

Annual general meeting

Amsterdam, 28 May 2020



**VAN LANSCHOT
KEMPEN**



1. Opening



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2a. Report of the Supervisory Board

Discussion item



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2b. Report of the Statutory Board for 2019

Discussion item



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Core proposition of Van Lanschot Kempen

The core proposition of Van Lanschot Kempen as a firm is an **independent, integrated wealth management house** with a very specific objective namely - **preservation and creation of wealth in a sustainable way for clients and the societies we serve** and in doing so provide an acceptable **return of 10-12%** to the shareholders and an **good working environment** for her employees



We are a leading wealth manager in our markets

Focused wealth management strategy

- We're a well-capitalised, profitable wealth manager with a strong position in the market
- We believe that our knowledge and experience, personal, client-focused approach, unique combination of activities and track record set us apart from the competition
- We're convinced our strategy offers ample growth opportunities

Leading player in our relevant markets

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

From responsible to sustainable investing

- We're a conviction-based, active investor, focusing on the long term
- We're 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%



In 2019, we have made good progress in delivering on our ambitions

Accelerate growth – organically and inorganically

- Client assets grew 26% to €102.0bn
- Net inflows of AuM at Private Banking and at Asset Management
- Ongoing search for acquisitions to accelerate our growth

Activate our full potential

- Co-creation between Private Banking and Asset Management allows for swift and tailored product development (e.g. European Private Equity Fund and Global Impact Pool)
- Wealth management proposition for Evi's mass affluents and closer collaboration between Evi and Private Banking
- Merchant Banking and Private Banking working together on successful transactions for clients

Advance through digitalisation and analytics

- Outsourced payment services to Fidor: new payments platform and payments app launched
- Laid the foundation for a modern, cloud-based infrastructure for advanced analytics to enable faster development

Adapt the workforce

- Transition to integrated HR practices and modernisation of employment conditions
- Implementation of agile approach with multidisciplinary set-up of several teams
- Encouraging development and training by launching a revamped learning management system to bring different skills and capabilities into our organisation



From responsible to sustainable wealth manager 2019 highlights



98% of fund managers on the approved list are scored on their overall sustainability profile



AuM at Private Banking invested in sustainable or impact investing solutions grew by 55% to more than €2 billion



We engaged with 84 companies in which our funds invest



From 2023, we'll actively offer our clients only sustainable investment solutions



We've signed up to a financial sector initiative to report on the climate impact of our loan portfolio and investments



In 2019, over one-third of our new clients invested in our Duurzaam+ proposition

Increased range of sustainable and impact solutions

- Global Impact Pool showed significant growth in 2019, passing the €100 million mark
- Sustainable solutions in various asset classes
- Duurzaam+ proposition
- Launch of 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, reducing dependence on interest income
- Keep Private Banking loan portfolio stable
- Charge negative interest rates for larger savings balances (above €1 million from 1 April)
- Provide integrated wealth management solutions for private, institutional and corporate clients
- Swift, tailored alternative product development
- Fulfil our role in combating money laundering and financial crime and undertake continuous efforts to further optimise our control arrangements
- 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 annual results



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2019 highlights



Sale AIO II and VLC & Partners



Fourth closing of European Private Equity Fund at €193 million



Successfully completed 37 Corporate Finance and ECM transactions



Infrastructure for advanced analytics

2019

2020



New payments platform and payments app launched



Niche strategies showed strong net inflow of €0.7 billion



Over €2.0 billion in sustainable AuM at Private Banking



Special capital return of €1.50 per share



Good overall performance



Net result €98.4m (2018: €80.3m)
Underlying net result €108.8m
(2018: €103.0m)

Commission income €290.4m (-1%)
Interest income €175.3m (0%)



Operating expenses
€384.1m (-3%)

Efficiency ratio 75.5%
(2018: 79.4%)



Client assets €102.0bn (+26%)
AuM €87.7bn (+31%)

