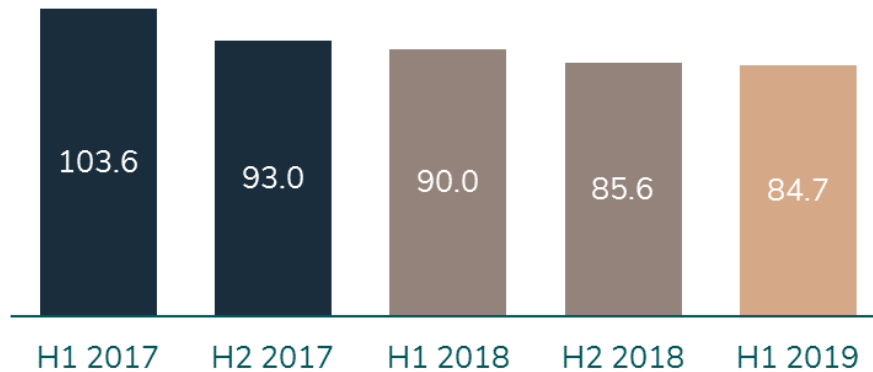
<p>Initial Public Offering on NASDAQ</p> <p>USD 582 million</p> <p>Co-Manager</p> <p><b>Kempen</b> July 2019</p>	<p>Secondary placing of Fagron shares</p> <p>€116 million</p> <p>Joint Bookrunner</p> <p><b>Kempen</b> July 2019</p>	<p>Sole of German DIY portfolio to REDOS acting on behalf of Union Investment</p> <p>€129 million</p> <p>Sole Financial Adviser</p> <p><b>Kempen</b> June 2019</p>	<p>Accelerated Bookbuild Offering</p> <p>SEK 727 million</p> <p>Joint Bookrunner</p> <p><b>Kempen</b> June 2019</p>
<p>Accelerated Bookbuild Offering</p> <p>€56.7 million</p> <p>Joint Bookrunner</p> <p><b>Kempen</b> June 2019</p>	<p>Capital increase</p> <p>€135 million</p> <p>Joint Global Coordinator Joint Bookrunner</p> <p><b>Kempen</b> May 2019</p>	<p>Rights Issue</p> <p>€418 million</p> <p>Co-Lead Manager</p> <p><b>Kempen</b> May 2019</p>	<p>Initial Public Offering on NASDAQ</p> <p>USD 84.0 million</p> <p>Co-Lead Manager</p> <p><b>Kempen</b> April 2019</p>
<p>Accelerated Bookbuild Offering</p> <p>€40.0 million</p> <p>Co-Lead Manager</p> <p><b>Kempen</b> April 2019</p>	<p>Block trade in argenx shares</p> <p>c. USD 130 million</p> <p>Sole Block Placing Agent</p> <p><b>Kempen</b> April 2019</p>	<p>Sole of German retail portfolio to a real estate private equity firm</p> <p>€175 million</p> <p>Sole Financial Adviser</p> <p><b>Kempen</b> March 2019</p>	<p>Sale of Dutch residential portfolio to Heimstaden</p> <p>€1.4 billion</p> <p>Sole Financial Adviser</p> <p><b>Kempen</b> March 2019</p>
<p>Sale to bencis</p> <p>Undisclosed</p> <p>Sole Financial Adviser</p> <p><b>Kempen</b> February 2019</p>	<p>Initial Public Offering</p> <p>€27.5 million</p> <p>Joint Global Coordinator Joint Bookrunner</p> <p><b>Kempen</b> February 2019</p>	<p>Secondary Offering via ABB in Deutsche Wohnen shares (4.7%)</p> <p>€698 million</p> <p>Co-Lead Manager</p> <p><b>Kempen</b> January 2019</p>	<p>Accelerated Bookbuild Offering</p> <p>€55.5 million</p> <p>Joint Bookrunner</p> <p><b>Kempen</b> January 2019</p>



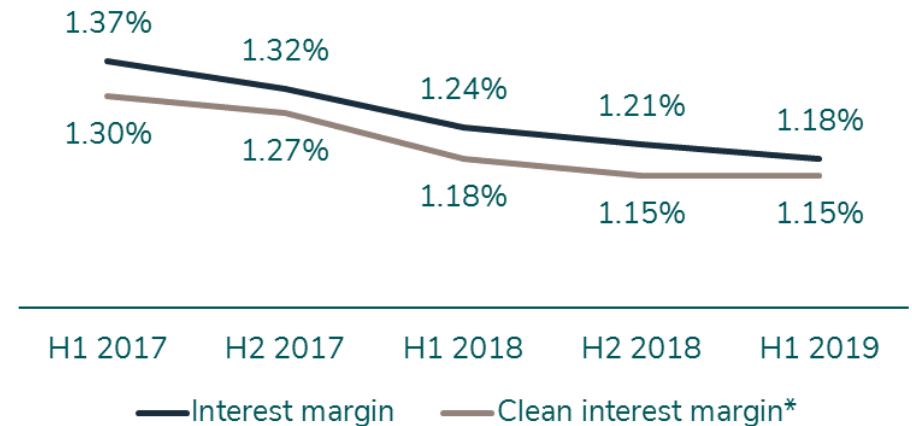


# Margin pressure due to low interest rate environment

Interest  
€ m



Interest margin (12-mth moving average)  
%



- Margin pressure as a result of low interest rate climate
- Interest income and charges were lower than in 1H 2018, due to a smaller corporate banking loan portfolio and lower income from compensation for prepayments
- The mortgage portfolio has grown and shows relatively stable margins

\* The clean interest margin equals the gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation



# Loan portfolio relatively stable, slight increase mortgage portfolio Private Banking

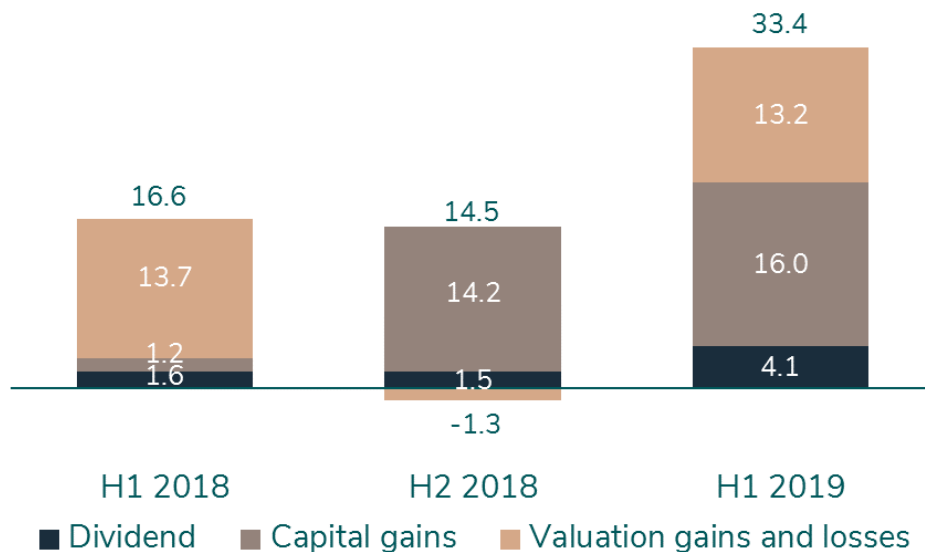
€ m	Loan portfolio 30/06/2019	Loan portfolio 31/12/2018	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	5,916	5,756	3%	69	7	1.2%	10%
Other loans	1,992	1,793	11%	112	70	5.6%	63%
<b>Private Banking loans</b>	<b>7,908</b>	<b>7,550</b>	<b>5%</b>	<b>181</b>	<b>77</b>	<b>2.3%</b>	<b>43%</b>
Loans to SMEs	160	251	-36%	90	9	55.9%	11%
Real estate financing	238	271	-12%	27	2	11.4%	8%
<b>Corporate Banking loans</b>	<b>399</b>	<b>523</b>	<b>-24%</b>	<b>117</b>	<b>12</b>	<b>29.3%</b>	<b>10%</b>
Mortgages distributed by third parties	578	602	-4%	1	0	0.1%	0%
<b>Total loan portfolio</b>	<b>8,885</b>	<b>8,674</b>	<b>2%</b>	<b>299</b>	<b>89</b>	<b>3.4%</b>	<b>30%</b>
ECL stages 1 and 2					13		
<b>Total</b>	<b>8,885</b>	<b>8,674</b>	<b>2%</b>		<b>101</b>		

- Other loans up by 11%, mainly driven by an increase in Lombard loans
- Total impaired ratio improves to 3.4% from 3.8%
- After a successful run-off, corporate banking activities were integrated into Private Banking as of 2019



# Income from securities and associates increases mainly due to book profit

## Income from securities and associates € m

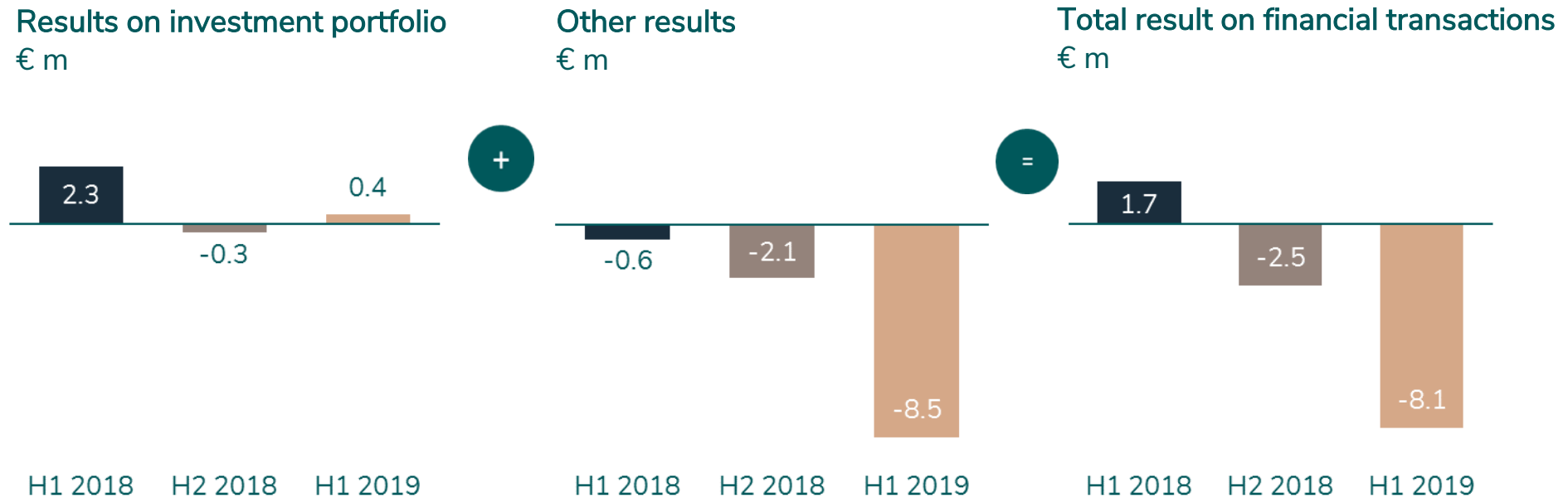


€ m	Book value 30/06/2019	Income H1 2019
VLP (minority interests)	49.6	7.5
Bolster Investments Coöperatief U.A.	17.4	0.9
Co-investments in own products	103.5	8.5
Other equity investments	6.4	16.4
<b>Total</b>	<b>176.9</b>	<b>33.4</b>

- Income from securities and associates relates to our minority equity investments and stakes in our own investment funds
- In 2019, a capital gain was realised on the sale of VLC & Partners (€16.1m, including expected value of agreed earn-out)
- Valuation gains up in H1 2019 due to positive market conditions compared with H2 2018



