



VAN LANSCHOT  
KEMPEN

s-Hertogenbosch, 23 May 2024

Annual General Meeting

# Welcome

# 1. Opening

## 2a. Report by the Supervisory Board

*Item for discussion*

## 2b. Report of the Management Board for 2023

*Item for discussion*



# The year in review



## Our clients

- Continuing growth of clients and net inflows
- Renewed interest in fixed income, continued interest in illiquid asset classes
- NPS of 34 for Private Clients and NPS of 30 for Wholesale & Institutional Clients



## Our employees

- Focus on the development and throughflow of diverse talent
- More than 70% of employees are shareholders in Van Lanschot Kempen
- Highly engaged staff with eNPS of 22



## Society

- Focus on energy and food transitions
- Continued annual steps towards 2030 carbon neutral ambition for own organisation
- Continued demand for impact alongside risk-return metrics



## Our shareholders

- Dividend proposal of €2.00 per share
- Continued commitment to return excess capital to shareholders
- Investor Day 20 June 2024





# 2023: Key financial highlights

## Profitable growth and strong capital position



**Net result** €125.2m  
(2022: €84.3m)

**Underlying net result**  
€130.5m  
(2022: €117.8m)

**Cost/income ratio**  
71.6%  
(2022: 73.1%)



**Commission income** €427.2m  
(2022: €407.8m)

**Interest income**  
€196.5m  
(2022: €162.7m)

**Operating expenses**  
€474.8m  
(2022: €438.2m)



**AuM**  
€127.6bn  
(2022: €107.8bn)

**AuM net inflow**  
€5.3bn  
(2022: €13.7bn)

**Client assets**  
€145.0bn  
(2022: €124.2bn)



**Strong capital position**  
CET 1 ratio 19.6%  
(2022: 20.6%)

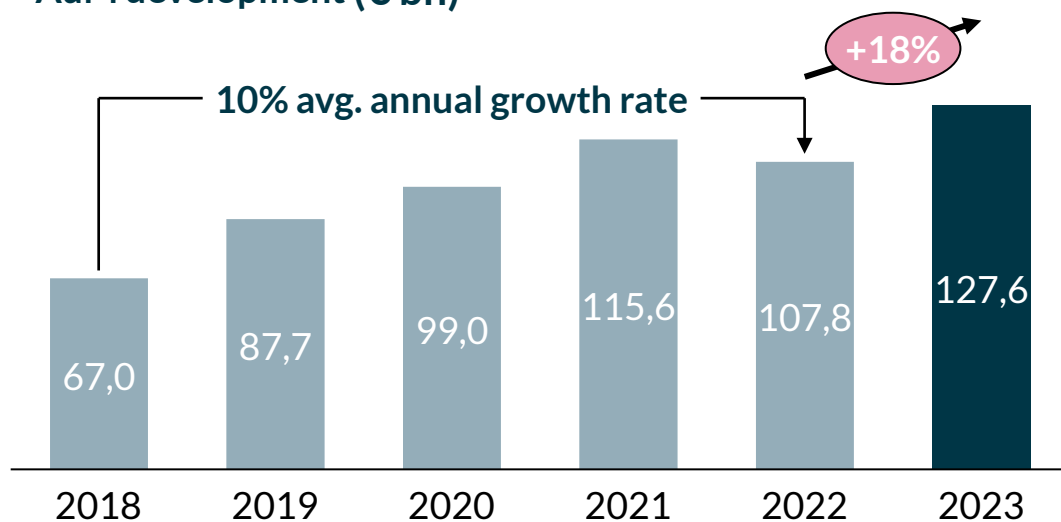
**RoCET 1 at 14.2%**  
(2022: 12.3%)

**Dividend proposal of**  
€2.00 per share



# Achieving sustainable and profitable growth

AuM development (€ bn)



## Organic growth

- Strong net AuM inflow (€5.3bn)

## Bolt-on acquisitions

- Completed integration of Mercier Vanderlinden
- Acquisition of Robeco's online investment platform (€5.0bn)
- Planned acquisition of Accuro (€0.7bn)

## Market performance

- Positive market performance (€9.4bn)

## Capital-light balance sheet

- Continued commitment to return excess capital
- €85m capital returned in 2023



# Working towards our medium-term financial targets

Cost/income ratio

71.6%

Target:  
70%

CET 1 ratio

19.6%

Target:  
17.5% including  
2.5% M&A add-on

RoCET 1

14.2%

Target:  
12%

Dividend pay-out ratio\*

68.6%

Target:  
50 - 70%

\* Proposed dividend payment / underlying net result attributable to shareholders





# Investing in our technology

We are continuously investing in technology and process optimisation to enable scalability of our business model

GenAI offers a great additional opportunity and is already improving productivity

- 1st company live with Microsoft 365 copilot in The Netherlands
- Already 250.000+ prompts on our internal ChatGPT solution “Ask Leonardo”

In 2023, we have completed the transfer of Mercier VanderLinden to our Private Banking platform

We have made significant progress in upgrading our Investment Management landscape, including our data foundation to enable scalable growth

Our digital agenda is a key part of our strategy



Clients expect fully digital experience (on top of F2F)



