

Press release

Van Lanschot Kempfen: net profit rises 13% to €141.9 million with strong net AuM inflows of €9.2 billion

Amsterdam/'s-Hertogenbosch, the Netherlands, 27 February 2025

- **Strong commercial momentum, with net AuM inflows of €9.2 billion (2023: €5.3 billion)**
- **Client assets increased to €167.6 billion (2023: €144.8 billion) and total AuM grew to €149.3 billion (2023: €127.3 billion)**
- **Net profit rose to €141.9 million (2023: €125.2 million), mainly due to a 20% increase in commission income**
- **Proposed 2024 dividend of €2.75 per share (2023: €2.00) and proposed capital return of €1.40 per share**
- **Solid capital ratio of 19.4% (2023: 19.6%); “Basel IV fully loaded” capital ratio of 19.3%; expected impact of capital return on capital ratio of -1.3%**

Maarten Edixhoven, Chair of the Management Board, said: “We look back on a successful 2024. Against the backdrop of a challenging geopolitical environment, we supported our clients as their trusted adviser. We see strong commercial momentum across all our client segments and we continue to invest in scalable growth with an emphasis on excellent service for our clients, in line with our ‘Growing further together’ strategy.

“Our assets under management (AuM) grew by 17% to €149.3 billion, well ahead of our 10% target for average annual growth. Net inflows were robust and amounted to €9.2 billion. In private banking we gained market share, reflecting the trust that both existing and new clients put in us, both in the Netherlands and in Belgium.

“In the Private Clients Netherlands segment, net AuM inflows were €2.1 billion, mainly from new clients entrusting us with their wealth. Private Clients Belgium had net inflows of €2.2 billion. Mercier Van Lanschot, our brand in Belgium since January 2024, successfully positioned itself as a challenger in the growing Belgian private banking market, and proved to be very attractive to both clients and prospects. Meanwhile, our Investment Management Clients segment also achieved solid net AuM inflows of €4.9 billion, of which €1.0 billion came through our active investment strategies – a clear sign of appreciation for our in-house investment expertise. At Investment Banking Clients, we advised clients across Europe on over 25 transactions.

“The rise in AuM led to a 20% increase in our commission income, which was partly offset by lower interest income in the wake of reduced interest margins and clients shifting a proportion of their wealth from savings into investments in view of the bullish stock market environment. We kept our costs well under control, while continuing to invest in scalable growth, particularly in our private banking activities in the Netherlands, Belgium and Switzerland. We brought in fresh talent and invested in our IT infrastructure, as well as in developing and expanding our private markets solutions and in further digitalisation to support our client services. Our net profit advanced 13% to €141.9 million, to which all of our four client segments contributed. We improved our cost/income ratio to 70.1%, which takes us close to our 2027 target range of 67-70%.

“We likewise made progress on our sustainability targets, reducing both the average carbon footprint of our own organisation and the carbon intensity of our investments.

“We’re well on our way to achieving the ambitious goals of our ‘Growing further together’ strategy by 2027, and I’m proud of all the colleagues who contribute to this every day. We continue to keep a close eye on the impact of external developments and on potential bolt-on acquisitions that fit well.

“I’d like to thank our clients and shareholders for the trust they’ve once again placed in us and the valuable relationships we’ve established and deepened in 2024. At defining moments in a person’s life or in the world around us, they can count on us to maintain a steady course. For us, it’s always about having real conversations about the things that matter, ensuring appropriate solutions and personal service, now and for future generations.”

2024 results

Net profit in 2024 amounted to €141.9 million, a 13% increase compared with 2023 (€125.2 million). This was mainly driven by strong growth in commission income, which was up by 20%. Return on CET 1 capital also improved significantly to 16.2%, moving well towards the target of >18% by 2027.

Total AuM grew to €149.3 billion, a 17% increase on 2023 (€127.3 billion). Net AuM inflows amounted to €9.2 billion, with our private banking activities accounting for €4.3 billion. Positive market performance contributed €12.1 billion to AuM, and the acquisition of Accuro added €0.7 billion. Client savings increased slightly to €12.8 billion (2023: €12.6 billion). While Evi saw savings inflow of €0.7 billion, private banking clients switched some of their savings into investments. Total client assets amounted to €167.6 billion (2023: €144.8 billion).

Commission income came in at €511.2 million (2023: €427.2 million). Securities commissions rose by 20% to €469.3 million (2023: €389.8 million), on the back of higher AuM levels. Other commissions increased to €41.9 million (2023: €37.4 million), primarily due to improved market conditions for mergers and acquisitions and capital market transactions.

