

## Press release

### Van Lanschot Kempfen: first quarter 2024 trading update

*Amsterdam/'s-Hertogenbosch, the Netherlands, 30 April 2024*

- **Net profit for Q1 2024 increased to €32.7 million (Q1 2023: €19.9 million); commission income rose by 23%**
- **Commercial momentum, with net AuM inflow across all segments totalling €2.3 billion, of which Private Clients Netherlands: €0.9 billion, Private Clients Belgium: €0.4 billion and Investment Management Clients: €1.0 billion**
- **Client assets grew to €151.8 billion (2023: €144.8 billion) and AuM rose to €134.6 billion (2023: €127.3 billion)**
- **Strong capital ratio of 19.3% (2023: 19.6%)**
- **New reporting in four client segments: Private Clients Netherlands, Private Clients Belgium, Investment Management Clients and Investment Banking Clients**

**Jeroen Kroes, Chief Financial Officer, said:** “Van Lanschot Kempfen has had an excellent start to 2024, reporting a solid profit on the back of growth in commission revenues and better results at Investment Management Clients. Assets under management (AuM) rose by 6%, thanks to strong net inflows and a positive market performance.

“As of 2024, we are reporting our results in four client segments that are representative of the client groups we serve with our wealth management services.

“Private Clients Netherlands achieved a net inflow of €0.9 billion, as existing clients invested more and new clients entrusted their wealth to us. Commission income increased by 26% compared to the first quarter of 2023, to €55.4 million. Next to that, the integration of Evi van Lanschot and Robeco’s online investment platform, acquired in 2023, is progressing well.

“Private Clients Belgium showed strong growth with net AuM inflow of €0.4 billion, reflecting the strength of the Mercier Van Lanschot brand and the relevance of its proposition for clients. We are expanding our offering further with the acquisition of Belgian investment adviser Accuro, with more than € 0.7 billion in AuM. This transaction was completed on 29 April 2024.

“Investment Management Clients also saw positive net inflows, of €1.0 billion. This was partly due to a new fiduciary mandate obtained in the United Kingdom for the Cheviot Trust, resulting in an inflow of €0.4 billion. Other inflows were mainly into our credit and small-cap strategies.

“Investment Banking Clients facilitated larger transactions, such as the Autolus share issue and the sale of GW Crossmedia. Although the quarter ended on a small negative result, the upward trend, visible from the second half of last year, continues.

“Our capital position remains strong with a CET 1 ratio of 19.3% (2023: 19.6%), well above our target of 17.5% including a 2.5% add-on for M&A.

“We continue to focus on profitable growth and further improvement of our services to our clients. We look forward to further explaining our strategy and financial objectives at our Investor Day on 20 June 2024.”

## Results

Net result for the first quarter of 2024 came in at €32.7 million, a 64% increase compared with the same quarter last year, driven by higher commission income and lower regulatory costs.

Client assets rose to €151.8 billion in the first quarter (2023: €144.8 billion) and total AuM to €134.6 billion (2023: €127.3 billion<sup>1</sup>). The quarter saw clients put a larger portion of their wealth into investments, resulting in higher AuM and, conversely, a decrease in savings to €12.2 billion (2023: €12.6 billion).

The loan portfolio remained stable at €9.2 billion and the addition to loan loss provisions was limited to €2.8 million.

Commission income rose steeply, by 23% to €121.8 million (Q1 2023: €99.3 million), thanks to the higher AuM level compared with the first quarter of 2023. Interest income amounted to €47.7 million (Q1 2023: €55.1 million) and was, as expected, in line with the result in the second half of 2023.

Operating expenses fell slightly in the first quarter to €122.5 million (Q1 2023: €122.7 million). Staff costs were up due to a rise in salaries and the acquisition of Robeco's online investment platform. This acquisition also led to higher IT-related (integration) costs. Housing and regulatory costs fell, however. The cost/income ratio for the first quarter stood at 69.9% (Q1 2023: 78.6%).

