



Van Lanschot

Investor Day

Next phase of our
wealth management
strategy

26 April 2016





Van Lanschot

Investor Day Strategic Update

- 13.30 **Welcome, opening remarks and general introduction**
Karl Guha, Chairman of the Executive Board
- 14.00 **Private Banking**
Richard Bruens, Member of the Executive Board and
Head of Van Lanschot Private Banking
- 14.20 **Evi van Lanschot**
Karl Guha
- 14.30 **Asset Management**
Paul Gerla, Member of the Executive Board and
Head of Kempen Capital Management
- 14.50 **Merchant Banking**
Joof Verhees, Member of the Executive Board and
Head of Kempen & Co Merchant Banking
- 15.10 **Coffee break**
- 15.30 **IT transformation**
Arjan Huisman, COO and Member of the Executive Board
- 15.50 **Financial impact**
Constant Korthout, CFO/CRO and Member of the Executive Board
- 16.20 **Q&A**
Executive Board
- 17.15 **Closing remarks**
Karl Guha
- 17.30 **Drinks and snacks**



Next phase of our wealth management strategy

In 2013, we began the process of transformation from “universal” bank to specialised wealth manager

Our mission:
To be the trusted partner of our clients in creating and preserving wealth

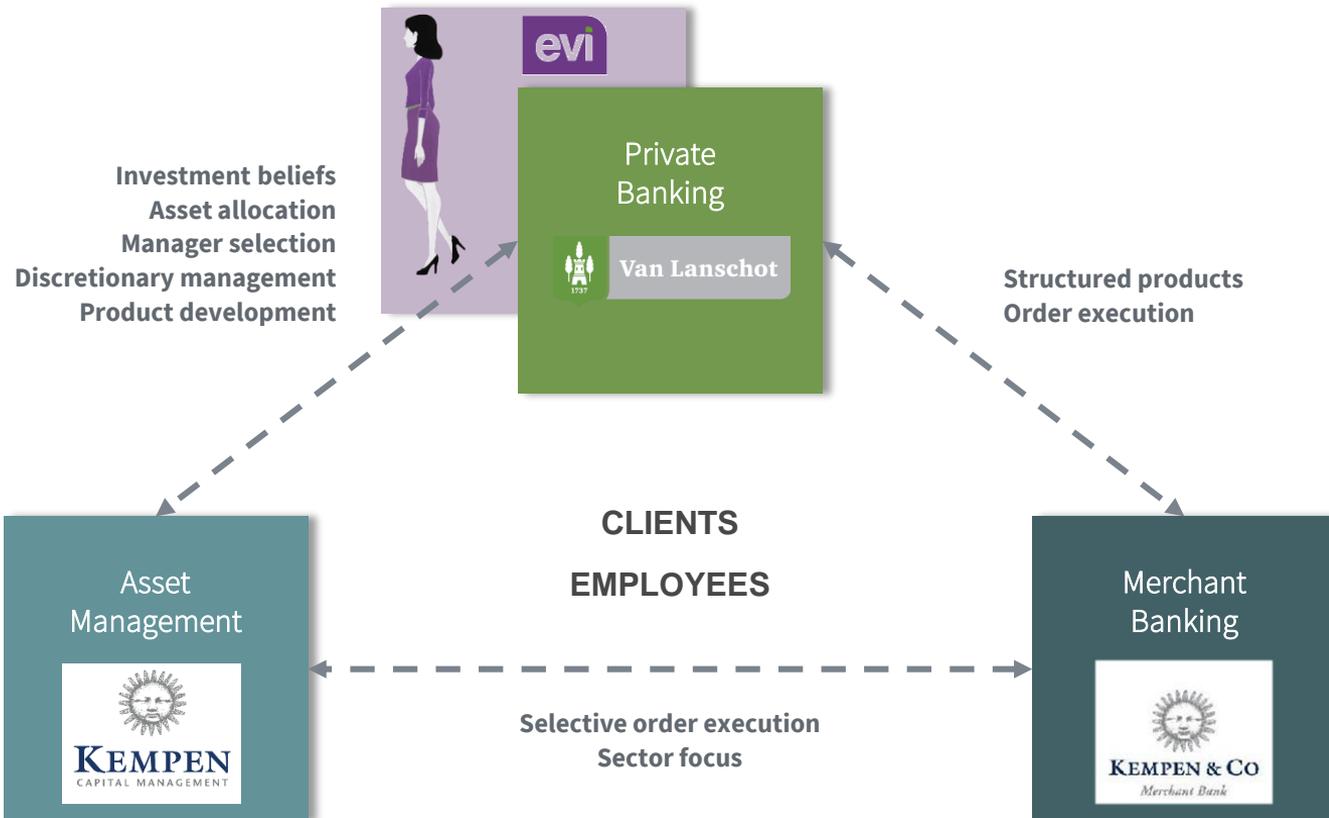
Building on our distinctive strengths

We can build on our wealth management DNA (strong brands, product range and services and excellent people) to serve existing and new clients from a solid, focused platform