The loan portfolio grew slightly, to €9.4 billion (2023: €9.2 billion), and there was a release from loan loss provisions of €1.4 million (2023: addition of €2.0 million). This was thanks to the high quality of the loan portfolio, which mainly consists of Dutch residential mortgages and the release of the management overlay.

Interest income fell by 11% in 2024 to €175.4 million (2023: €196.5 million) as interest margins normalised. Following several ECB rate cuts, interest rates on savings and deposits were lowered, albeit at a slower pace, resulting in lower interest margins. In addition, clients converted some of their savings into investments, driven by a positive market climate, and this caused a proportion of interest income to turn into commission income.

Other income decreased to €30.1 million (2023: €39.1 million). In 2024, equity trading and structured products activities achieved better results, as did investments in Van Lanschot Kempfen’s own funds. However, in 2023 results included a €23.1 million book profit in the private equity portfolio from the sale of the stake in Movares. The result for 2024 was lower as no participating interests were sold from this portfolio in the year.

Operating expenses rose to €502.8 million (2023: €474.8 million), partly due to a 5% increase in staff costs. The number of FTEs increased by 114 to 2,018 (1,904 end of 2023), mainly because of growth within the private banking teams and converting external hires to internal employees, particularly in the IT domain. Additionally, fixed salaries were raised by 3.15% as of 1 January 2024. Operating expenses also rose as expected due to the integration of Robeco’s online investment platform.

The cost/income ratio improved to 70.1% (2023: 71.6%), which is just outside the target range of 67-70% by 2027. To get within this range, Van Lanschot Kempfen is maintaining its focus on profitable growth and cost discipline.

Capital and liquidity

The CET 1 ratio was strong at 19.4% at the end of 2024 (2023: 19.6%), or 19.3% according to the “Basel IV fully loaded” definition.¹ This is above the target of 17.5%. During the year, the CET 1 ratio was positively influenced by further optimisation of equity positions and several other smaller factors. The ratio was negatively impacted by the acquisition of Accuro, entering into a lease for the new office in Amsterdam, and the need to set aside more capital for operational risk due to higher income levels.

As shared at the Investor Day on 20 June 2024, Van Lanschot Kempfen intends to return to shareholders the portion of its capital that exceeds a CET 1 ratio (“Basel IV fully loaded”) of 17.5% by the end of 2024, subject to regulatory approval. Based on the CET 1 ratio (“Basel IV fully loaded”) of 19.3%¹ at the end of 2024, Van Lanschot Kempfen proposes a capital return of €1.40 per share. This return is intended to take place in June 2025. The total proposed capital return amounts to €59.3 million and is expected to have an impact on the CET 1 ratio of -1.3%, bringing the CET 1 ratio (“Basel IV fully loaded”) to an expected 18.0%, slightly ahead of the 17.5% target. Going forward, Van Lanschot Kempfen maintains its intention to return to shareholders the proportion of its capital that exceeds its target at year-end.

The liquidity position remains solid and well above target, with a liquidity coverage ratio (LCR) of 221% at the end of 2024 (2023: 225%).

Dividend

Based on its strong results and capital position, Van Lanschot Kempfen is proposing a dividend for 2024 of €2.75 per share (2023: €2.00). The total proposed dividend amounts to €116.5 million, a pay-out ratio of 88.4%.

Sustainability targets

In line with its sustainability targets, Van Lanschot Kempfen further reduced its carbon footprint last year. Measured against base year 2019, the carbon intensity of AuM in the company’s own investment funds and discretionary portfolios had shrunk by an annual average of 17% by the end of 2024, well above the targeted 7% per year.

Next steps have been taken to make Van Lanschot Kempfen’s own activities more sustainable, with its carbon footprint driven by employee mobility and its offices’ energy consumption. The average carbon footprint had fallen by 44% by the end of 2024 from the 2019 baseline – an average annual reduction of 11% that exceeds the 8% target. Van Lanschot Kempfen also further reduced the corrected gender pay gap to 1.4%, which is within the target range of <2.0%.

Client segments

As previously announced, from 2024 Van Lanschot Kempfen’s four client segments form the basis for managing its activities and reporting.

Private Clients Netherlands

Private Clients Netherlands had a successful year. Commission income was up 21% compared with 2023, rising to €234.2 million (2023: €193.8 million). Interest income fell by 9% to €156.9 million. Pre-tax profit came in at €134.9 million (2023: €123.9 million). The cost/income ratio worked out at 64% (2023: 63%), the slight increase being mainly attributable to the integration of Robeco’s online investment platform and lower interest income.