# Lower result on financial transactions

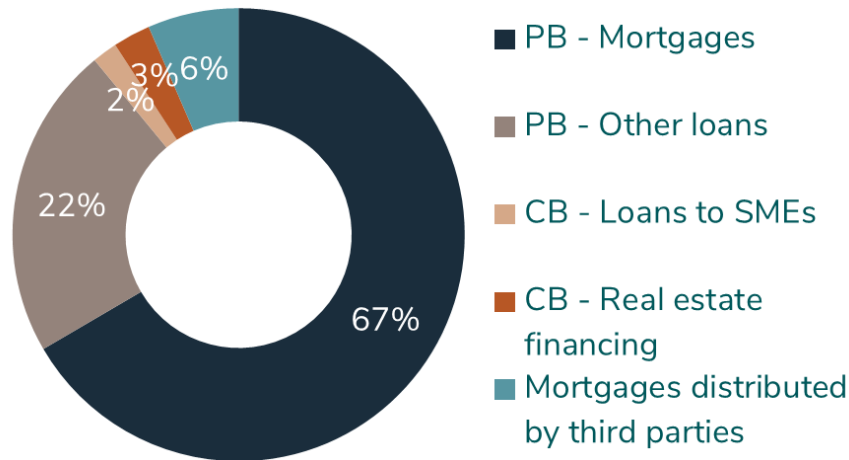


- Result on financial transactions decreased by € 9.8m to - €8.1m mainly due to a lower result on hedges and model adjustments
- There were fewer sales from the investment portfolio
- Large part of the negative result on hedges is linked to positive gains on the management book
- Interest charges on medium-term notes are also included in result on financial transactions

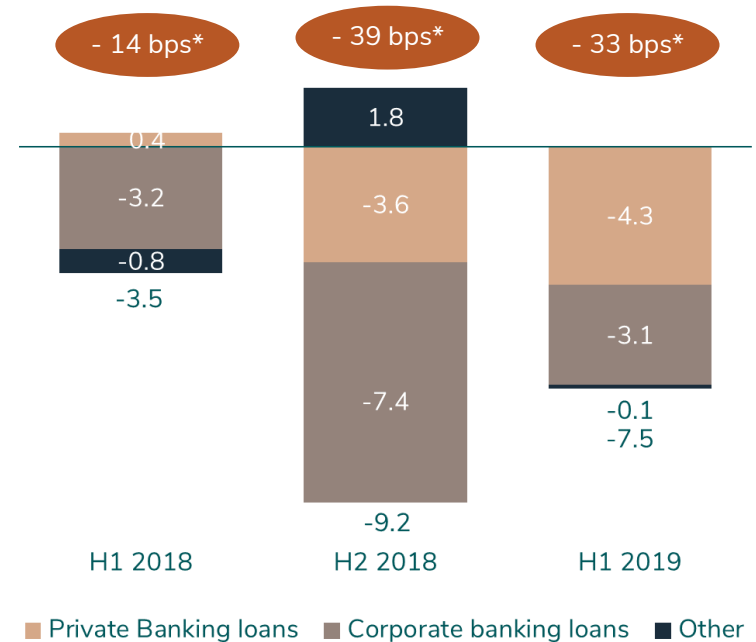


# Net release of loan loss provisions thanks to positive economic conditions

Loan portfolio (excluding provisions)  
at 30/06/2019 100% = €8.9bn



Additions to loan loss provisions  
€ m

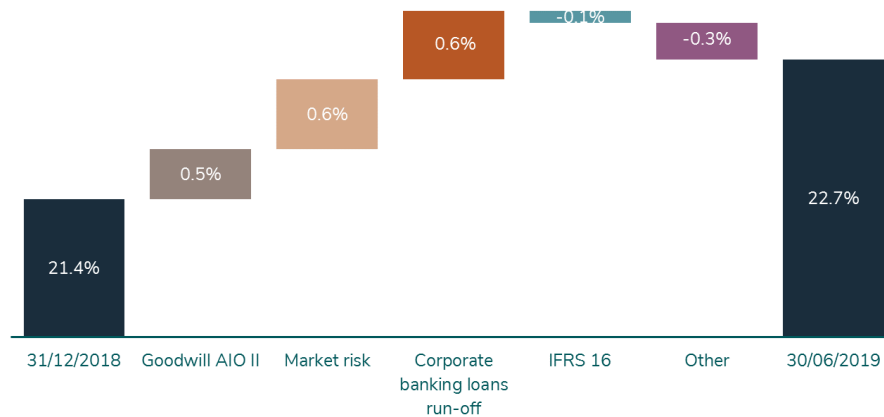


- Mortgages at Private Banking increased, as well as other loans
- Corporate banking loans came down by 24% to €0.4bn (RWA corporate banking loans is also €0.4bn)
- Release of loan loss provisions, mainly due to the continued positive economic environment in the Netherlands

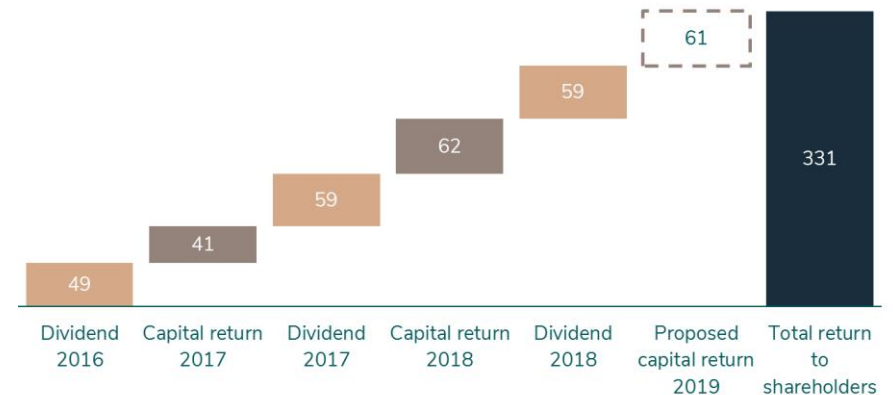
\* Annualised loan loss provision / Average total RWA