Supported by demographics and economic fundamentals

Demographic and macro economic developments provide an attractive environment for a high-service, independent wealth manager in the Benelux

Building on the experience of the core activities which are mutually reinforcing

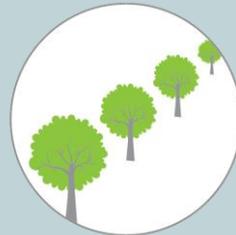


We delivered on the three drivers announced in 2013 to develop into a specialist, independent wealth manager

Focus



Simplify



Grow



Considerable transformation progress to date

Two years before 2017 end date of transformation programme

Key achievements 2013 - 2015

Focus



- ✓ Transformation of Private Banking into three service levels and streamlining of operations
- ✓ Introduction of Evi van Lanschot, our online savings and investments coach
- ✓ RWA of Corporate Banking significantly reduced, 2017 target already exceeded
- ✓ Focus on target niches AM and MB led to profitable growth

Simplify



- ✓ Net reduction of c. 200 FTE through process improvements and centralisation of mid office and operations teams
- ✓ Significant reduction in number of (sub) products offered
- ✓ Introduction new combined CRM/front office tooling
- ✓ Considerable progress in transformation of IT platform

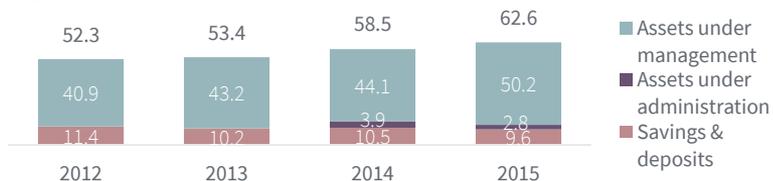
Grow



- ✓ PB: positioned for growth following turn-around
- ✓ Evi: Growth to €1.5 bn in client assets in 2.5 years time
- ✓ AM: Acquisition of fiduciary activities in UK (AuM of €4.6 bn)
- ✓ MB: Involved in more than 50 transactions in 2015; research coverage expanded to c. 140 companies
- ✓ Active balance sheet management to limit impact from low interest rate environment and safeguard profitability

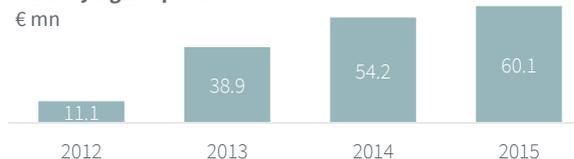
Client assets*

€ bn



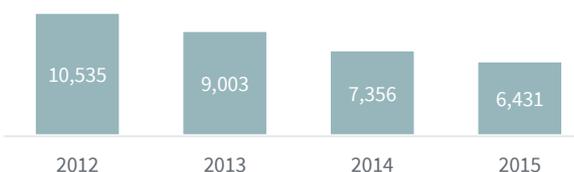
Underlying net profit**

€ mn



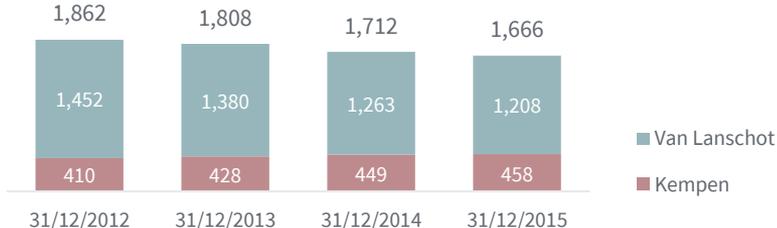
Development RWA

€ mn



FTE development

#



* Client assets and AuM of 2012 and 2013 are not restated for assets under administration (AuA) as introduced in 2015