The segment’s total AuM rose to €43.7 billion (2023: €36.8 billion), with a net inflow of €2.1 billion, mainly driven by new clients entrusting their wealth to Van Lanschot Kempfen. In the fourth quarter, clients showed a slight preference for savings, resulting in a limited net AuM outflow in the final months of the year. The segment achieved a market performance of €4.8 billion, and total client assets at year-end amounted to €58.0 billion (2023: €50.9 billion).

¹ Based on Van Lanschot Kempfen’s interpretation of Basel IV at time of reporting and including the current risk weight floor for mortgages set by DNB.

Private Clients Netherlands serves various client groups with specialist teams. Growth was seen across all groups, particularly among entrepreneurs. In investment services, clients are increasingly opting for a combination of discretionary wealth management and investment advice, including specific investments such as in private markets. Client satisfaction remained high and the Net Promoter Score rose to 45 (2023: 34). Partly thanks to this high client appreciation, Van Lanschot Kempen was named Best Private Bank in the Netherlands in 2024 at the Global Private Banking Awards, hosted by *Professional Wealth Management* and *The Banker* – both part of *The Financial Times*.

At Evi, the focus was on integrating Robeco's online investment platform – which is progressing on schedule – and rolling out the new pension product. Total AuM at Evi rose to €7.2 billion (2023: €6.4 billion) and it also saw a €0.7 billion inflow in savings. Evi's 2024 result, including Robeco's online investment platform, was positive.

In Switzerland, Van Lanschot Kempen further strengthened its organisation by investing in the IT infrastructure and the team, appointing several colleagues with deep market knowledge and expertise in the ultra-high-net-worth segment to support current and future growth. Total AuM for the activities in Switzerland rose to €2.8 billion (2023: €2.4 billion).

Private Clients Belgium

In the Private Clients Belgium segment, commercial momentum accelerated. The new brand, Mercier Van Lanschot, attracted new clients and saw existing clients entrust a larger proportion of their wealth. This resulted in net inflow of €2.2 billion. Market performance within Private Clients Belgium came in at €1.2 billion and total AuM increased with 38% to €15.1 billion (2023: €11.0 billion). The acquisition of Belgian investment adviser Accuro was completed in April, further broadening the offering and expertise for clients in Belgium, particularly in investment advisory.

Commission income surged by 32% to €105.8 million (2023: €80.0 million). Pre-tax profit amounted to €37.8 million, a 36% increase (2023: €27.8 million). The cost/income ratio improved to 55% (2023: 62%), a good indicator of the scalability of the organisation, i.e. pairing local entrepreneurship with Van Lanschot Kempen's expertise and scale.

The first time we gauged it in Belgium, the Net Promoter Score was very high at 62 – a clear signal that clients appreciate Mercier Van Lanschot's services and proposition.

Investment Management Clients

In 2022 and 2023, Van Lanschot Kempen simplified the segment's organisational set-up, structurally reduced costs, and invested in its commercial strength and scalability. This was reflected in the 2024 results. Commission income rose by 14% to €127.2 million (2023: €111.8 million), while costs increased by only 2% to €102.9 million (2023: €100.5 million). This resulted in pre-tax profit more than doubling, to €24.9 million (2023: €10.1 million). The cost/income ratio improved to 80% (2023: 90%). Total AuM for the segment rose to €90.5 billion (2023: €79.5 billion), with a net inflow of €4.9 billion and a market performance of €6.1 billion.

Liquid investment strategies saw net AuM inflows of €0.5 billion, mainly in the small-cap and credit strategies. Van Lanschot Kempen was selected to manage an active sustainable European small-cap mandate for Pensioenfonds PNO Media, with an initial value of €195 million. Van Lanschot Kempen's decades-long track record and expertise in small caps, as well as its integrated approach to sustainability within its investment policy, were decisive factors. Total AuM within investment strategies amounted to €11.9 billion (2023: €10.8 billion).

Alternative investment strategies recorded net AuM inflows of €0.5 billion, mainly due to growth in private equity, non-listed real estate, and the SDG Farmland Fund. The proposition in illiquid products was expanded further and the expertise of Van Lanschot Kempen's investment management teams was

also shared with its private banking clients – as reflected in the launch of its third private equity fund in November. Total AuM within alternative investment strategies amounted to €5.2 billion (2023: €4.3 billion).