# Strong capital position and capital return proposal

Common Equity Tier 1 ratio (fully loaded)  
%



Capital return and dividend  
€ m

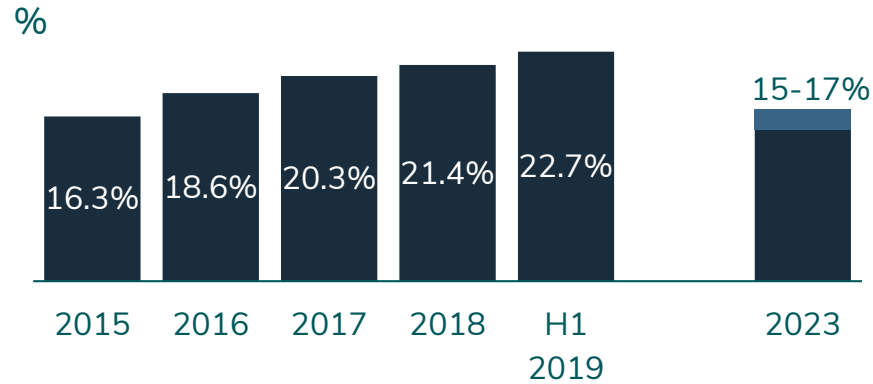


- The CET 1 ratio recorded a strong increase from 21.4% to 22.7%
- Our robust capital position enables us to propose a capital return to shareholders of €1.50 per share
- If approved, over €60m will be paid to shareholders. This will take the total payment to shareholders, in dividends and capital returns, to over €330m since 2016
- Our CET 1 ratio target range for 2023 is 15–17%
- In the future, we will continue to optimise our capital base while leaving room for possible acquisitions. If possible, we will also consider paying out any excess capital to shareholders, subject to approval by the regulator

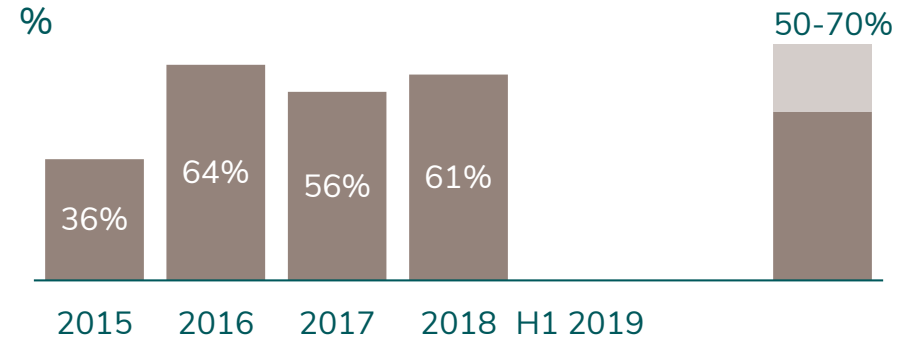


# Overview of 2023 financial group targets

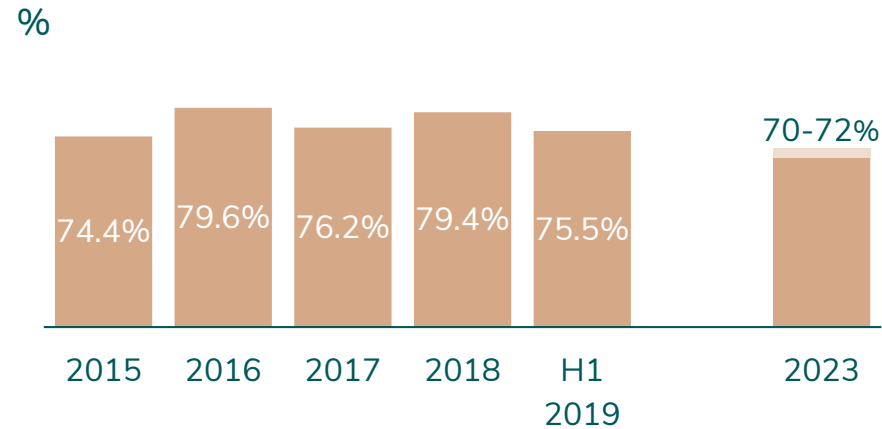
**Common Equity Tier 1 ratio\***



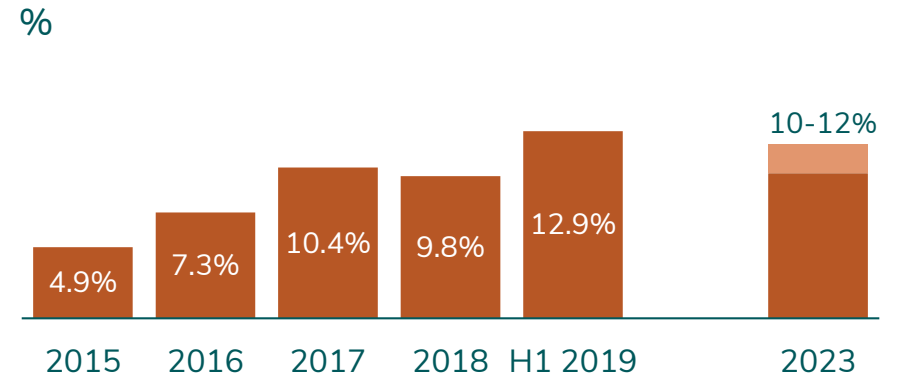
**Dividend pay-out ratio\*\***



**Efficiency ratio**



**Return on Common Equity Tier 1\*\***



\* As of 2016 fully loaded; other years phase-in

\*\* Based on underlying net result attributable to shareholders, book profits for VLC & Partners and AIO II in 2019 have not been annualised