** In 2014 based on figures excluding one-off pension gain and in 2015 excluding one-off charge arising from the sale of non-performing property loans

This strategic update is about how we are responding to a changing world

For our clients

For our industry

Low yield environment

Increasing individual responsibilities

Pensions

Regulation

Technological changes & digitalisation

Opportunity for Van Lanschot

Appetite for investment products

Increased client needs for advice and wealth planning

Attractiveness of Evi online offering

Development of omni-channel private banking

Growth in fiduciary asset management

Next phase of our wealth management strategy

Key themes for core activities:

Private Banking

- Enhance client experience through omni-channel servicing model
- Foster AuM growth by enhancing front-line effectiveness

Asset Management

- Intensify distribution
- Launch new strategies
- Further develop UK as second home market

Evi

- To play into trend of increased individual responsibility for pensions and other needs
- Will become a separate segment to realise its full potential

Merchant Banking

- Continue capital light operating model
- Build on solid, sustainable position in selected niches

Supported by:

Continued run-off of
Corporate Bank

Rightsizing support
functions and
streamline operations

Finalise transformation
of IT platform

Outsourcing
standardised 'universal'
banking services

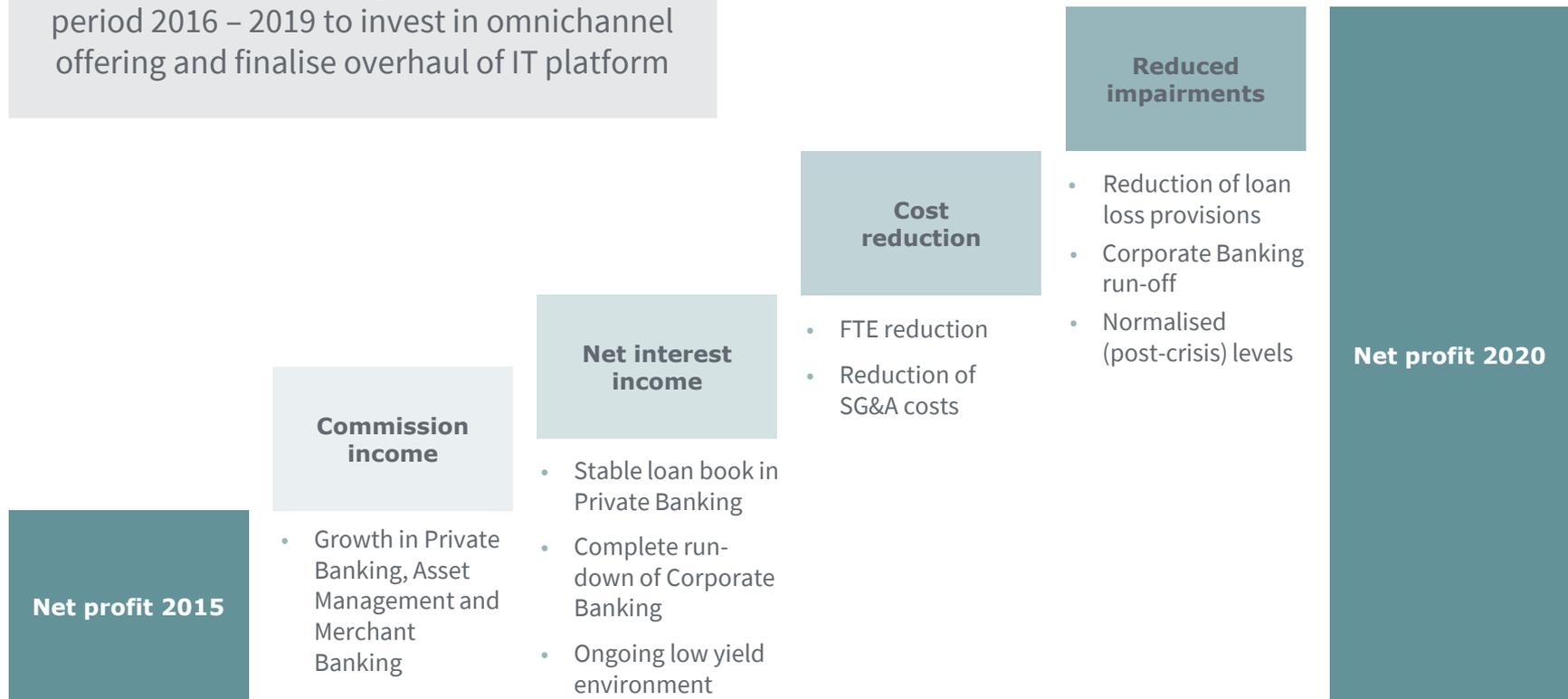
Continue to develop our human capital