Fiduciary management achieved net AuM inflow of €3.9 billion, thanks to new mandates from clients in the Netherlands and the United Kingdom who entrusted Van Lanschot Kempfen with the management of their members' pension assets. Van Lanschot Kempfen Investment Management UK won the Fiduciary Manager of the Year award at the Professional Pensions UK Pensions Awards this year, a great recognition of its performance and the level of innovation and service it offers in fiduciary management. Total AuM within fiduciary management amounted to €73.4 billion (2023: €64.4 billion).

Investment Banking Clients

Investment Banking Clients returned to profitability in 2024 with a modest pre-tax profit of €3.9 million (2023: -€ 4.4 million). The cost/income ratio was 91% (2023: 111%). Commission income rose 10% compared with 2023 on the back of improving market conditions for mergers and acquisitions and equity capital market transactions, however its total level was still below earlier years. Van Lanschot Kempfen carried out equity issues for companies from seven different countries, reflecting its broad client base. A more streamlined collaborative approach geared towards private banking clients, for instance around the sale of companies, resulted in a significant AuM inflow of over €200 million at Private Clients.

The focus at Investment Banking Clients remains firmly on boosting commission income and further improving results. The segment continues to target its specific selection of sectors, including European real estate and life sciences & healthcare, while enhancing its collaboration with Van Lanschot Kempfen's private banking activities.

Other

In 2024, the pre-tax result for the Other segment was -€8.1 million (2023: €6.7 million). The result on participating interests in the private equity portfolio was €6.5 million (2023: €32.3 million), mainly because no stakes were sold in 2024, unlike in 2023. In that year, a book profit of €23.1 million was recorded from the sale of the stake in Movares.

Positions in own funds generated a result of €4.6 million (2023: €1.8 million). Van Lanschot Kempfen retains these positions to co-invest with its clients in its own funds and provide seed capital for these funds. The structured products activities also achieved significantly higher income, amounting to €5.5 million (2023: €2.8 million). In addition, improved results were achieved on currency trading of €9.6 million (2023: €4.0 million). These activities solely involve providing liquidity to clients.

Key data

€ million	2024	2023	
Statement of income			
Net result	141.9	125.2	13%
Underlying net result	150.5	130.5	15%
Cost/income ratio (%)	70.1	71.6	
€ billion	31/12/2024	31/12/2023	
Client assets			
- Assets under management	149.3	127.3	17%
- Assets under administration	5.5	4.9	13%
- Savings and deposits	12.8	12.6	2%
Total client assets	167.6	144.8	16%
€ billion	2024	2023	
Changes in assets under management			
- Net inflow	9.2	5.3	
- Market performance	12.1	9.4	
- Assets under management from acquisitions	0.7	5.0	
€ million	31/12/2024	31/12/2023	
Statement of financial position and capital management			
Equity attributable to shareholders	1,275	1,247	2%
Equity attributable to AT1 capital securities	102	102	1%
Savings and deposits	12,767	12,574	2%
Loans and advances to clients	9,331	9,161	2%
Total assets	16,983	16,836	1%
Loan-to-deposit ratio (%)	73.1	72.9	
Total risk exposure amount	4,466	4,409	1%
Common Equity Tier 1 ratio (%)	19.4	19.6	
Common Equity Tier 1 ratio (Basel IV fully loaded) (%) ²	19.3	c. 18.5	
Tier 1 ratio (%)	21.7	21.9	
Total capital ratio (%)	25.2	25.3	
Leverage ratio (%)	5.7	5.8	
Liquidity coverage ratio (%)	220.7	224.7	
Net stable funding ratio (%)	160.2	156.4	
	2024	2023	
Key figures			
Weighted average of outstanding shares (x 1,000)	42,386	41,969	1%
Earnings per share (€)	3.11	2.82	10%
Return on average Common Equity Tier 1 capital (%) ³	16.2	14.2	
Return on equity (%) ³	11.1	9.8	
Number of staff (FTEs at period end)	2,018	1,904	6%

² Based on Van Lanschot Kempfen's interpretation of Basel IV at the time of reporting.

³ Based on underlying net result.