AuM net inflow €9.9bn

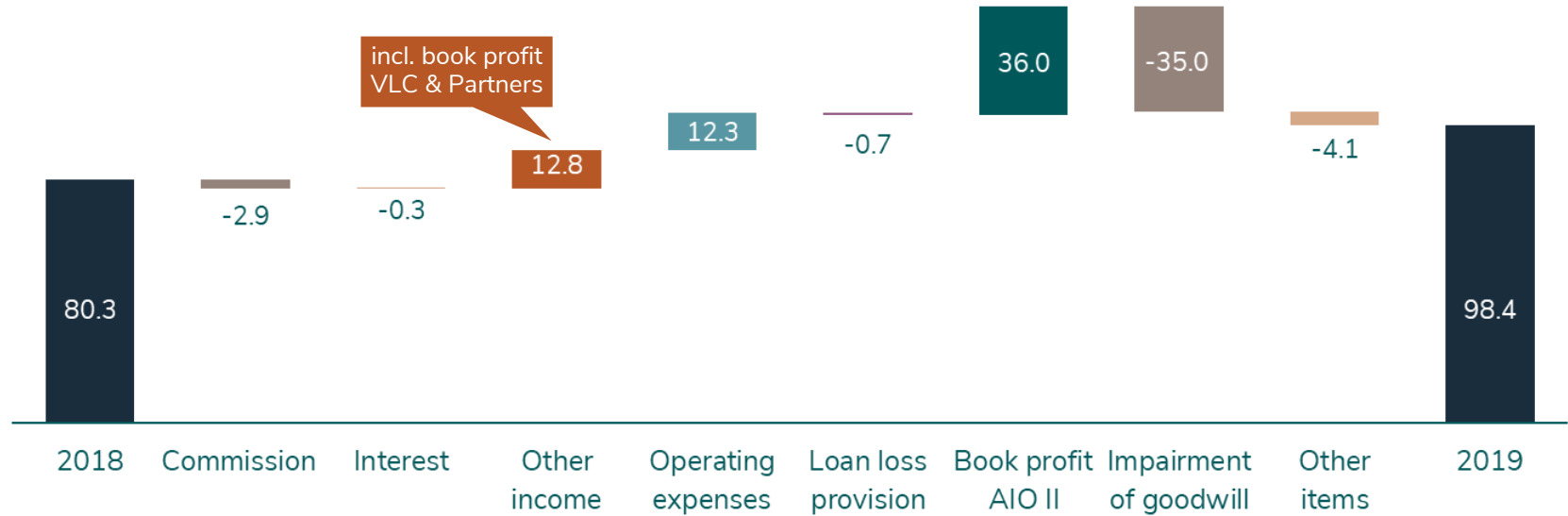


Strong capital ratios
CET 1 ratio rises to 23.8%

Dividend per share stable at €1.45

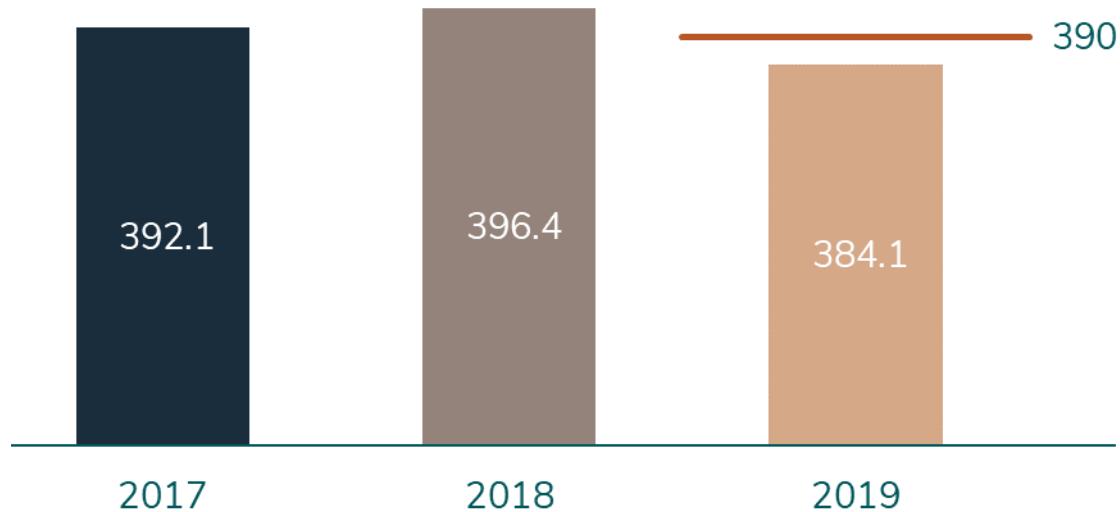
Net result considerably up to €98.4m

Key drivers of net result € m



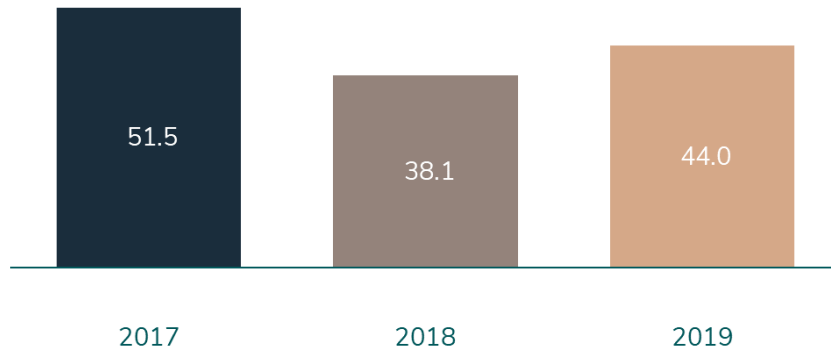
Cost-saving measures lead to operating expenses below the 2019 target