Need for continuous process automation to control cost



Increasing opportunities through GenAI



Cyber crime is a persistently growing threat to the industry



Cloud-based infrastructure has become the benchmark



Retaining top talent requires an ambitious digital agenda



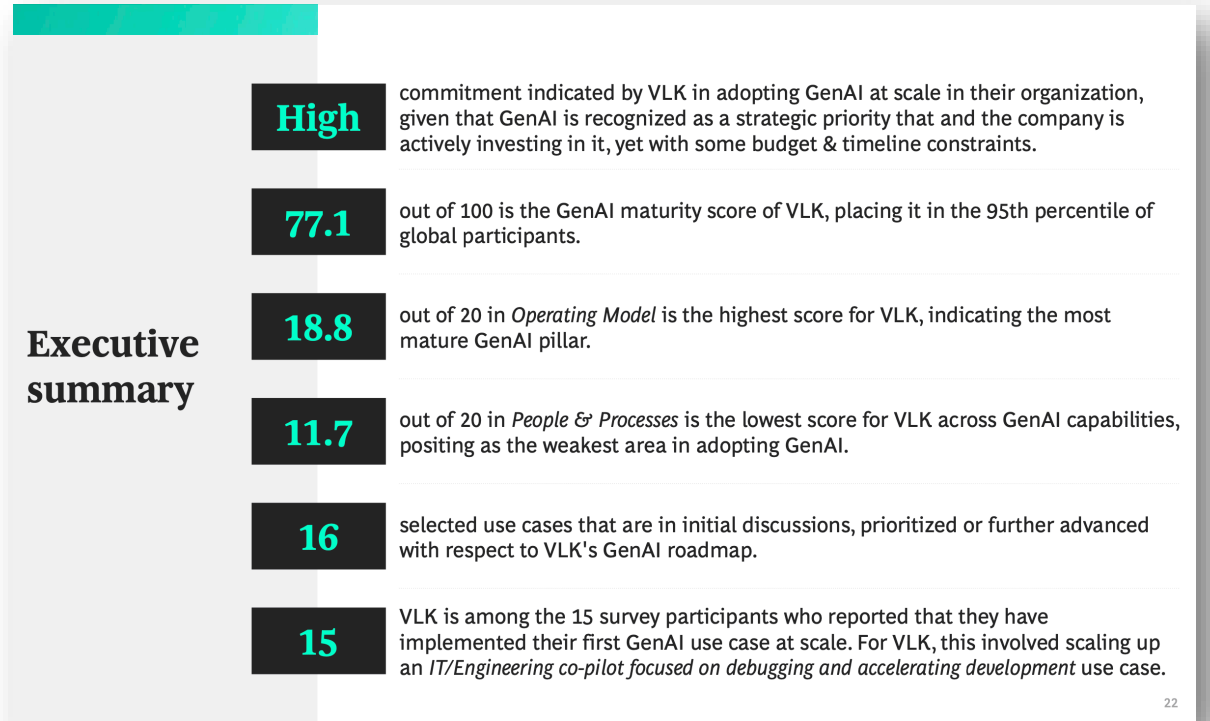
# BCG benchmark study: “Van Lanschot Kempen is trending above peers’ average when it comes to GenAI maturity”

A strong outside-in perspective confirms we are comparable to or are in the forefront of AI and GenAI implementation in our industry

Multiple use cases were delivered at full scale in 2023 and will be delivered throughout 2024

Our AICoE hosted more than 50 knowledge sharing sessions internally and externally:

- 2 webinars on GenAI in general and the NextGen session on Studying with GenAI
- AI as a topic in investment update meetings, gatherings with entrepreneurs & clients and NextGen events
- Knowledge sessions and workshops for colleagues, with plans to efficiently expand this effort
- Promoted our work in AI at various universities and locations



# People are our most important asset, we foster expertise, an entrepreneurial mindset and our personal approach



## Investing in talent development

- Van Lanschot Kempen Academy
- Young Private Banking program



## Nurturing a high-performance culture

- 90% employee engagement score
- Stimulate and promote internal throughflow
- Enable our people to share in our success



## Promoting engagement and alignment

- >70% of employees are shareholder (~4.7% shares)
- Senior leaders engaged in Partnership Plan



# Progress towards our sustainability goals

## Lower carbon emissions

### Discretionary (AuM)

88% of funds on track for reduction of 7% average annual emission intensity in line with Paris Agreement

*Target: 80% of funds comply with 7% average annual emission intensity reduction*

### Mortgage portfolio

-6.9% total indirect carbon emissions per euro of our mortgage portfolio (2022: +8.7%)

*Target: CO<sub>2</sub>e/€ < last year*

### Our organisation

-42% carbon emissions per FTE compared with 2019, in line with our transition path of -7.0% a year per FTE, against 2019 baseline

*In 2023, we set a more ambitious target to reduce our own carbon footprint by 8.0% a year per FTE, against a 2019 baseline, effective from 2024*

- We are committed to become a **net-zero wealth manager by 2050 (-50% in 2030)**
  - Ambitious annual carbon footprint reduction targets for discretionary AuM (-7%) and our own organisation (-8% per FTE)





# 2023 full-year results



# 2023: Key messages

Net result of €125.2m (2022: €84.3m):

- Commission income +5%
- Interest income +21%
- Operating expenses +8%

Net AuM inflow: €5.3bn

- Private Clients net inflow: €2.3bn
- Wholesale & Institutional Clients net inflow: €3.1bn

Segment operating profit before tax:

- Private Clients: €165.9m. Strong result
- Wholesale & Institutional Clients: -€2.7m. Measures taken to improve profitability – good starting point for 2024
- Investment Banking Clients: -€4.4m. Challenging M&A environment due to rising interest rates – recovery visible in H2

Robust capital position:

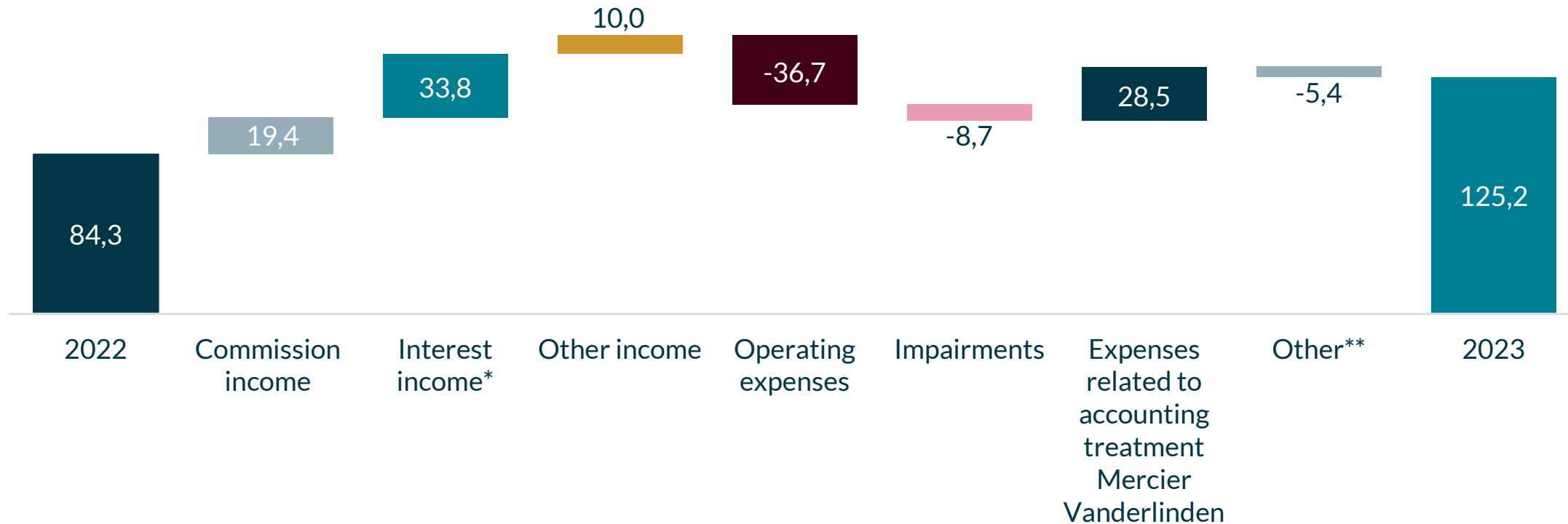
- CET 1 ratio 19.6% (2022: 20.6%); Basel IV fully loaded around 18.5%
- Dividend proposal €2.00 per share (totalling €85m)