Appendix



# Overview net result

€ m	H1 2019	H2 2018	% change	H1 2018	% change
Commission	142.2	143.3	-1%	149.9	-5%
Interest	84.7	85.6	-1%	90.0	-6%
Other income	25.2	12.0	110%	18.3	38%
<b>Income from operating activities</b>	<b>252.1</b>	<b>241.0</b>	<b>5%</b>	<b>258.2</b>	<b>-2%</b>
Operating expenses	-190.4	-187.1	2%	-209.3	-9%
<b>Gross result</b>	<b>61.7</b>	<b>53.9</b>	<b>15%</b>	<b>48.9</b>	<b>26%</b>
Loan loss provision	7.5	9.2	-19%	3.5	114%
Other impairments	-0.1	-0.1	-57%	1.1	-106%
Operating profit before tax of non-strategic investments	37.0	9.0		8.8	
<b>Operating profit before special items and tax</b>	<b>106.2</b>	<b>72.0</b>	<b>48%</b>	<b>62.3</b>	<b>70%</b>
Strategic investment programme	-9.4	-11.5	-18%	-10.5	-10%
Amortisation of intangible assets arising from acquisitions	-3.1	-4.0	-22%	-4.2	-27%
Restructuring charges	-2.5	-8.3	-70%	-	
<b>Operating profit before tax</b>	<b>91.2</b>	<b>48.2</b>	<b>89%</b>	<b>47.6</b>	<b>92%</b>
Income tax	-7.7	-7.2	6%	-8.3	-7%
<b>Net profit</b>	<b>83.6</b>	<b>41.0</b>	<b>104%</b>	<b>39.3</b>	<b>113%</b>
<b>Underlying net result*</b>	<b>92.5</b>	<b>55.8</b>	<b>66%</b>	<b>47.2</b>	<b>96%</b>
Efficiency ratio (%)	75.5%	77.6%		81.1%	

\* Underlying net result excludes costs associated with the strategic investment programme and restructuring charges



# Key figures H1 2019 by segment

€ m	Private Banking	Evi	Asset Management	Merchant Banking	Other	Total
Commission income	62.9	2.5	48.4	27.4	1.0	142.2
Interest income	77.0	1.4	0.0	-0.1	6.3	84.7
Other income	0.6	-	0.1	-1.3	25.9	25.2
<b>Income from operating activities</b>	<b>140.5</b>	<b>3.9</b>	<b>48.5</b>	<b>26.0</b>	<b>33.2</b>	<b>252.1</b>
Operating expenses	-107.2	-6.1	-38.3	-21.3	-17.6	-190.4
<b>Gross result</b>	<b>33.3</b>	<b>-2.2</b>	<b>10.2</b>	<b>4.8</b>	<b>15.6</b>	<b>61.7</b>
Impairments	7.4	-	-	-	0.1	7.5
Operating profit before tax of non-strategic investments	-	-	-	-	37.0	37.0
<b>Operating profit before one-off charges and tax</b>	<b>40.7</b>	<b>-2.2</b>	<b>10.2</b>	<b>4.8</b>	<b>52.7</b>	<b>106.2</b>
Strategic investment programme	-9.4	-	-	-	-	-9.4
Amortisation of intangible assets arising from acquisitions	-2.3	-	-0.4	-	-0.4	-3.1
Restructuring charges	-2.4	-	-	-	-0.0	-2.5
<b>Operating profit before tax</b>	<b>26.6</b>	<b>-2.2</b>	<b>9.8</b>	<b>4.8</b>	<b>52.3</b>	<b>91.2</b>
Income tax	-6.8	0.6	-2.5	-1.3	2.3	-7.7
<b>Net profit</b>	<b>19.8</b>	<b>-1.6</b>	<b>7.3</b>	<b>3.5</b>	<b>54.6</b>	<b>83.6</b>
<b>Underlying net result</b>	<b>28.6</b>	<b>-1.6</b>	<b>7.3</b>	<b>3.5</b>	<b>54.6</b>	<b>92.5</b>
FTE H1 2019	684	27	264	122	497	1,594

As of 2019, corporate banking activities are integrated into our Private Banking segment

# Financial and non-financial KPIs

Theme	KPI	Annual target	H1 2019	Score H1 2019	Score 2018
Financial and risk management	1. CET 1 ratio (fully loaded)	15-17%	●	22.7%	21.4%
	2. Return on equity (CET 1)	10-12%	●	12.9%	9.8%
	3. Efficiency ratio	70-72%	●	75.5%	79.4%
Ethics and integrity	4. Percentage of employees that feel the responsibility to act and behave ethically	> industry average	●	77%	N.A.
Client relations	5. Net Promotor Score (NPS):				
	a. Private Banking	PB: 10	●	21	2
	b. Evi*	Evi: 10	●	N.A.	-20
	c. Asset Management*	AM: 20	●	N.A.	44
Responsibility and sustainability	6. Private Banking: AuM invested in sustainable and/or impact investment wealth management solutions	> last year	●	2019: €1,564m 2018: €1,318m	2018: €1,318m 2017: €1,138m
	7. Engaging with companies in which our funds invest	80-100	●	81	91
	8. Asset Management: percentage increase in (internal and external) fund managers on our approved list that are scored on their overall sustainability profile	> last year	●	+52%	+100%
	9. Decrease in carbon emissions*:				
	a. Direct emissions of our own organisation	- 2.5%/FTE per year	●	N.A.	-8.1%
b. Indirect emissions via our balance sheet (mortgage portfolio)	- CO <sub>2</sub> /EUR < last	●	N.A.	-7.4%	
Employees	10. Employee engagement score	> 80%	●	82%	81%
	11. Employer Net Promotor Score (eNPS)**	> 10 / > 80%	●	N.A. / 83%	N.A.
	12. Gender balance in management positions	> 30% female and > 30% male	●	22% female and 78% male	20% female and 80% male
Preservation and creation of wealth	13. Private Banking: 3-year relative performance of discretionary management mandates	> benchmark	●	-0.1%	-0.1%
	14. Evi: 3-year relative performance of discretionary management mandates	> benchmark	●	-0.5%	-0.4%
	15. Asset Management: average Morningstar rating of investment strategies (institutional share class)	> 3.5	●	3.8	4.0