Operating expenses
€ m

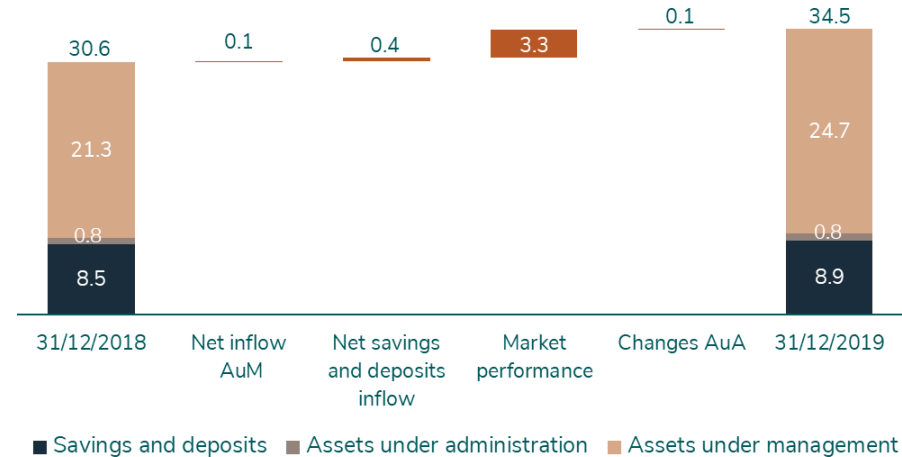


Private Banking client assets rose 13% to €34.5bn

Net result Private Banking*
€ m



Private Banking client assets*
€ bn



Successful completion of strategic investment programme in 2019

Multi-channel

Discretionary management app merged into investment app; functionality further expanded in 2019



Introduced *Vermogenshorizon* in 2018, integrated investment intake in 2019



New website and online portal for clients in 2018, functionality consistently expanded in 2019



Omni-channel

New payments platform and payments app in 2019



Budget c. €60m

2016

2019

Outsourced mortgage servicing to Stater in 2017



Improved and new workflows, currently covering >80% of client processes



Digital alerting and client communication tools for advisers and bankers

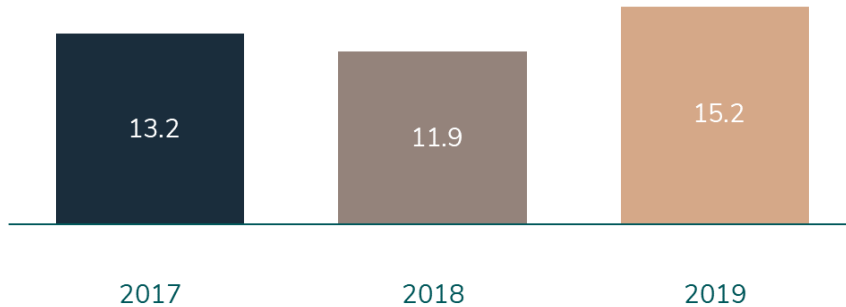


Next steps in 2020

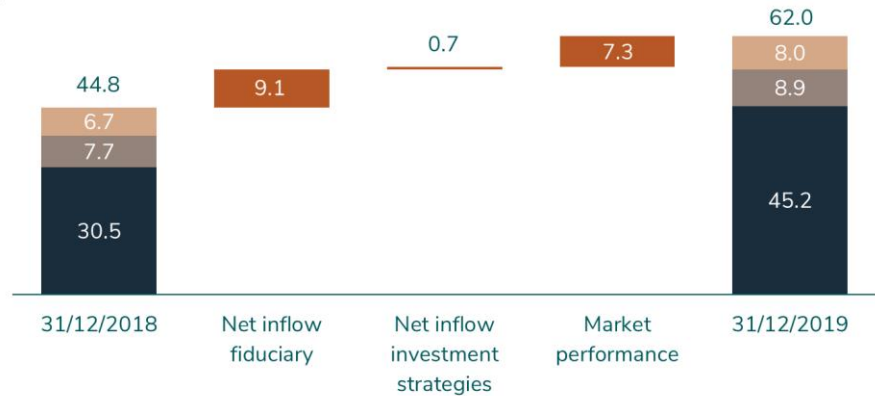
- Rollout of secure (video) chat and document sharing
- Continuous expansion and improvement of digital functionalities

Net inflow at Asset Management amounted to €9.8bn

Net result Asset Management
€ m



AuM Asset Management
€ bn



■ Fiduciary/solutions ■ Fixed income and passive equity ■ Active equity and alternatives