# Net result amounts to €125.2m

Key drivers of net result (€ m)



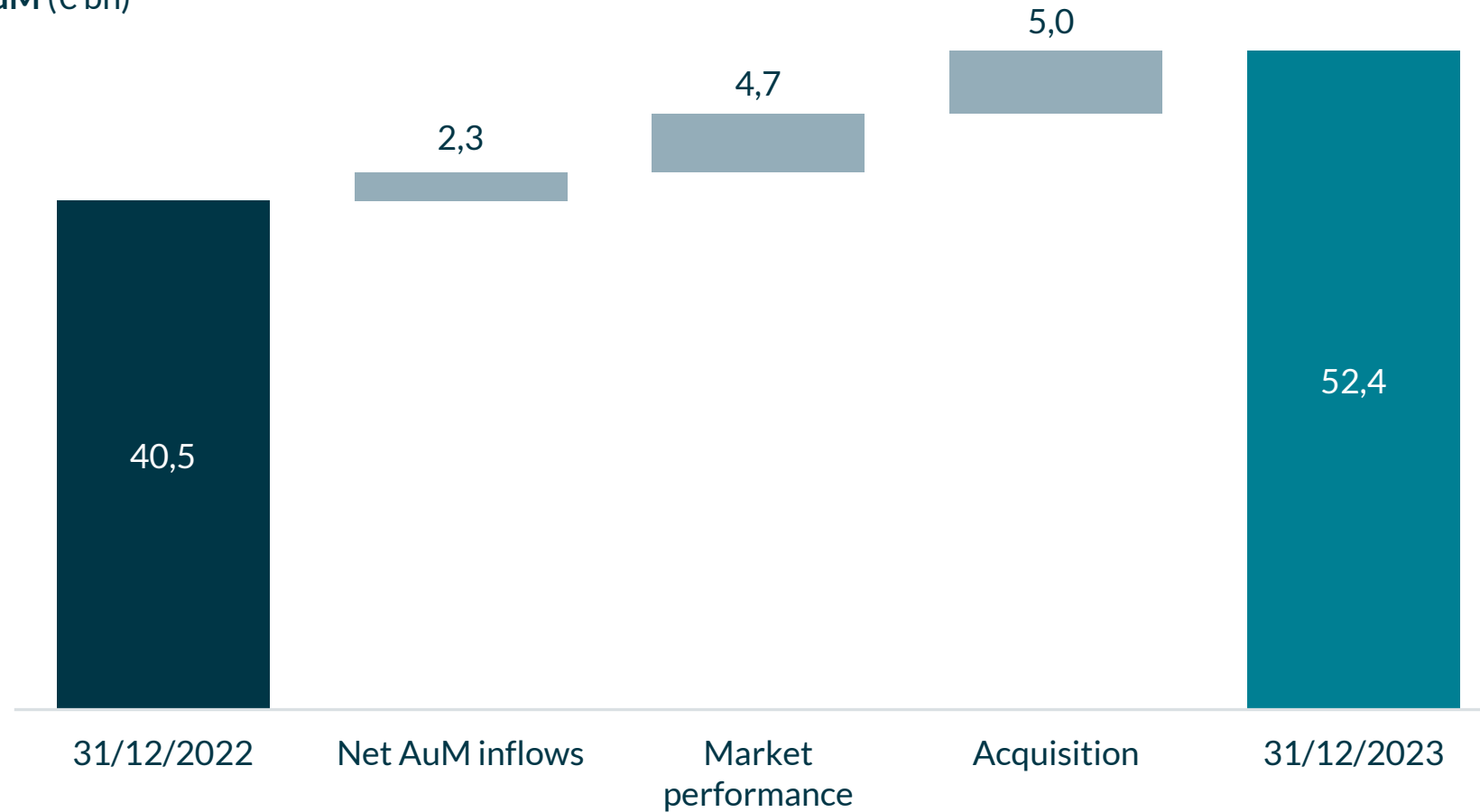
\* As of 2023, MTN interest expenses (-€19.1m) are included in NII (instead of Other income)

\*\* Other includes tax, expenses related to amortisation of intangible assets, operating profit before tax of NSI, and other one-off items



# Private Clients: High net inflows

AuM (€ bn)



# Private Clients: Strong net AuM inflow in Belgium of €0.8bn

- After a successful integration we continued as Mercier Van Lanschot from 1 January 2024
- Private Clients Belgium will be reported as a separate segment from 2024
- Acquisition of Belgian investment adviser Accuro completed in April 2024
- Net AuM inflow: €0.8bn; total AuM: €11.3bn (2022: €9.2bn)
- Cost/income ratio: 61.9% (2022: 61.3%)