- During 2018, we developed a new set of KPIs in addition to the existing financial targets, demonstrating our belief in value creation for the long term
- These KPIs reflect both the interests of our stakeholders and our ambitions as a wealth manager

\* KPIs 5bc and 9 will only be reported at year-end; for KPIs 5b and 9, 2018 figures are reported; for KPI 5c 2017 figures are reported

\*\* In 2019, no official eNPS is measured. Instead, a similar question has been asked in the employee engagement survey (with a norm of 80%)

# High scores on external ESG ratings



**SUSTAINALYTICS** **1st**  
in our peer group of  
medium-sized banks




**FORUM  
ETHIBEL** **Sustainability certificates**  
on responsible investment policy  
and balance sheet screening

Transparantiebenchmark: **9th**  
place in league table of  
250 entrants



**CDP** **B rating**  
assessed by Carbon Disclosure  
Project



**ISS-oeekom** **C+ rating**  
top 5 out of 80 financials  
and asset managers

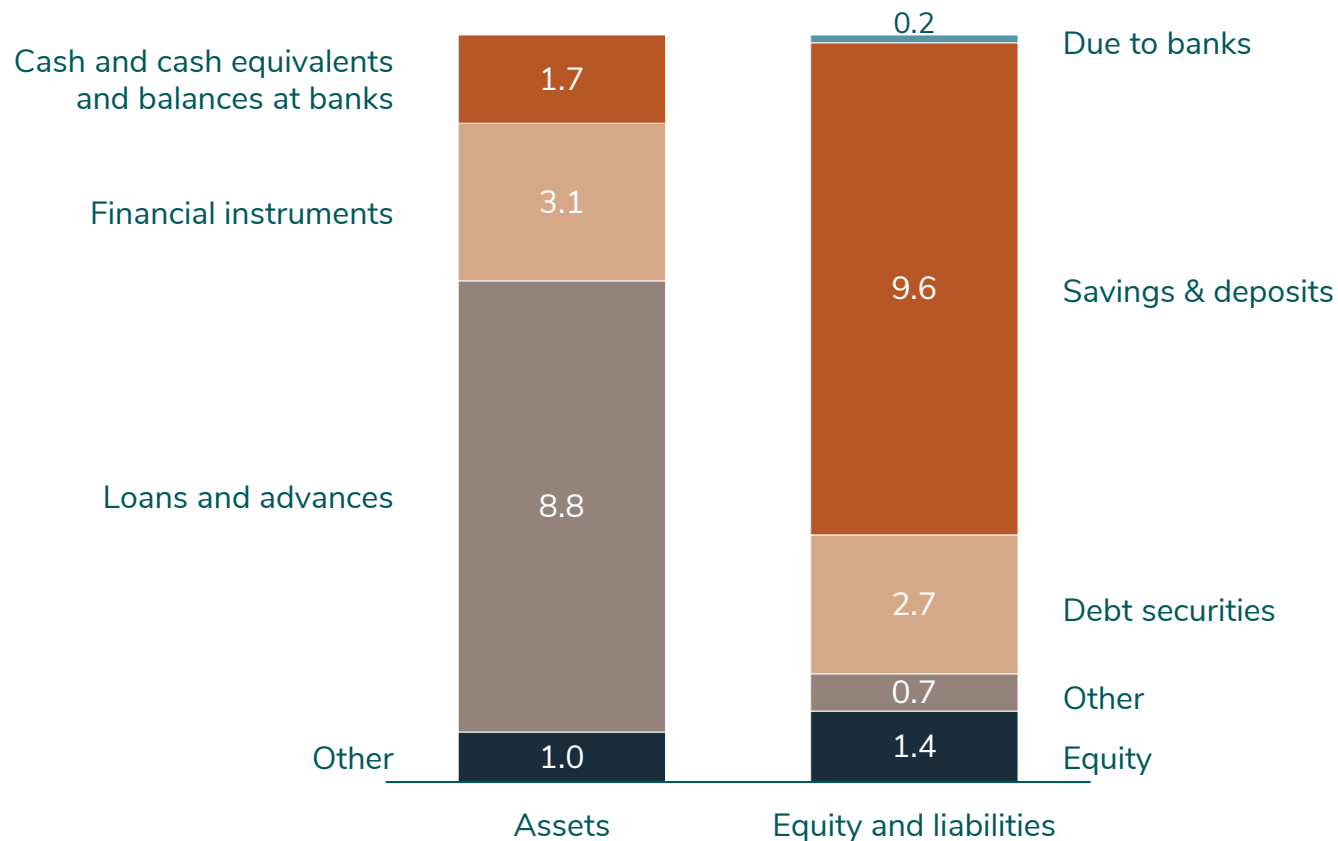


**PRI** Principles for  
Responsible  
Investment **A and A+ score**  
For Kempen's responsible  
investment policy and process



# Balance sheet shows strong capital and funding position

Balance sheet 30 June 2019  
€ bn, balance sheet total = €14.5bn



# Executive Board



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

**Appointed**

Appointed chairman of the Statutory Board of Van Lanschot Kempen NV on 2 January 2013

**Background**

- 1989 – ABN AMRO: positions in Structured Finance, Treasury, Capital Management, Investor Relations, Risk Management and Asset & Liability Management
- 2009 – UniCredit Banking Group: CRO and member of the Executive Management Committee, and Member of Supervisory Boards of Bank Austria, HVB in Germany and Zao Bank in Russia



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

**Appointed**

Appointed member of the Statutory Board of Van Lanschot Kempen NV on 27 October 2010

**Background**

- 1985 – ABN AMRO: management trainee, senior account manager corporate clients
- 1990 – KPMG Management Consultants
- 1992 – Robeco: Group Controller, CFO and member of the Executive Board of Weiss, Peck & Greer in New York, and Corporate Development director
- 2002 – Robeco: CFO, including Risk Management, Treasury and Corporate Development