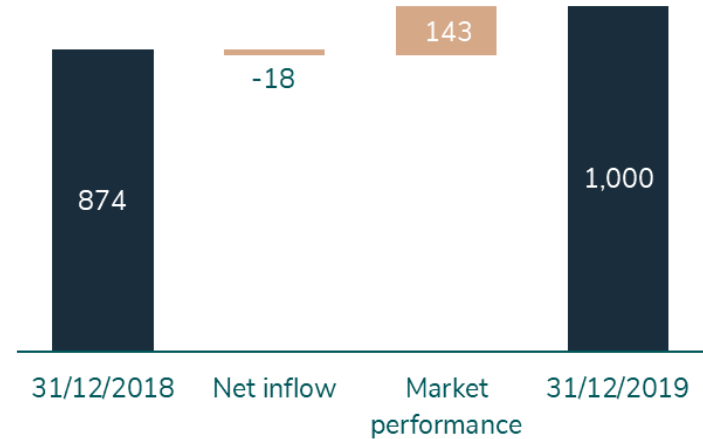


Evi's net result improved, client assets relatively stable

Net result Evi
€ m

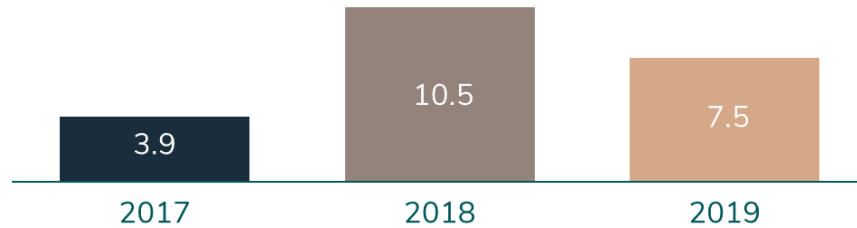


Evi's AuM

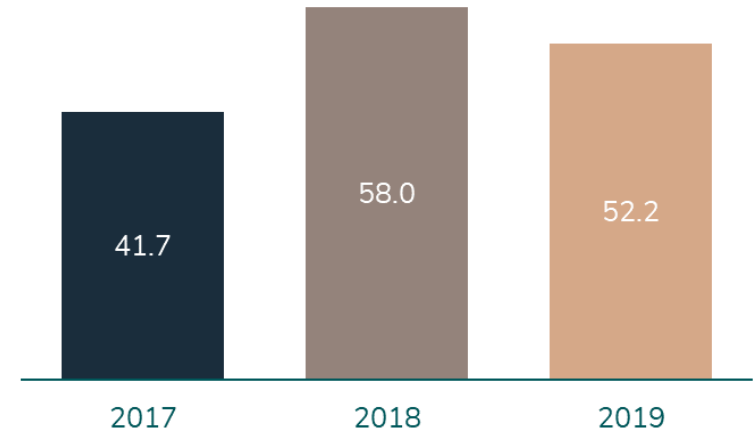


Solid results at Merchant Banking

Net result Merchant Banking
€ m

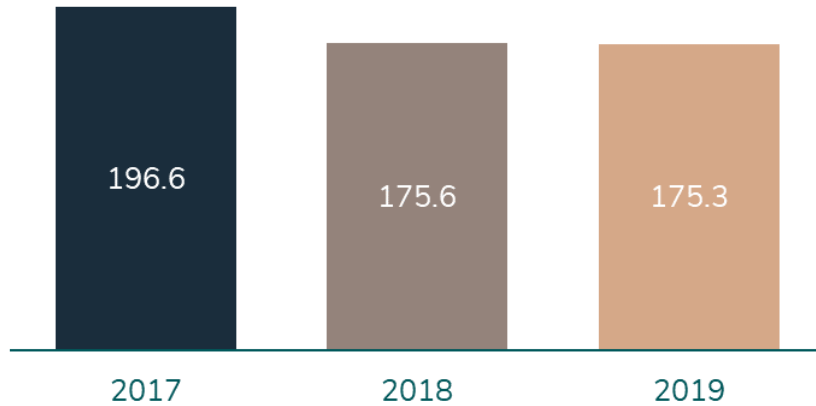


Commission
€ m

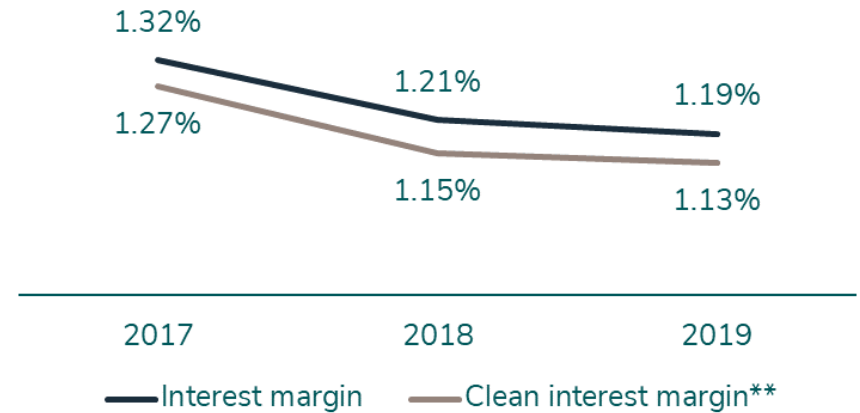


Margin pressure due to low interest rate environment

Interest
€ m



Interest margin (12-mth moving average)*
%

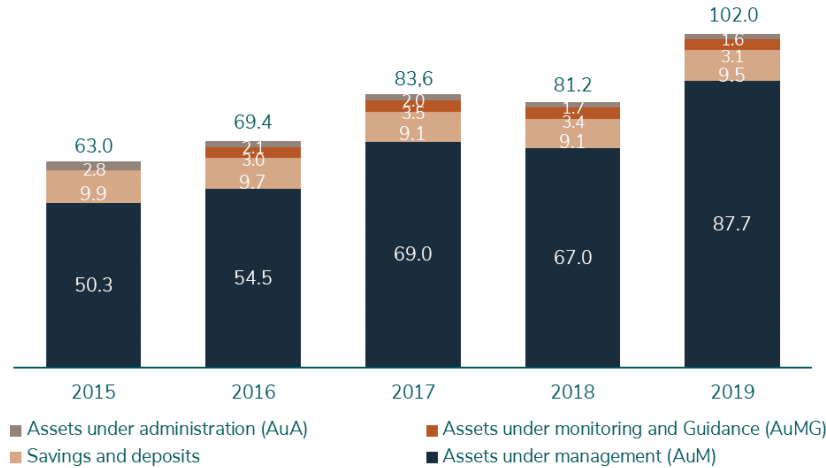


* The interest and clean interest margin are calculated excluding the one-off interest claim to be received from DSB NV