People and culture are critical to our ongoing success

- Ongoing investment in knowledge and skills of our people
- Foster an entrepreneurial culture – dedication, commitment, excellence
- Trend of ongoing automation of mid and back office activities results in fewer, but better qualified employees
- Focus on:
 - Hiring people with a different background and perspective, bringing new energy and ideas
 - Talent development and retention
 - Conduct and compliance
- Alignment of senior staff and Executive Board to the success of Van Lanschot through compensation in shares (Van Lanschot), a Management Investment Plan (Kempen) as well as investments in own funds (Asset Management)

Key drivers of result development

One-off investment programme of €60 mn for period 2016 – 2019 to invest in omnichannel offering and finalise overhaul of IT platform

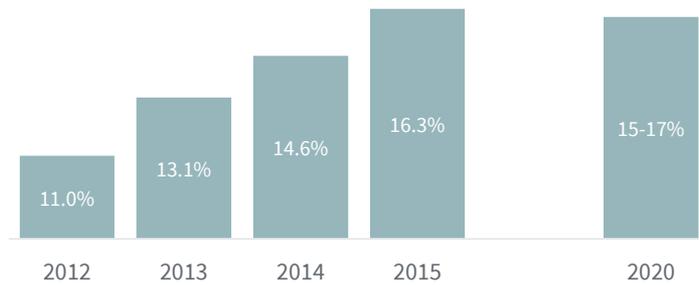


FOR ILLUSTRATIVE PURPOSES ONLY, NOT DRAWN TO SCALE

Financial targets 2020

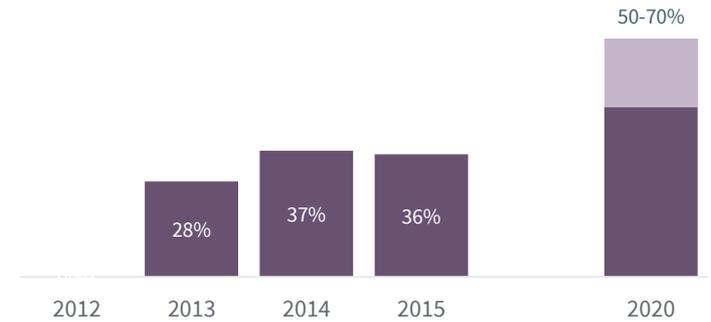
Common Equity Tier I ratio (phase-in)

%



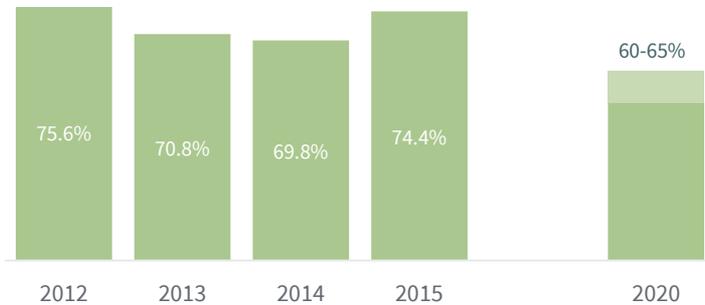
Dividend payout ratio ¹

%



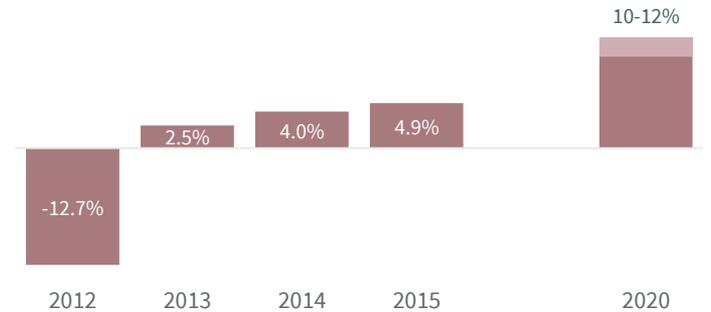
Efficiency ratio

%



Return on Common Equity Tier I

%



¹ based on underlying result

Private Banking



Van Lanschot

20-30

31-40

41-50

51-60

Hobby's



Studie kinderen



Schenking kleinkind



Starten bedrijf



Tweede huis



Stichting oprichten



Kinderen gelijk



Investeren vastgoed



Our wealth planning tools help clients to identify their personal, professional and social needs