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

**Appointed**

Appointed member of the Statutory Board of Van Lanschot Kempen NV on 6 May 2010

**Background**

- 1995 – Various consulting positions within BCG Amsterdam and Boston offices, with a strong focus on the financial services practice
- 2004 – Partner, Managing Director and Head of BCG Prague office, responsible for client service and support of a number of financial services clients in Central and Eastern Europe in areas including strategy and operations
- 2008 – Partner and Managing Director of BCG Amsterdam office, responsible for advising a group of Dutch financial institutions on strategy and operations



# Executive Board



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

**Appointed**

Appointed member of the Statutory Board of Van Lanschot Kempen NV on 15 May 2014

**Background**

- 1991 – ABN AMRO: various managerial positions in the Global Markets division, Managing Director of Investor Relations
- 2007 – Renaissance Capital: Member of Group Managing Board, responsible for strategy, investor relations and communication
- 2010 – ABN AMRO: Global Head Product & Private Wealth Management at ABN AMRO Private Banking International



**Leni Boeren (1963)**  
*CEO Kempen & Co  
Asset Management*

**Appointed**

Appointed chairman of the Management Board of Kempen & Co in February 2018.

**Background**

- 1983 - Paribas: Account Manager
- 1984 - Rabobank: Senior Investment Adviser, Head of Account Management
- 1992 - Robeco Group: Head of Investment Services Strategy, Head of Marketing and Product Management
- 1997 – Amsterdam Exchanges: Member Board of Directors
- 2000 – Euronext: Member Executive Committee
- 2005 – Robeco Groep: Member, Vice-Chair and Chair of the Group Management Board and Chair/member of the boards of a number of Robeco Groep subsidiaries



**Leonne van der Sar (1969)**  
*Merchant Banking*

**Appointed**

Appointed member of the Management Board of Kempen & Co in August 2017

**Background**

- 1994 – ABN AMRO: Various positions in Investment Banking
- 1998 – ABN AMRO Rothschild: Various positions in Investment Banking and Equity Capital Markets
- 2004 – ABN AMRO Rothschild: Managing Director and Head of ABN AMRO Rothschild Netherlands office
- 2006 – ABN AMRO: Executive Director Corporate Development
- 2008 – Several interim management assignments in the financial sector
- 2014 – Van Lanschot Kempen: Head of Strategy & Corporate Development



# Supervisory Board

## Personal details of members of the Supervisory Board\*

**Willy Duron**  
(1945)  
*Chairman*

- Previous positions held: Chairman of KBC Group
- Windvision, Chairman Board of Directors

**Manfred Schepers**  
(1960)  
*Vice-Chairman*

- Previous positions held: Vice President & Chief Financial Officer European Bank for Reconstruction and Development
- Member of the Supervisory Board of NWB Bank

**Jeanine Helthuis**  
(1962)

- Supervisory Board Member at Prorail
- Managing Director of PC Uitvaart B.V.

**Bernadette Langius**  
(1960)

- Previous positions held: CEO of ABN AMRO Private Banking Netherlands, Executive Board Member of VU Amsterdam
- Supervisory Board Member at IBM

**Lex van Overmeire**  
(1956)

- Previous positions held: Audit Partner EY Accountants LLP
- Chairman of the Audit Advisory Committee at Centrum indicatiestelling zorg

**Maarten Muller**  
(1954)

- Previous positions held: partner Allen & Overy LLP
- Chairman at Stichting Continuïteit TomTom

**Frans Blom (1962)**

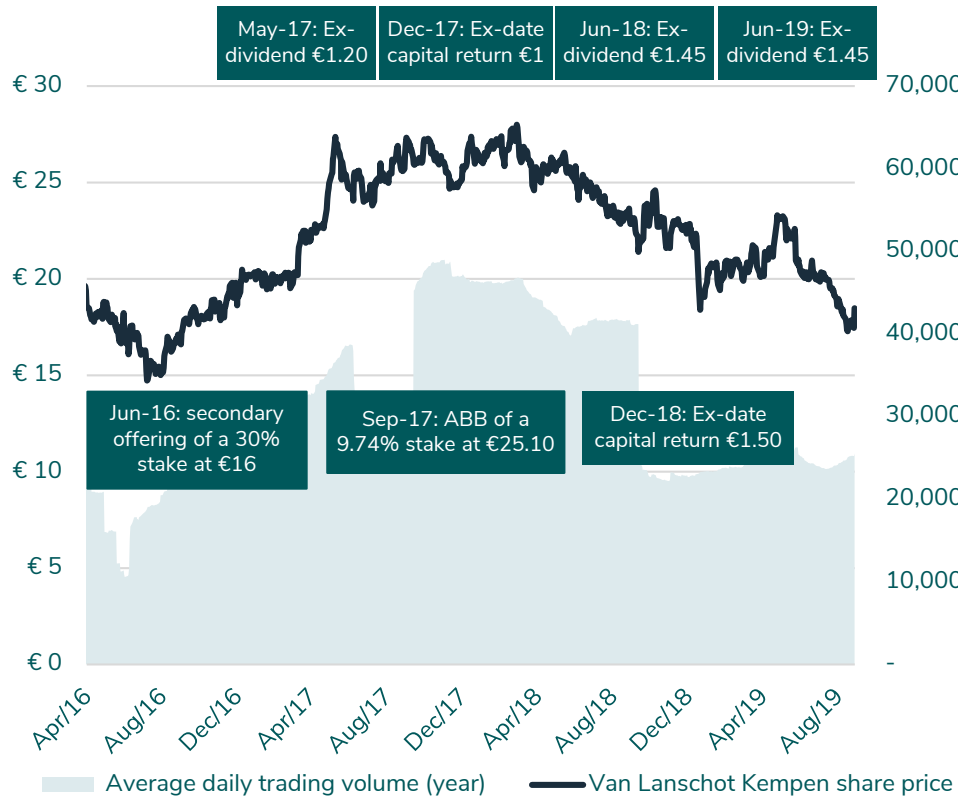
- Senior partner and managing director Boston Consulting Group The Netherlands