# Private Clients: Positioning Evi van Lanschot for further growth

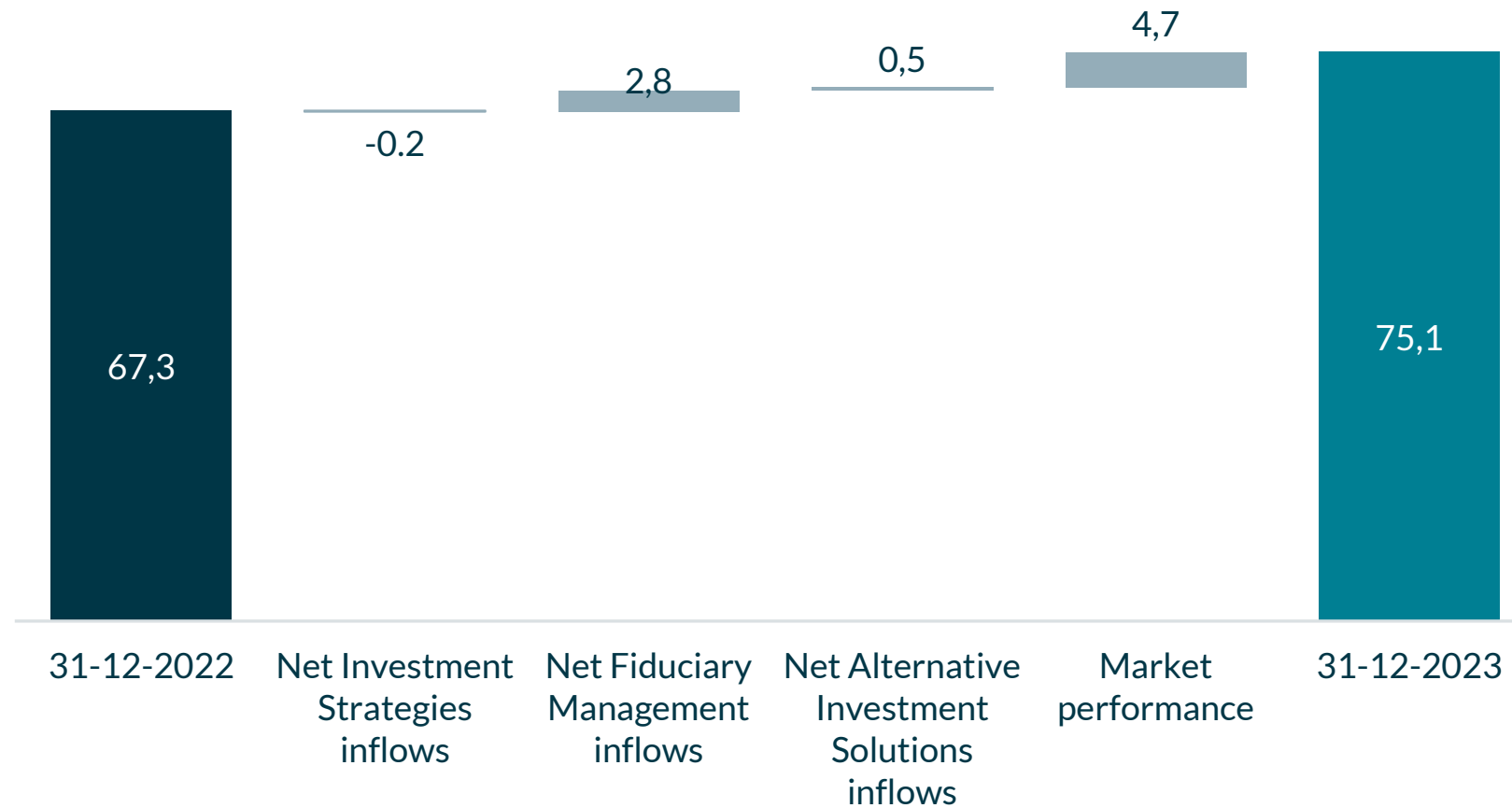


- Good progress on integration of Robeco's online investment platform
- Acquisition created a leading online investment platform for affluent clients, with AuM of €6.4bn
- Combined activities expected to break even by 2025 – and then to start making a positive contribution to net profit
- As well as integration, our focus is on further strengthening our proposition by:
  - Launching a pension product
  - Launching a competitive savings proposition



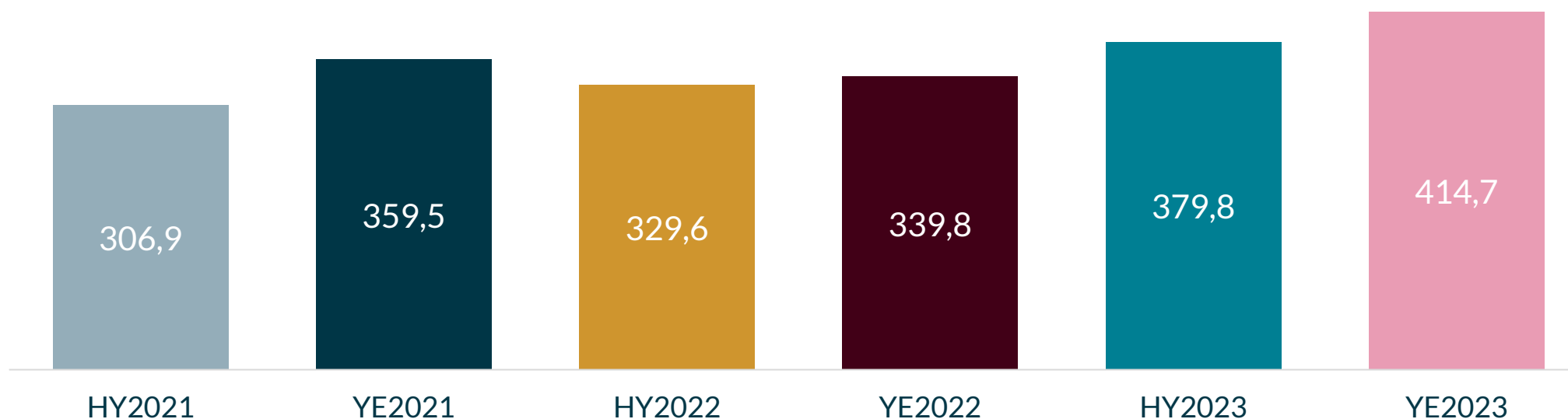
# Wholesale & Institutional Clients: €3.1bn net inflow

AuM (€ bn)



# Stable margins at both Private Clients and Wholesale & Institutional Clients

Annualised recurring fees\* (€ m)



- Stable AuM margins: Private Clients: 63 bps (2022: 63 bps); Wholesale & Institutional Clients: 11 bps (2022: 12 bps)

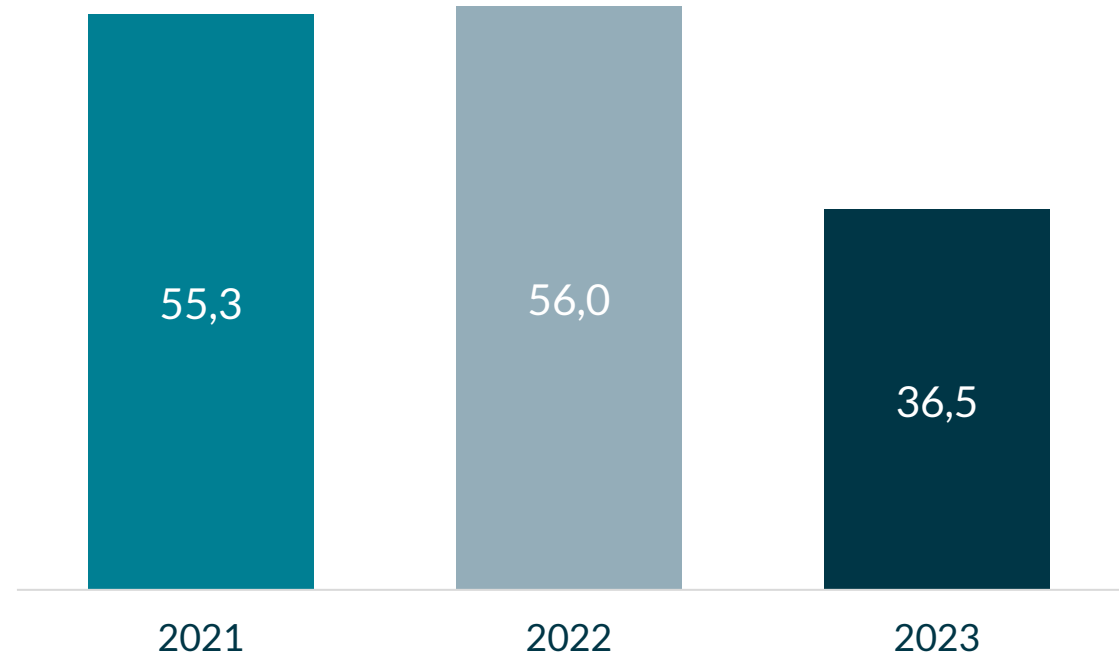
\*Annualised recurring securities commission is determined by multiplying the AuM on the reporting date by the management fee per client to arrive at the expected annualised management fee, assuming the AuM remains unchanged. The expected annual transaction fees related to these client portfolios are added.