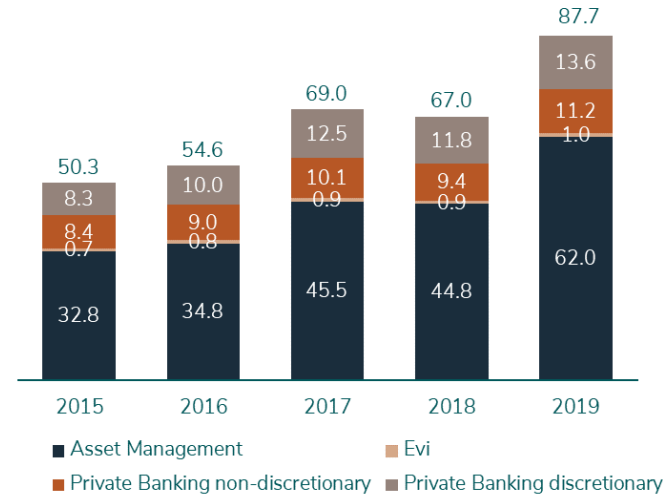
** The clean interest margin equals the gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation

Client assets at €102.0bn

Client assets*
€ bn



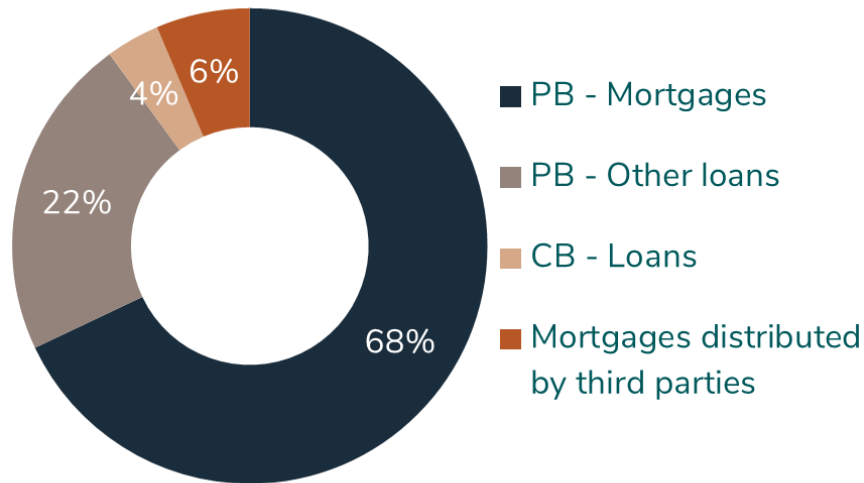
Assets under management*
€ bn



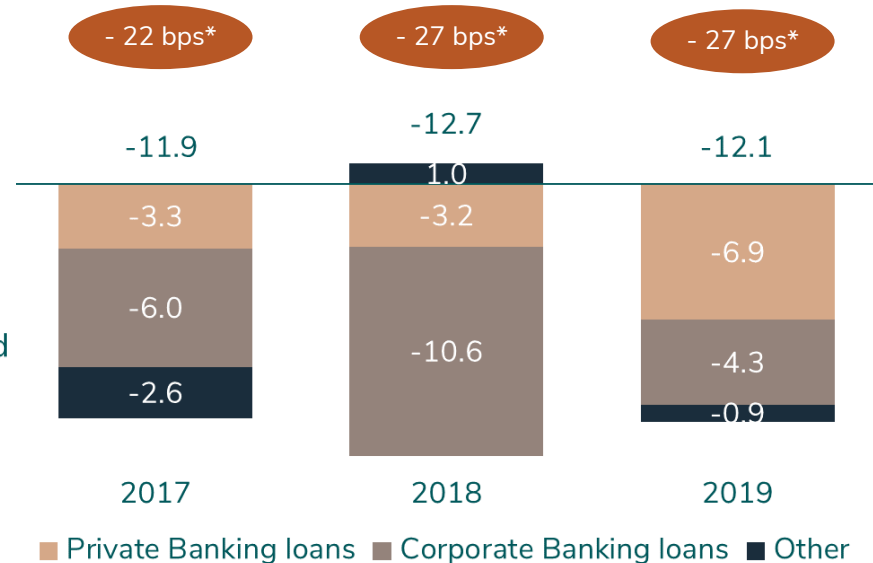
* As of 1 January 2018, €0.2 bn in AuM has been transferred to AuA. The comparative figures for 31 December 2017 have been adjusted accordingly