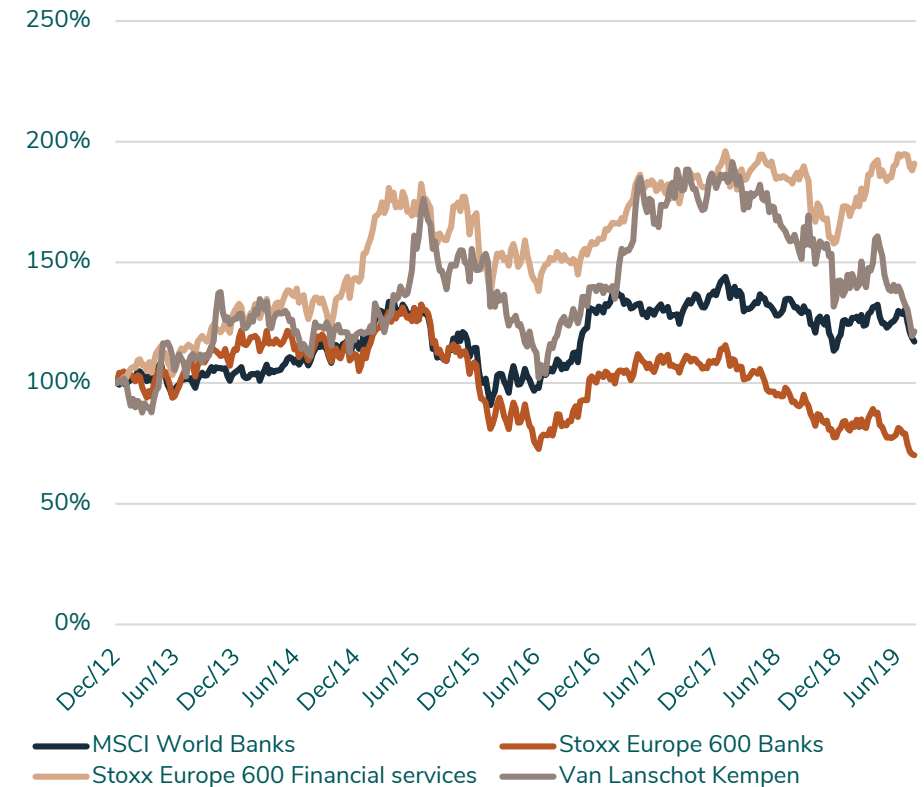


# Van Lanschot Kempen shares

## Development of share price and trading volume

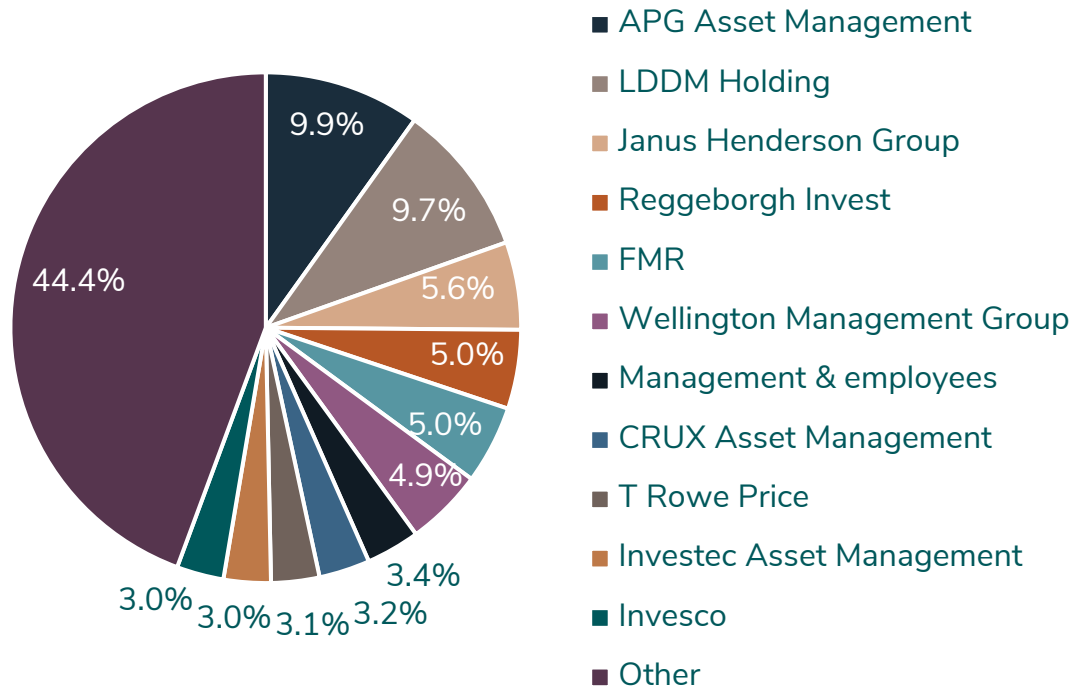


## Movements in Van Lanschot Kempen's share price compared with industry indices



# Diversified shareholder base

## Van Lanschot Kempen's shareholder base



Pursuant to Chapter 5.3 of the Dutch Financial Supervision Act, the disclosures in the chart have been entered in the Register of Substantial Holdings as maintained by the Dutch Authority for the Financial Markets. The percentages reflect the number of shares or depositary receipts on the register on the disclosure dates and our current number of outstanding shares.



# Disclaimer

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

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

Actual results, performances and circumstances may differ considerably from these forward-looking statements as a result of risks, developments and uncertainties relating to, but not limited to, (a) estimates of income growth, (b) costs, (c) the macroeconomic and business climate, (d) political and market trends, (e) interest rates and currency exchange rates, (f) behaviour of clients, competitors, investors and counterparties, (g) the implementation of Van Lanschot Kempen's strategy, (h) actions taken by supervisory and regulatory authorities and private entities, (i) changes in law and taxation, (j) changes in ownership that could affect the future availability of capital, and (k) changes in credit ratings.

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

Van Lanschot Kempen's semi-annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2018 Van Lanschot Kempen consolidated annual accounts.

The financial data in this document have not been audited, unless specifically stated otherwise. Small differences in tables may be the result of rounding.

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