Niet relevant

4

Persoonlijk

21

Familie

5

Private Banking serves clients with complex wealth structuring questions

Target client groups



Resilient revenues and improving AuM flows

With market growth projected to continue

Client assets¹

€ bn



Net inflow assets under management²

€ bn



Commission income and interest income

€ mn



61

56

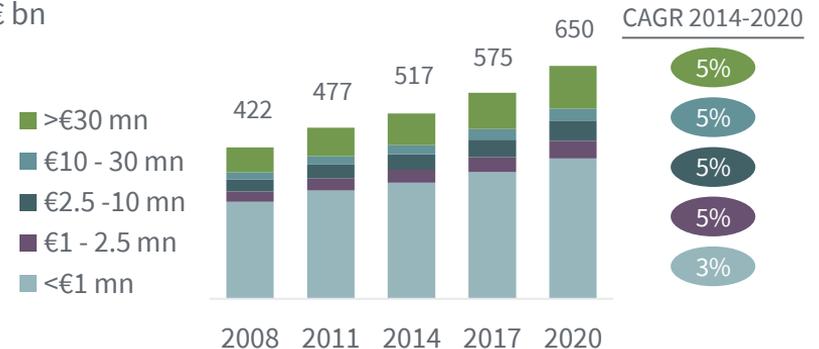
53

60

Margin on average AuM

Expected CAGR Dutch Private Banking market until 2020

€ bn



Source: DNB

¹ Assets under administration, a new item under client assets, was introduced in 2015. This item reflects portfolios merely administered by Van Lanschot, over which we have little or no control, and on which earnings are relatively limited. As a result, some portfolios were moved from assets under management (AuM) to assets under administration (AuA). Comparative figures at 31/12/2014 have been adjusted accordingly, but not those for previous years. Figures include Evi

² Comparative figures have been restated following the introduction of assets under administration; this restatement for inflow of AuM over the period 2012-2014 is indicative

Next phase of our wealth management strategy

Private Banking

1 Enhance client experience through omnichannel servicing model*

- Drive commercial focus through modernised, cost effective branch network with 4 regional branches and 23 client reception locations
- Digital transformation - from service offering per channel to integrated offering across channels

2 Focus on wealth management products and services

- Continuous improvement of best-in-class wealth management products and services
- Partnering for standardised 'universal' banking services

3 Increase focus on growth of client base, share of wallet and client retention

- Front-line effectiveness programme started
- Rigorous pipeline management in place
- Programme of continuous improvement of client experience to drive client satisfaction and retention