# Investment Banking Clients: Challenging markets due to increasing interest rates

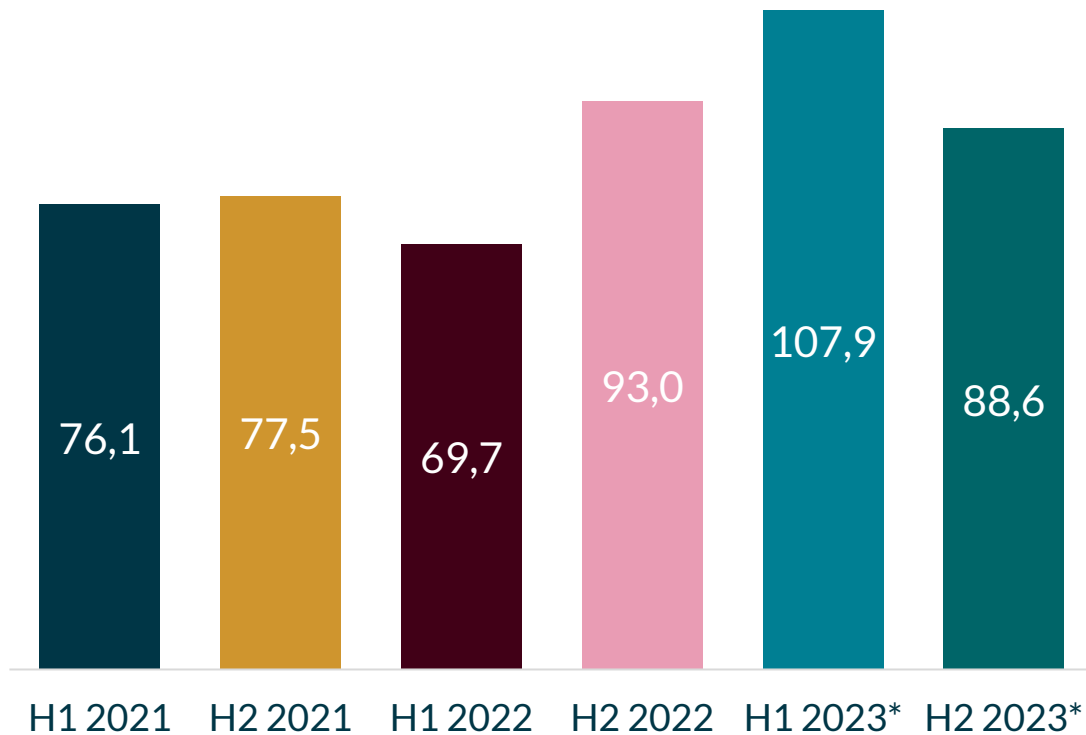


Commission income (€ m)

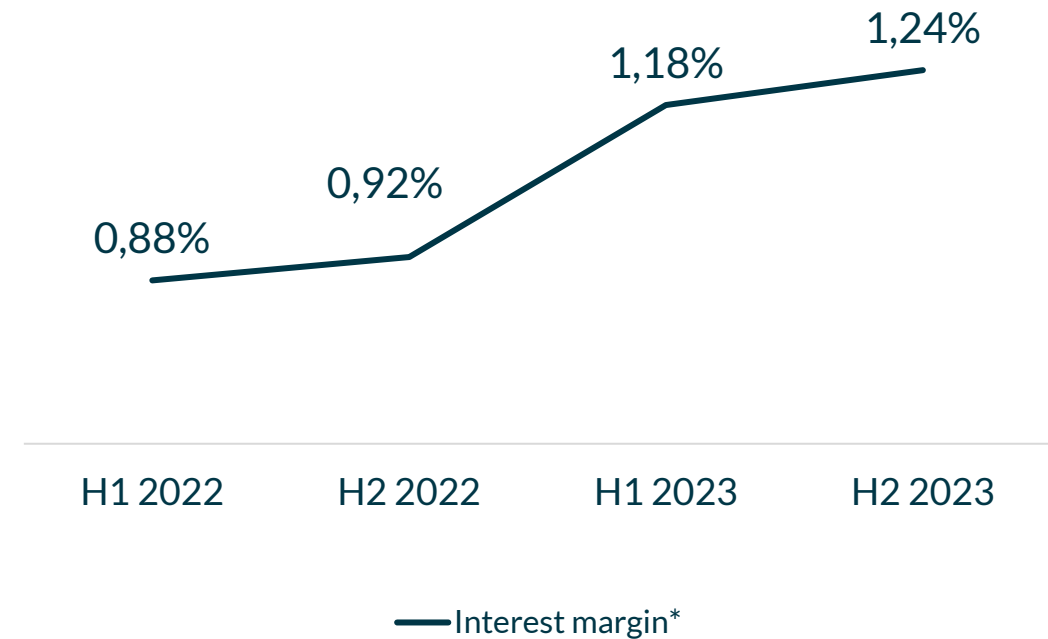


# Interest margins improved in 2023

Interest income (€ m)