## Capital position

The capital position remained strong with a CET 1 ratio of 19.3% (2023: 19.6%), well above the 17.5% target. This included the partial impact of the Accuro acquisition, for which 60% of the purchase price was paid in cash and 40% in existing shares. This acquisition is expected to have an additional negative impact of 0.2 percentage points on the CET 1 ratio in the second quarter. The CET 1 ratio according to the "Basel IV fully loaded" definition was approximately 20.5% and approximately 18.5% including the current minimum risk weight floor for residential mortgages, as determined by DNB.<sup>2</sup>

Van Lanschot Kempfen remains committed to return to its shareholders any excess capital above its 17.5% target, subject to regulatory approval.

## New client segments

As of 2024, our four customer segments will form the foundation for the management of our activities and our reporting. For this reason, this trading update is more extensive than usual.

### Private Clients Netherlands

This segment includes Van Lanschot Kempfen's private banking activities in the Netherlands and Switzerland, as well as Evi van Lanschot.

Private Clients Netherlands had a successful first quarter, with total AuM rising to €39.7 billion and a net inflow of €0.9 billion. This led to strong growth in commission income compared with the first quarter of 2023 – up by 26% to €55.4 million. This was partially offset by an – expected – decline in interest income. Pre-tax profit for the quarter came in lower at €33.3 million (Q1 2023: €38.5 million), partly due to costs related to Robeco's online investment platform.

### Private Clients Belgium

This segment includes the private banking activities in Belgium, where Van Lanschot Kempfen operates under the Mercier Van Lanschot brand. The total AuM of this segment stands at €12.4 billion.

In Belgium, the robust commercial momentum continued, with a net inflow of €0.4 billion and an increase in pre-tax profit to €8.9 million (Q1 2023: €3.8 million), mainly on the back of a 32% rise in commission income.

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<sup>1</sup> The allocation of AuM to new client segments has led to a minor adjustment to the comparative figures as of 31 December 2023 (impact of -€0.2 billion).

<sup>2</sup> The Basel IV results are based on the balance as of 31/03/2024 and Van Lanschot Kempfen's current interpretation of Basel IV. No audit has been applied

### **Investment Management Clients**

This segment consists of the former Wholesale & Institutional Clients and Investment Strategies & Solutions segments<sup>3</sup>. It comprises:

- Institutional Clients: fiduciary asset management services, alternative investment solutions, and liquid investment strategies and mandates in the Netherlands and the United Kingdom;
- Wholesale Clients: investment strategies for international banks and institutional clients;
- Private Clients: wealth management, alternative and liquid investment strategies for Van Lanschot Kempfen's own Private Banking clients.

Investment Management Clients had €82.6 billion in AuM in the first quarter. Net inflow amounted to €1.0 billion and led to an increase in commission income. Along with a slightly lower cost level, this resulted in a solid pre-tax profit of €6.5 million (Q1 2023: €2.4 million).<sup>4</sup>

### **Investment Banking Clients**

The Investment Banking Clients segment remained unchanged.

Commission income rose by 37% to €10.7 million, thanks to an increase in transaction volumes in a more favourable macroeconomic climate for mergers and acquisitions. The pre-tax result for the segment improved to -€0.9 million (Q1 2023: -€3.8 million).

### **Other**

The Other segment mainly comprises Van Lanschot Kempfen's own investments and group costs.

### **Developments after the first quarter: completion of Accuro acquisition**

On 29 April 2024, Van Lanschot Kempfen completed the acquisition of Belgian investment adviser, Accuro which manages over € 0.7 billion in AuM. This broadens the offering and expertise for customers in Belgium, particularly in the field of investment advice.

Subject to the necessary subsequent regulatory approvals, we aim to fully integrate Accuro into Mercier Van Lanschot by 1 January 2025. The founders will continue to be affiliated to Mercier Van Lanschot until at least 2030, confirming their confidence in the added value of the combination.

The transaction is expected to have a negative impact of 0.2 percentage points on Van Lanschot Kempfen's capital ratio in the second quarter, resulting in a total impact of 0.4 percentage points.

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<sup>3</sup> As part of the new segment structure, there has also been a transition of revenues, expenses and AuM from the former Private Clients segment to Investment Management Clients.

<sup>4</sup> The former Wholesale & Institutional Clients segment also achieved a positive pre-tax result in the first quarter.