* Concerns Van Lanschot NL

Streamlining inclusive wealth management approach

“You decide” allows clients to decide which offering provides best match

Today



Private Office



Private Banking



Personal Banking



Evi van Lanschot

End model



Private Banking



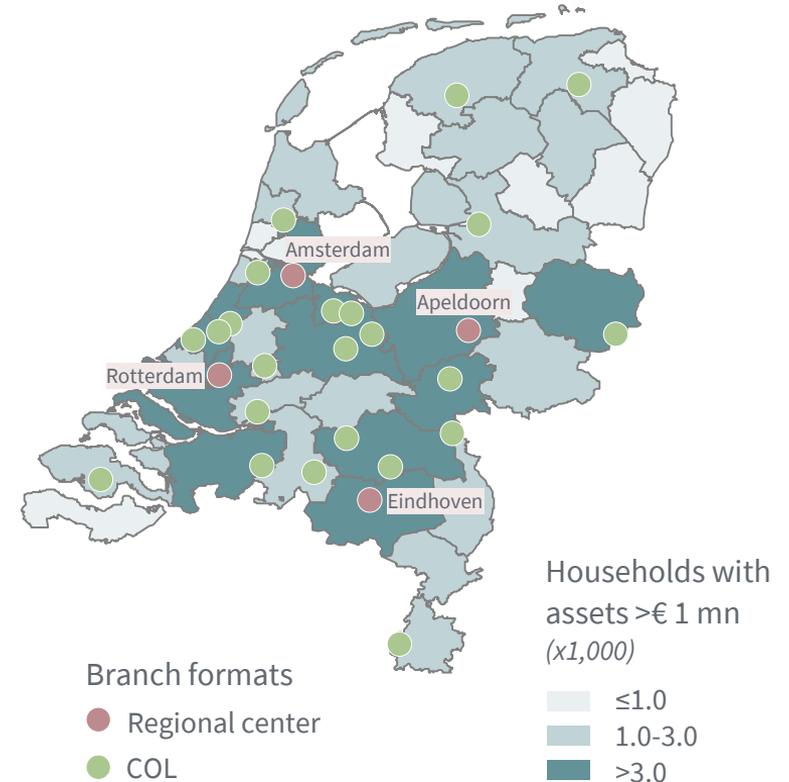
Evi van Lanschot

Modernisation of the branch network will lead to a more dynamic, cost-effective model

Implementation of transformation underway

- Consolidate bankers and Relationship Manager workplaces in 4 regional branches
- Maintain proximity to clients and local visibility through 23 client reception locations (COLs)
- Realise dynamic, inspiring home base for private bankers, specialist and commercial support teams in regional branches
- Benefit from lower and more flexible housing costs and more efficient operations
- Continued focus on wealthiest regions in the Netherland

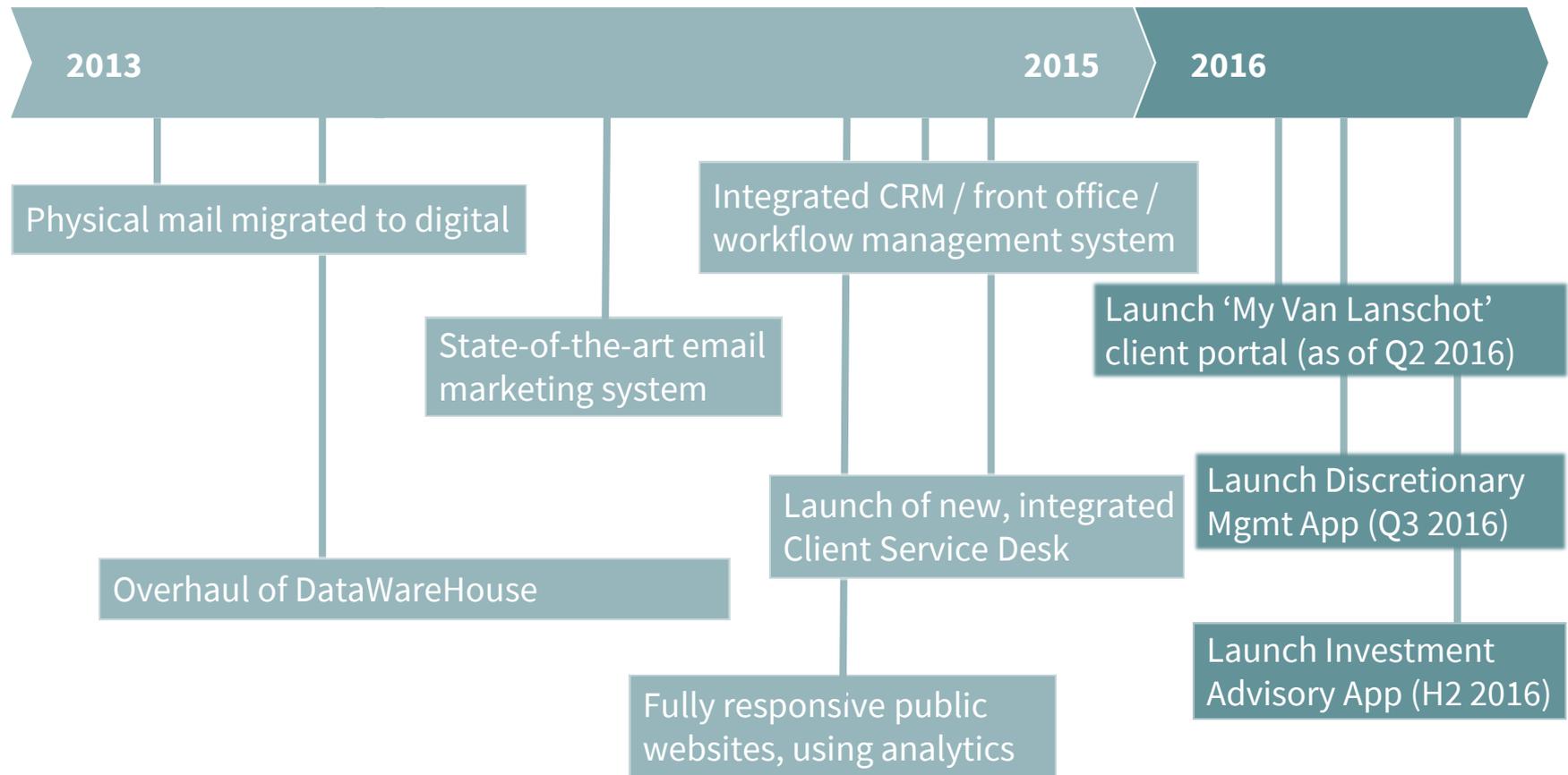
Regional distribution of wealth in NL (2015)