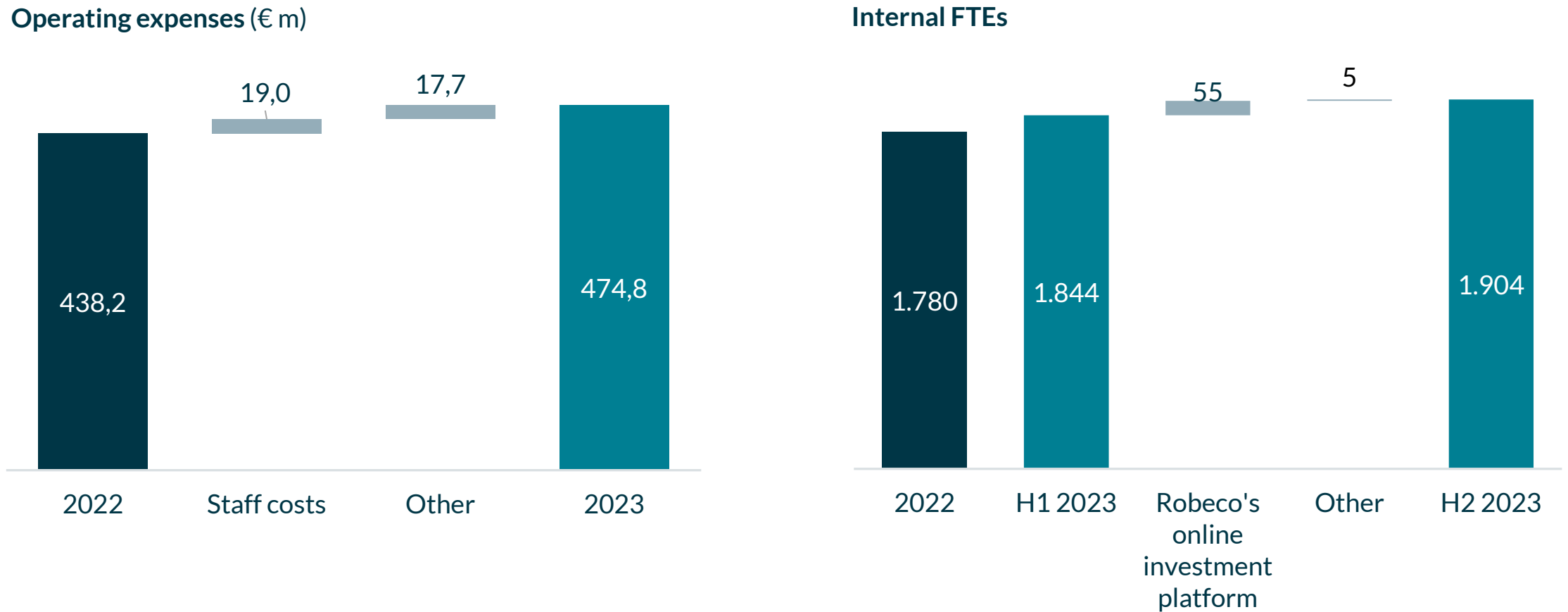
Interest margin (12-month moving average, %)



\* Including MTN interest expenses



# Operating expenses: Focus on scalable growth



# Loan portfolio

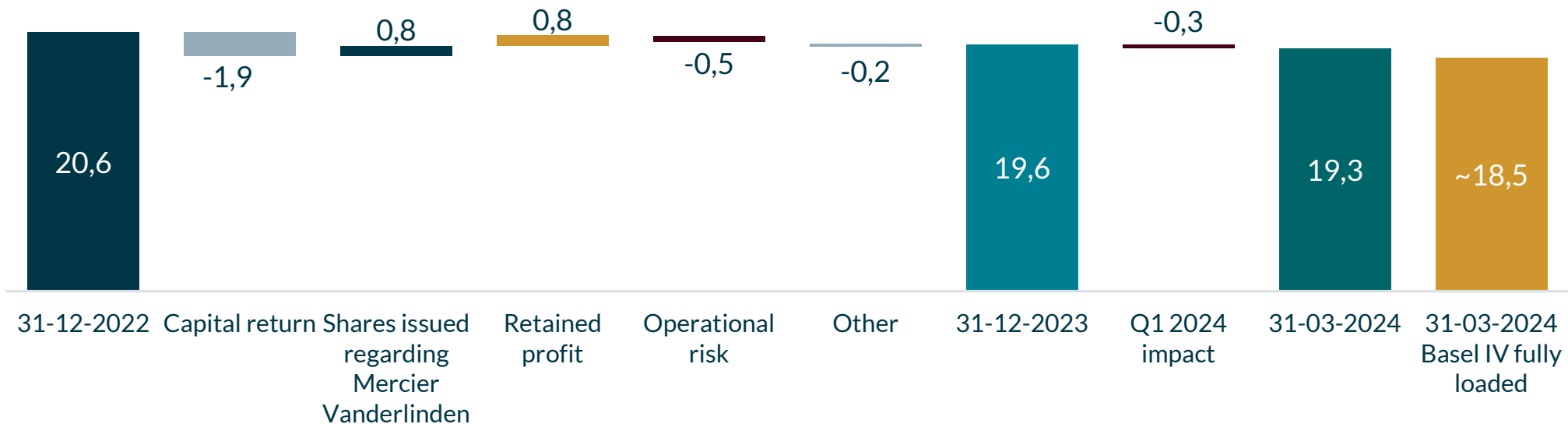
€ m	Loan portfolio 31-12-2023	Loan portfolio 31-12-2022	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	6,368	6,341	0%	27	2	0.4%	8%
Other loans	2,182	2,371	-8%	98	25	4.5%	26%
<b>Loan portfolio</b>	<b>8,550</b>	<b>8,712</b>	<b>-2%</b>	<b>125</b>	<b>28</b>	<b>1.5%</b>	<b>22%</b>
Mortgages distributed by third parties	348	373	-7%	1	-	0.2%	0.0%
Other loans covered by residential real estate	302	320	-6%	-	-	0.0%	0.0%
<b>Total loan portfolio</b>	<b>9,200</b>	<b>9,404</b>	<b>-2%</b>	<b>126</b>	<b>28</b>	<b>1.4%</b>	<b>22%</b>
ECL stages 1 and 2							10
<b>Total</b>	<b>9,200</b>	<b>9,404</b>	<b>-2%</b>				<b>38</b>



# Strong CET 1 ratio

## Dividend proposal of €2.00 per share (total €85.0m)

Common Equity Tier 1 ratio (%)



- CET 1 ratio is above target of 17.5% including an M&A add-on of 2.5%
- At the end on Q1 2024, our CET 1 ratio stood at 19.3%. This included the partial impact of the Accuro acquisition, which is expected to have an additional negative impact of 0.2 percentage points on the CET 1 ratio in the second quarter