Net release of loan loss provisions thanks to positive economic conditions

Loan portfolio (excluding provisions)
at 31/12/2019 100% = €8.7bn



Additions to loan loss provisions
€ m

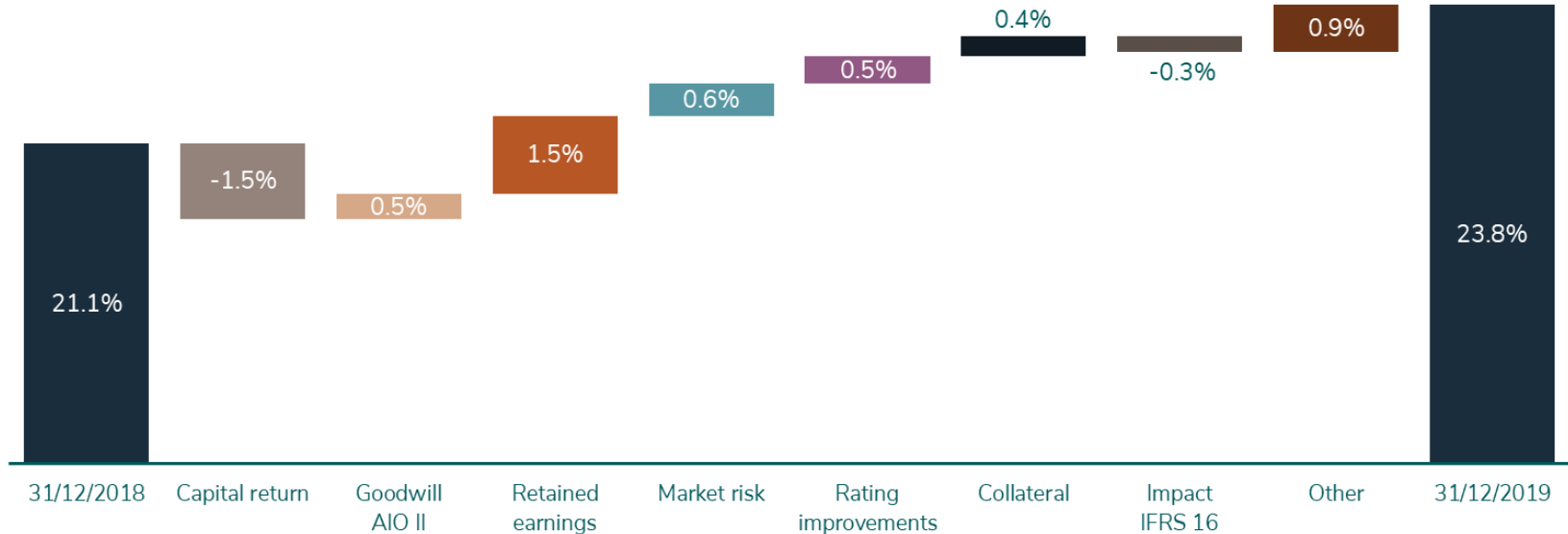


* Loan loss provision / Average total RWA



Strong capital position

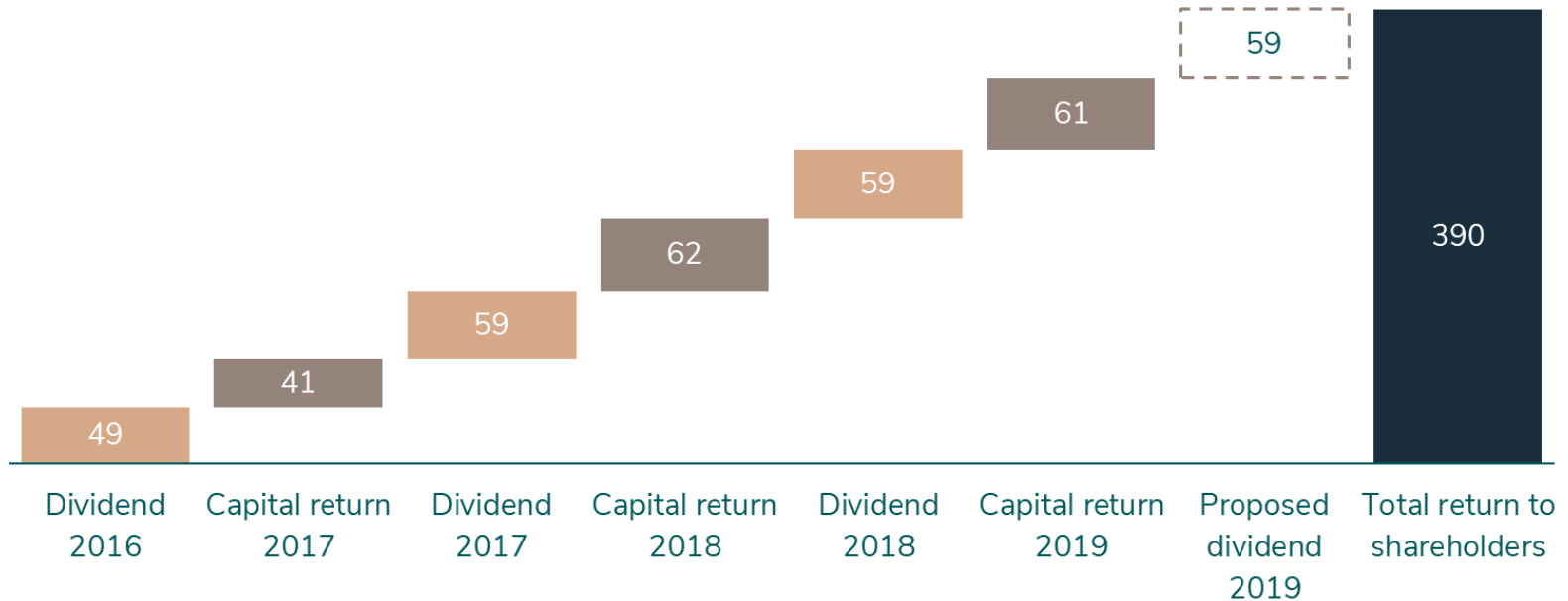
Common Equity Tier 1 ratio* %



* Some amounts differ from previously published reports, reflecting changes that result from the accounting changes related to provisions for pensions

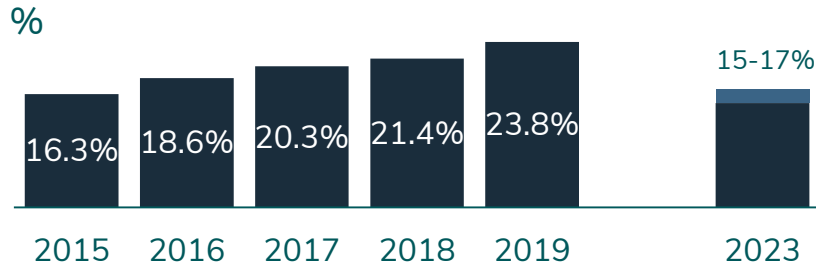
Delivering on our promise

Capital return and dividend
€ m

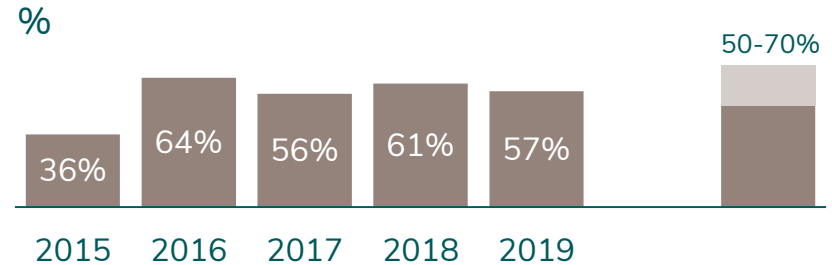


Overview of 2023 financial group targets

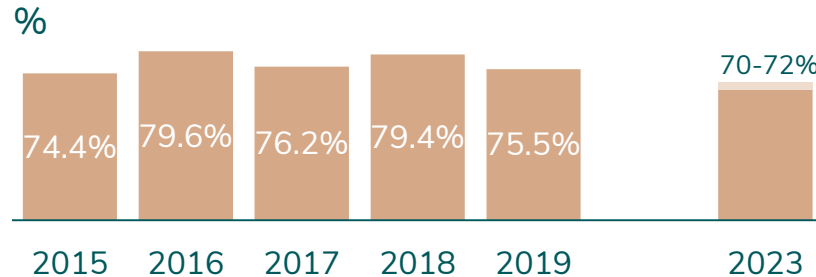
Common Equity Tier 1 ratio*



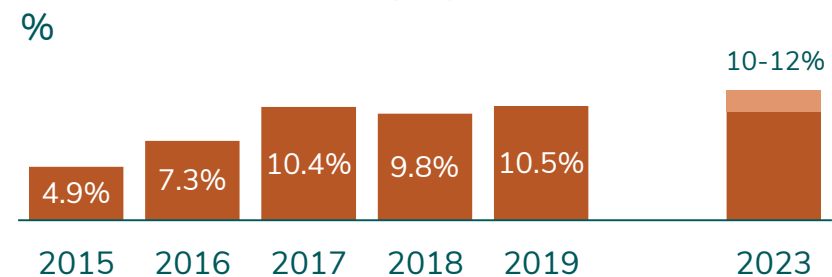
Dividend pay-out ratio**



Efficiency ratio



Return on Common Equity Tier 1**



* As of 2016 fully loaded; 2015 phase-in

** Based on underlying net result attributable to shareholders

Q1 2020



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Exceptional market circumstances in Q1 2020



The core of our wealth management model delivers to our clients

Strong AuM inflow

- Net inflow at Private Banking €0.5bn (Q1 2019: -€0.1bn)
- Net inflow at Asset Management €1.4bn (Q1 2019: -€0.2bn)
- Healthy AuM pipeline for 2020

Stable client savings and loan portfolio

- Client savings stable at €9.5bn
- Loan portfolio increased by €0.2bn to €8.8bn
- Tailored solutions and products for our clients, for example payment holidays

Relatively low addition to loan losses

- Relatively low addition to loan losses of €2.4m, thanks to stable Dutch residential mortgages and run-off of Corporate Banking portfolio
- Dutch residential mortgages: 73% of the loan portfolio
- Corporate Banking portfolio: €0.3bn