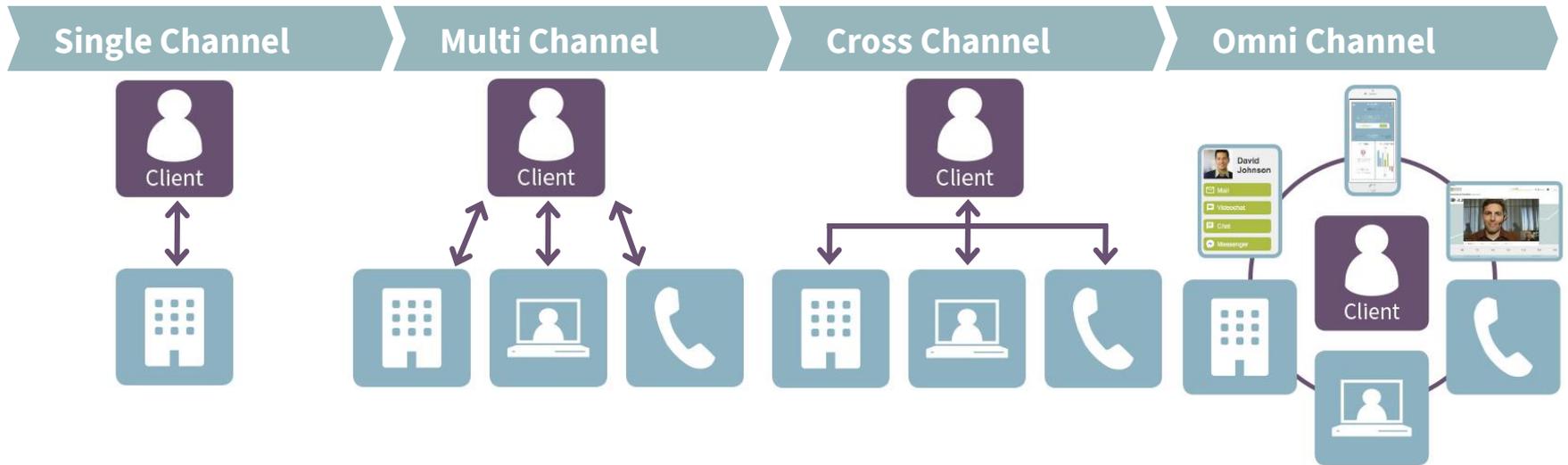
Source: CBS 2015

Laying the foundation for our digital strategy

1



Next step in our digital transformation is to create an integrated, omnichannel experience



- Customers experience a single touch-point
- For example branch visit
- Customers see multiple touch points acting independently
- Different channels available, no single look & feel
- Customers see multiple touch points as part of the same brand
- Consistent look & feel, one client view
- Customers experience a brand, instead of a channel
- Uniform client experience, proactive advice



From dedicated service offering per channel to integrated offering across channels



- Rationale:
 - Stay abreast of technological developments
 - Enhance client experience
 - Drive revenue growth/retention
 - Lower cost to service
- Omnichannel offering to reflect our DNA: client centric, alert, trusted partner
- Using existing innovative planning and simulation tools (scan for tomorrow, 'vermogensregie') as starting point
- Compelling mobile and web offering with remote banker communication

Upcoming launches to result in considerable enhancement of digital client experience