Result

€ million	2024	2023	
Commission	511.2	427.2	20%
- Of which securities commissions	469.3	389.8	20%
- Of which other commissions	41.9	37.4	12%
Interest	175.4	196.5	-11%
Income from securities and associates	16.3	38.1	-57%
Result on financial transactions	13.9	1.0	
Income from operating activities	716.8	662.8	8%
Staff costs	-334.5	-317.3	5%
Other administrative expenses	-150.3	-139.7	8%
Depreciation and amortisation	-18.0	-17.7	1%
Operating expenses	-502.8	-474.8	6%
Gross result	214.0	188.0	14%
Addition to loan loss provision	1.4	-2.0	
Impairments	1.4	-2.0	
Operating profit before tax of non-strategic investments	3.9	0.1	
Operating profit before special items and tax	219.3	186.1	18%
Amortisation of intangible assets arising from acquisitions	-16.3	-15.2	7%
Expenses related to accounting treatment of acquisitions	-5.8	-1.2	
Restructuring charges	-3.7	-5.9	-37%
Release of provision for revolving consumer credit	-	-0.3	
Operating profit before tax	193.5	164.2	18%
Income tax	-51.6	-39.0	32%
Net result	141.9	125.2	13%
Underlying net result	150.5	130.5	15%
Net result attributable to shareholders	131.9	118.4	11%
Underlying net result attributable to shareholders	140.5	123.8	13%

Result by segment – 2024

<i>€ million</i>	Private Clients Netherlands	Private Clients Belgium	Investment Management Clients	Investment Banking Clients	Other	Total
Commission	234.2	105.8	127.2	40.2	3.8	511.2
Interest	156.9	9.3	0.9	-0.4	8.6	175.4
Other income	1.3	0.5	0.1	5.8	22.5	30.1
Income from operating activities	392.4	115.6	128.2	45.7	34.9	716.8
Total expenses	-250.3	-63.2	-102.9	-41.8	-44.7	-502.8
Gross result	142.1	52.4	25.3	3.9	-9.7	214.0
Impairments	2.4	-0.1	0.0	-	-0.9	1.4
Operating profit before tax of non-strategic investments	-	-	-	-	3.9	3.9
Operating profit before one-off charges and tax	144.5	52.3	25.3	3.9	-6.7	219.3
Special items	-9.6	-14.5	-0.4	-	-1.4	-25.8
Operating profit before tax	134.9	37.8	24.9	3.9	-8.1	193.5
Underlying operating profit before tax	137.5	44.2	24.9	3.9	-7.5	203.1

Result by segment – 2023

<i>€ million</i>	Private Clients Netherlands	Private Clients Belgium	Investment Management Clients	Investment Banking Clients	Other	Total
Commission	193.8	80.0	111.8	36.5	5.0	427.2
Interest	172.1	12.6	0.4	-0.3	11.7	196.5
Other income	0.8	0.5	0.1	2.1	35.6	39.1
Income from operating activities	366.8	93.1	112.3	38.4	52.3	662.8
Total expenses	-229.8	-57.7	-100.5	-42.8	-44.0	-474.8
Gross result	137.0	35.4	11.7	-4.4	8.3	188.0
Impairments	-3.5	1.9	0.0	-	-0.4	-2.0
Operating profit before tax of non-strategic investments	-	-	-	-	0.1	0.1
Operating profit before one-off charges and tax	133.4	37.3	11.7	-4.4	8.0	186.1
Special items	-9.6	-9.4	-1.6	-	-1.3	-21.9
Operating profit before tax	123.9	27.8	10.1	-4.4	6.7	164.2
Underlying operating profit before tax	127.2	29.6	11.3	-4.4	7.3	170.9

PERFORMANCE REPORT/PRESENTATION/WEBCAST

For a detailed discussion of Van Lanschot Kempen's results and balance sheet, please see our performance report and presentation on the 2024 full-year results at vanlanschotkempen.com/results. In a conference call on 27 February at 9:00 am CET, we will discuss our 2024 full-year results in greater detail. This can be viewed live at vanlanschotkempen.com/results and played back later.

FINANCIAL CALENDAR

10 April 2025	Extraordinary general meeting (EGM)
7 May 2025	Publication of first-quarter 2025 trading update
22 May 2025	Annual general meeting (AGM)
26 May 2025	Ex-dividend date
3 June 2025	2024 dividend payment date
24 June 2025	Ex-capital return date
26 June 2025	Capital return payment date
28 August 2025	Publication of 2025 half-year results
28 October 2025	Publication of third-quarter 2025 trading update

Media Relations

Maud van Gaal
T +31 20 354 45 85
mediarelations@vanlanschotkempen.com

Investor Relations

Jan-Willem Plomp
T +31 20 354 45 90
investorrelations@vanlanschotkempen.com

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 non-financial 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.

Important legal information

This press release may contain forward-looking statements and targets on future events and developments. These forward-looking statements and targets 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 and targets 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 and targets.

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Van Lanschot Kempen's 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 press release, except as described otherwise, the same accounting principles are applied as in the 2024 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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