Our Q1 results

- **Net result -€10.5m** (Q1 2019: €15.3m, excluding one-off sale proceeds)
- **15% increase in commission income** compared with Q1 2019
- **Interest income** under continuous pressure
- Addition to loan loss provision **relatively low at €2.4m**
- **Costs slightly higher** compared with Q1 2019, in line with expectations
- **Incidental losses driven by two specific items** – structured products and investments in own funds



Well positioned under difficult circumstances

State of business

- Sentiment among clients still good
- Asset Management won two new mandates, which will start in the course of 2020
- Evi welcomed c. 6,600 clients with over €150m in AuM from the partnership agreement with a.s.r. bank
- Annualised recurring management fee back to early 2019 levels

Package of cost measures

- First-quarter costs developed in line with the guidance given earlier
- We have initiated a series of additional cost saving measures
- With these measures and in normal market conditions, we expect the year to end on a positive note

Strong capital buffer

- Strong CET 1 ratio of 22.8% (end 2019: 23.8%),
- Strong liquidity buffer and LCR ratio of 151.6% (end 2019: 156.9%)
- Compared with the midpoint of our target range, the excess capital amounts to €290 million at this point



2019 annual results



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3. Remuneration report 2019

Advisory voting item



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Remuneration report 2019

Bernadette Langius

Chair of the Remuneration Committee



The Remuneration report 2019 can be found on:

- [vanlanschotkempen.com](https://www.vanlanschotkempen.com) under financial results
- in the Annual Report 2019 on pages 72 up to and including 81



4a. Adoption of 2019 financial statements

Voting item



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4b. Adoption of a cash dividend of €1.45 per Class A ordinary share

Voting item



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5a. Discharge of the members of the
Statutory Board from liability for their
conduct of Van Lanschot Kempen's
affairs in the 2019 financial year

Voting item



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5b. Discharge of the members of the Supervisory Board from liability for their supervision of Van Lanschot Kempen's affairs in the 2019 financial year

Voting item



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6. Proposed amendment to the Articles of Association

Voting item



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7a. Adoption of Statutory Board remuneration policy

Voting item



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Adoption of Statutory Board remuneration policy

- Remuneration structure for the Statutory Board remains unchanged
- Textual additions have been made to the remuneration policy to explain our remuneration approach in compliance with the implementation of SRD II
- In preparation for the 2020 annual general meeting an engagement dialogue was held with:
 - a large number of shareholders
 - proxy advisers
 - the Works Council
 - political parties
 - several clients (Private Banking, Asset Management, Merchant Banking)

Rewarding long-term sustainable performance

Remuneration 100% fixed

- Since 2015 the remuneration of our Statutory Board consists of fixed remuneration only

Significant proportion in shares

- The fixed remuneration includes a significant proportion in shares, with a five-year lock-up period

Share ownership guidelines

- Board members must hold Van Lanschot Kemprenn shares with a value equal to or above the cash portion of two years' gross salary

Pay ratio is factored in

- When determining the Statutory Board remuneration package, we factor in pay ratios within the company



Adoption of Statutory Board remuneration policy

Voting item

- When asked to advise on the Statutory Board's remuneration policy, the Works Council issued a positive opinion
- The proposed remuneration policy for the Statutory Board and the formal opinion of the Works Council can be found on vanlanschotkempen.com under [shareholder's meetings](#)

7b. Adoption of Supervisory Board remuneration policy

Voting item



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Adoption of Supervisory Board remuneration policy

Voting item

- Textual additions have been made to the remuneration policy in compliance with the law under which SRD II has been implemented
- We do not propose any remuneration changes
- The proposed remuneration policy for the Supervisory Board was likewise discussed with stakeholders during the engagement meetings
- The Works Council issued a positive opinion
- Proposed remuneration policy Supervisory Board can be found on [vanlanschotkempen.com](https://www.vanlanschotkempen.com) under [shareholder's meetings](#)

8. Appointment of the auditors

Voting item



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9a. Notification of vacancies and profiles;
opportunity to make a recommendation

*Voting item in the event of such
recommendation*



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9b. Appointment of Karin Bergstein as a member of the Supervisory Board

Voting item



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Appointment of Karin Bergstein as a member of the Supervisory Board



Karin Bergstein is an experienced candidate. She has a background in financial services (both Banking and Pension) and specialised knowledge of transformation, IT and International Buy & Build strategy.

“I am honored by this nomination to help Van Lanschot Kempen to further build upon her unique position in Wealth management. I am looking forward to bring my experience to Van Lanschot Kempen.”



9c. Notification of vacancies that will arise at the 2021 annual general meeting

discussion



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10. Grant of authority to repurchase own shares and/or depositary receipts for such shares

Voting item



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11a. Authorisation of the Statutory Board to issue ordinary shares

Voting item



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11b. Authorisation of the Statutory Board to limit or exclude pre-emption rights when ordinary shares are issued

Voting item



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12. Any other business and closure of meeting



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Annual general meeting

Amsterdam, 28 May 2020



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