**Key data<sup>5</sup>**

€ million	Q1-2024	Q1-2023	
<b>Statement of income</b>			
Net result	32.7	19.9	64%
Underlying net result	33.3	20.2	65%
Efficiency ratio (%)	69.9	78.6	

€ billion	31/03/2024	31/12/2023	
<b>Client assets<sup>6</sup></b>			
- Assets under management	151.8	144.8	5%
- Assets under administration	134.6	127.3	6%
- Assets under administration	5.0	4.9	3%
- Savings and deposits	12.2	12.6	-3%

€ million	31/03/2024	31/12/2023	
<b>Statement of financial position and capital Management</b>			
Equity attributable to shareholders	1,275	1,247	2%
Equity attributable to non-controlling interests	102	102	0%
Savings and deposits	12,190	12,574	-3%
Loans and advances to clients	9,193	9,161	0%
Total assets	16,593	16,836	-1%
Loan-to-deposit ratio (%)	75.4	72.9	
Total risk exposure amount	4,496	4,409	2%
Common Equity Tier 1 ratio (%) <sup>7</sup>	19.3	19.6	
Tier 1 ratio (%) <sup>7</sup>	21.5	21.9	
Total capital ratio (%) <sup>7</sup>	24.8	25.3	

	Q1-2024	Q1-2023	
<b>Key figures</b>			
Weighted average of outstanding shares (x 1,000)	42,417	40,728	4%
Underlying earnings per share attributable to shareholders (€)	0.71	0.45	58%
Return on average Common Equity Tier 1 capital (%) <sup>8</sup>	13.9	8.4	

	31/03/2024	31/12/2023	
Number of staff (FTEs at period end)	1,908	1,904	0%

<sup>5</sup> Due to the use of unrounded figures, total amounts may differ from the sum. In addition, percentage changes are based on the unrounded figures.

<sup>6</sup> The allocation of AuM to new client segments has led to a minor adjustment to the comparative figures as of 31 December 2023 (impact of -€0.2 billion).

<sup>7</sup> As of 31 March 2024, excluding retained earnings. As of 31 December 2023, including retained earnings.

<sup>8</sup> Based on the annualised underlying net profit attributable to shareholders.

**Result**

€ million	Q1-2024	Q1-2023	
Commission	121.8	99.3	23%
- Of which securities commissions	110.8	91.7	21%
- Of which other commissions	11.0	7.6	45%
Interest	47.7	55.1	-13%
Income from securities and associates	3.8	3.0	27%
Result on financial transactions	1.9	-1.4	
<b>Income from operating activities</b>	<b>175.3</b>	<b>156.0</b>	<b>12%</b>
Staff costs	83.8	77.9	8%
Other administrative expenses	34.8	40.6	-14%
- Of which regulatory levies and charges	2.8	10.1	-72%
Depreciation and amortisation	3.9	4.2	-8%
<b>Operating expenses</b>	<b>122.5</b>	<b>122.7</b>	<b>-0%</b>
<b>Gross result</b>	<b>52.7</b>	<b>33.3</b>	<b>58%</b>
Addition to loan loss provision	2.8	1.6	71%
<b>Impairments</b>	<b>2.8</b>	<b>1.6</b>	<b>71%</b>
Operating profit before tax of non-strategic investments	-0.1	-0.1	-28%
<b>Operating profit before special items and tax</b>	<b>49.9</b>	<b>31.7</b>	<b>58%</b>
Amortisation of intangible assets arising from acquisitions	4.0	3.5	14%
Expenses related to accounting treatment Mercier Vanderlinden	0.3	0.3	0%
Restructuring charges	0.4	-	
<b>Operating profit before tax</b>	<b>45.1</b>	<b>27.8</b>	<b>62%</b>
Income tax	12.4	7.9	57%
<b>Net result</b>	<b>32.7</b>	<b>19.9</b>	<b>64%</b>
<b>Net result attributable to shareholders</b>	<b>29.5</b>	<b>18.2</b>	<b>62%</b>