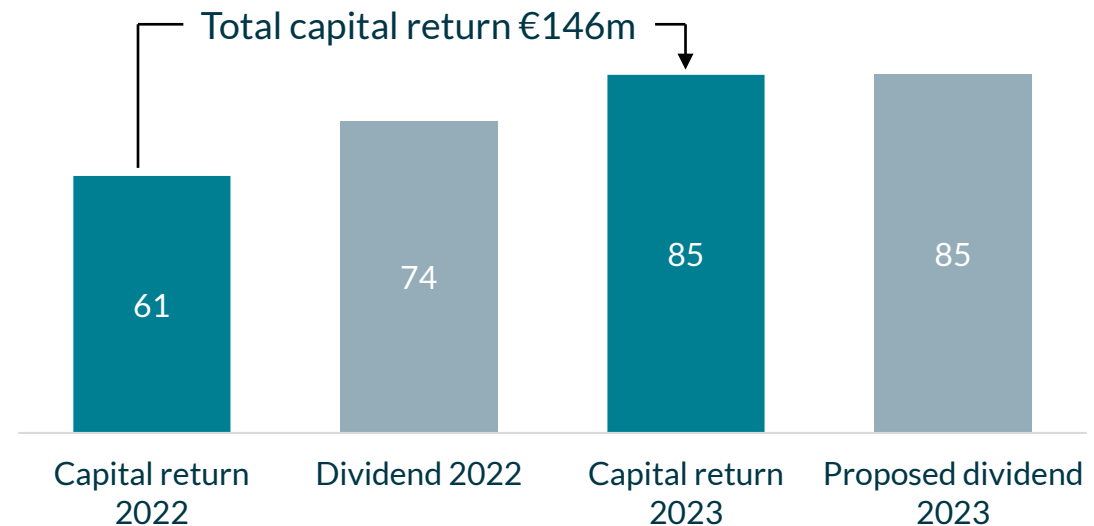
# Solid capital position

## Continued commitment to return excess capital



- Our intention remains to return excess capital above 17.5% CET 1 ratio target to our shareholders going forward

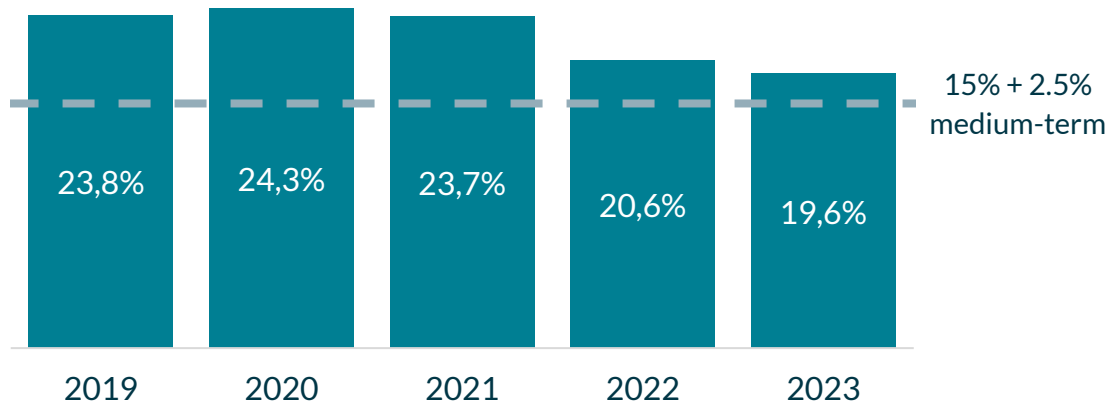
### Total shareholder return (€ m)