**Result by segment – Q1 2024**

€ million	Private Clients Netherlands	Private Clients Belgium	Investment Management Clients	Investment Banking Clients	Other	Total
Commission	55.4	23.6	31.0	10.7	1.0	121.8
Interest	42.4	2.3	0.2	-0.1	3.0	47.7
Other income	0.3	0.1	0.1	-0.2	5.5	5.8
<b>Income from operating activities</b>	<b>98.1</b>	<b>26.1</b>	<b>31.3</b>	<b>10.3</b>	<b>9.5</b>	<b>175.3</b>
<b>Operating expenses</b>	<b>60.3</b>	<b>15.3</b>	<b>24.7</b>	<b>11.3</b>	<b>11.0</b>	<b>122.5</b>
<b>Gross result</b>	<b>37.8</b>	<b>10.8</b>	<b>6.6</b>	<b>-0.9</b>	<b>-1.5</b>	<b>52.7</b>
Impairments	2.0	0.0	0.0	-	0.8	2.8
Operating profit before tax of non-strategic investments	-	-	-	-	-0.1	0.1
<b>Operating profit before one-off charges and tax</b>	<b>35.8</b>	<b>10.8</b>	<b>6.6</b>	<b>-0.9</b>	<b>-2.4</b>	<b>49.9</b>
Amortisation of intangible assets arising from acquisitions	1.8	1.9	0.1	-	0.2	4.0
Expenses related to accounting treatment Mercier Vanderlinden	0.3	-	-	-	-	0.3
Restructuring charges	0.4	-	0.0	-	-	0.4
<b>Operating profit before tax</b>	<b>33.3</b>	<b>8.9</b>	<b>6.5</b>	<b>-0.9</b>	<b>-2.6</b>	<b>45.1</b>

**Result by segment – Q1 2023**

€ million	Private Clients Netherlands	Private Clients Belgium	Investment Management Clients	Investment Banking Clients	Other	Total
Commission	44.0	18.0	27.9	7.8	1.6	99.3
Interest	51.3	3.2	-0.0	-0.0	0.5	55.1
Other income	0.2	0.1	0.0	0.1	1.2	1.7
<b>Income from operating activities</b>	<b>95.6</b>	<b>21.3</b>	<b>27.9</b>	<b>7.9</b>	<b>3.4</b>	<b>156.0</b>
<b>Operating expenses</b>	<b>54.3</b>	<b>15.4</b>	<b>25.4</b>	<b>11.6</b>	<b>15.9</b>	<b>122.7</b>
<b>Gross result</b>	<b>41.2</b>	<b>5.8</b>	<b>2.5</b>	<b>-3.8</b>	<b>-12.5</b>	<b>33.3</b>
Impairments	1.1	0.1	-	-	0.4	1.6
Operating profit before tax of non-strategic investments	-	-	-	-	-0.1	-0.1
<b>Operating profit before one-off charges and tax</b>	<b>40.1</b>	<b>5.7</b>	<b>2.5</b>	<b>-3.8</b>	<b>-13.0</b>	<b>31.7</b>
Amortisation of intangible assets arising from acquisitions	1.3	1.9	0.1	-	0.2	3.5
Expenses related to accounting treatment of Mercier Vanderlinden	0.3	-	-	-	-	0.3
<b>Operating profit before tax</b>	<b>38.5</b>	<b>3.8</b>	<b>2.4</b>	<b>-3.8</b>	<b>-13.2</b>	<b>27.8</b>

**FINANCIAL CALENDAR**

23 May 2024	Annual general meeting (AGM)
27 May 2024	Ex-dividend date
4 June 2024	2023 dividend payment date
20 June 2024	Investor Day
22 August 2024	Publication of 2024 half-year results
31 October 2024	Publication of third-quarter 2024 trading update

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**About Van Lanschot Kempen**

Van Lanschot Kempen is an independent, specialist wealth manager active in private banking, investment management and investment banking, with the aim of preserving and creating wealth, in a sustainable way, for both its clients and the society of which it is part. Through our long-term focus, we create positive financial and nonfinancial value. Listed at Euronext Amsterdam, Van Lanschot Kempen is the Netherlands' oldest independent financial services company, with a history dating back to 1737.

For more information, please visit [vanlanschotkempen.com](http://vanlanschotkempen.com)

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Van Lanschot Kempen's quarterly 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 press release, except as described otherwise, the same accounting principles are applied as in the 2022 Van Lanschot Kempen consolidated annual accounts. The figures in this press release have not been audited. Small differences are possible in the tables due to rounding. Percentages are calculated based on unrounded figures.

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