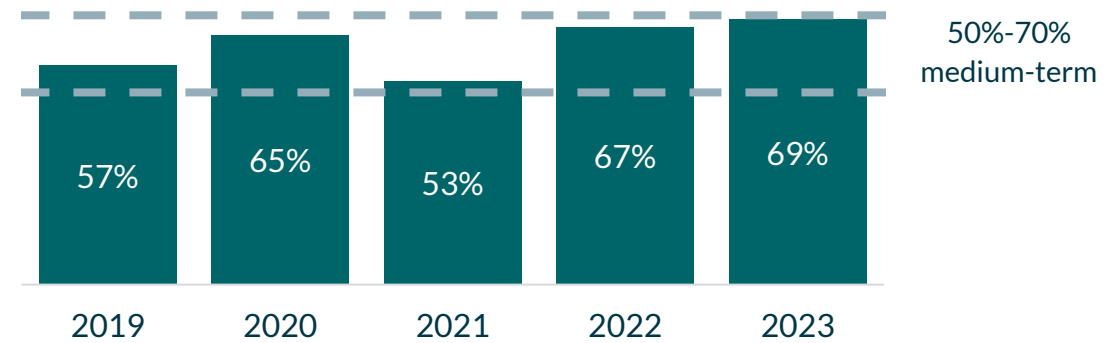


# Committed to our financial targets

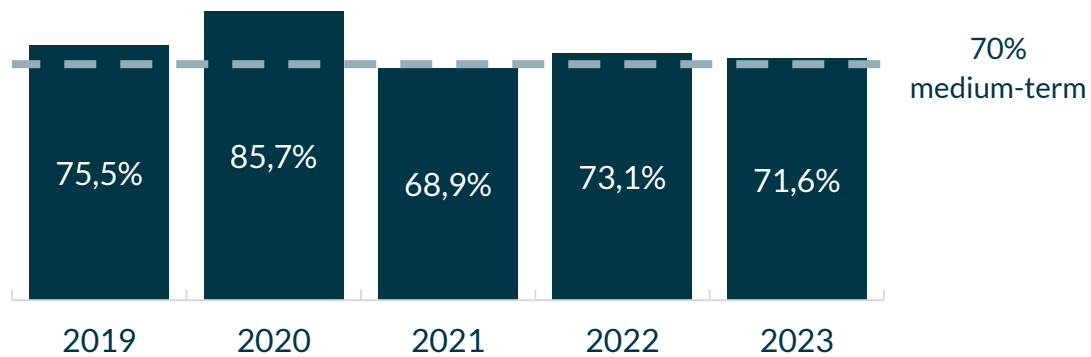
## Common Equity Tier 1 ratio



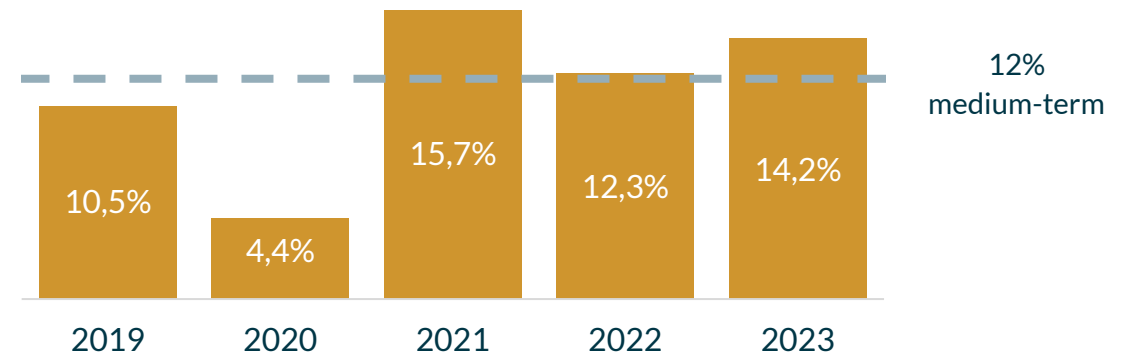
## Dividend pay-out ratio\*



## Cost/income ratio



## Return on Common Equity Tier 1\*



\* Based on underlying net result attributable to shareholders



# Q1 2024: strong start of the year

- Solid quarterly result with a net result of €32.7 million (Q1 2023 €19.9 million); increase of commission income with 23%
- Strong net AuM inflows of €2.3 billion, with €0.9 billion at Private Clients Netherlands, € 0.4 billion at Private Clients Belgium and €1.0 billion at Investment Management Clients
- Client assets up to €151.8 billion (end of 2023\*: €144.8 billion) and AuM up to €134.6 billion (end of 2023\*: €127.3 billion)
- Robust capital ratio at 19.3% (end of 2023: 19.6%)

\*The allocation of AuM to new client segments has led to a minor adjustment to the comparative figures as of 31/12/2023 (impact of -€0.2 billion).



## 2c. Compliance with the 2022 Corporate Governance Code

*Item for discussion*

## 3. 2023 Remuneration Report

*Item for an advisory vote*

## 4a. Adoption of the 2023 Financial Statements

*Voting item*

## 4b. Adoption of a cash dividend of €2.00 per Class A ordinary share

*Voting item*



# 5a. Discharge of the members of the Management Board from liability for their management in the 2023 financial year

*Voting item*

## 5b. Discharge of the members of the Supervisory Board from liability for their supervision of the management conducted in the 2023 financial year

*Voting item*

# 6a. Adoption of remuneration policy for the Management Board

*Voting item*

# Management Board remuneration: current structure to remain in place

## Fixed remuneration only

- Since 2015, our Management Board receives 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

- The share ownership guidelines lead to an effective holding period longer than five years
- The remuneration in shares, in combination with share ownership guidelines, align the interests of the Management Board with those of the company and its stakeholders



# We do propose a number of changes to the existing policy:

## Listened to feedback on reference group

- Updating the reference group for compensation benchmarking, maintaining a strong focus on our main markets while addressing stakeholder feedback on the size of some of the peer companies
- No adjustments are proposed in the remuneration levels for the Management Board

## Enhancing our long-term alignment

- The proportion of remuneration in shares will consist of 40% of the total fixed remuneration and this balance is to be maintained over time
- The share ownership guidelines are expanded from “2x the cash portion of the gross salary” to “2x the (full) gross salary”

## Updated governance clauses in line with emerging practice

- Introduction of a derogation clause that in exceptional circumstances, the Supervisory Board may decide to temporarily derogate from the remuneration policy on the following elements:
- **Fixed remuneration:** award of a management allowance in case Management Board members temporarily take on additional responsibilities
- **One-off compensation awards:** in case of exceptional events and to ensure business continuity





# Adoption of Management Board remuneration policy

## *Voting item*

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

## 6b. Adoption of remuneration policy for the Supervisory Board

*Voting item*

# We propose a number of changes to the Supervisory Board remuneration policy:

- We conducted a review of our remuneration policy for the Supervisory Board to ensure it is fit for purpose for the coming four years
- The outcome of the review is that we propose a number of changes to the existing policy with regard to fee levels and indexation

Updated fee levels  
in line with time  
commitment

- The members of the Supervisory Board receive fixed remuneration only. The remuneration package comprises an annual fixed fee and an annual committee membership fee
- We propose to update our fee levels to 1) remain competitive (in line with increased time commitment) and 2) be able to attract and retain the right international talent for our Supervisory Board
- Last adjustment of the Supervisory Board fee levels was in 2018

Indexation to ensure a  
future proof policy

- Introduction of indexation of the annual fixed fee, in accordance with the indexation percentage applied to the Management Board (see § 2 of the remuneration policy for the Management Board ) and only if it can be justified by the financial performance of the company

Supervisory Board position	Current fee	Proposed fee
Chair	€ 90,000	€ 95,000
Vice Chair	€ 70,000	€ 75,000
Member	€ 60,000	€ 65,000
<b>Audit Committee</b>		
Chair	€ 15,000	€ 17,000
Member	€ 10,000	€ 12,000
<b>Risk &amp; Compliance Committee</b>		
Chair	€ 15,000	€ 17,000
Member	€ 10,000	€ 12,000
<b>Remuneration Committee</b>		
Chair	€ 10,000	€ 13,000
Member	€ 7,000	€ 10,000
<b>Selection &amp; Nomination Committee</b>		
Chair	€10,000	€13,000
Member	€ 6,000	€ 10,000



# Adoption of Supervisory Board remuneration policy

## *Voting item*

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

# 7a. Notice of the intended appointment of Damla Hendriks as a member of the Management Board

*Item for discussion*





# Introduction

## Damla Hendriks

## 8a. Notice of vacancy and profile; opportunity to make a recommendation

*Voting item if a recommendation is made*

## 8b. Reappointment of Karin Bergstein as a member of the Supervisory Board

*Voting item*

## 8c. Announcement of the vacancy that will arise after the Annual General Meeting in 2025

*Item for discussion*

**9a. Acknowledgment of the annual report for the 2023 financial year drawn up by the former Board of Directors of Mercier Vanderlinden Asset Management NV**

*Item for discussion*



## 9b. Acknowledgment of the report for the 2023 financial year drawn up by PricewaterhouseCoopers, the former external auditor of Mercier Vanderlinden Asset Management

*Item for discussion*

# 10a. Approval of Mercier Vanderlinden Asset Management NV's Financial Statements for the 2023 financial year

*Voting item*

**10b. Discharge of the members of the former Board of Directors of Mercier Vanderlinden Asset Management NV from liability for their management in the 2023 financial year**

*Voting item*

**10c. Discharge of PricewaterhouseCoopers, the former external auditor of Mercier Vanderlinden Asset Management NV, for the mandate conducted in the 2023 financial year**

*Voting item*

# 11. Authorisation to purchase shares in own capital or depository receipts for those shares

*Voting item*

# 12a. Designation of the Management Board as the competent body to issue ordinary shares

*Voting item*



## 12b. Designation of the Management Board as the competent body to limit or exclude the pre-emptive right when ordinary shares are issued

*Voting item*

## 13. Any other business and closure of meeting





VAN LANSCHOT  
KEMPEN

s-Hertogenbosch, 23 May 2024

Annual General Meeting

# Thank you