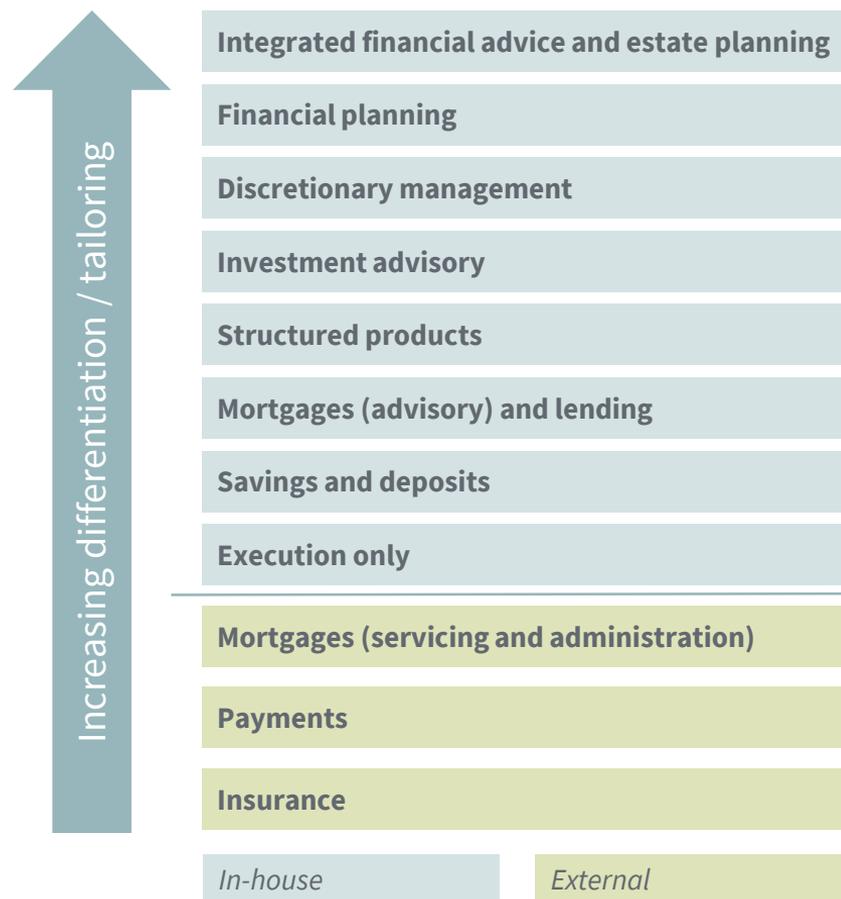
The collage features several digital interfaces from Van Lanschot:

- Client Portal:** A desktop view showing account balances, a list of investments (e.g., Effectenrekening, Vermogensbeheerrekening), and a navigation menu with options like 'Home', 'Betalen', 'Sparen', 'Beleggen', 'Vermogensbeheer', 'Evi', and 'Verzekeren'.
- Discretionary Management App:** A mobile app showing a portfolio value of €1,031,591.69, a 12% increase, and a pie chart with segments of 41%, 21%, 20%, 11%, and 8%.
- Investment Advisory App:** A mobile app displaying 'Advised to Buy' and 'Advised to Sell' sections with various fund recommendations and their performance metrics.
- Mobile App Interface:** A mobile app showing a 'Hermes in de Bonus' notification and a 'Performance' chart.
- Advisor Profile:** A profile for Daan Janssen, Investor Advisor, with contact information and a 'Send' button.

‘My Van Lanschot’ client portal

Discretionary Management App

Investment Advisory App



Excellence in wealth management services

- Core product focus on high value added wealth management products and services
- Ongoing product development / evolution to ensure comprehensive modern offering
- Benefit from in-house Kempen expertise (structured products, asset management)

External solution for standardised products

- Payments and mortgages form an integral part of our private banking offering
- Increasing standardisation combined with regulatory changes led to the decision to seek outsourcing or partnership solutions

Improvement of front-line effectiveness to support AuM growth from existing and new clients

Front-line effectiveness

- 2013 - 2015**
 - Training of bankers in financial planning and investment knowledge to offer high quality advice to our clients
 - Strict performance management per branch and region to ensure “the right man in the right position”
- 2015**
 - Disciplined prospect and pipeline monitoring implemented; key part of performance reviews
- 2016**
 - Programme started to improve acquisition skills of our bankers to further grow client base and increase share of wallet

Sales excellence programme

- Holistic, integrated approach across teams and organisation levels
- Personalised competence development of client facing staff
- Activity based monitoring of pipeline and sales activity
- Banker remuneration linked to realising acquisition targets
- 4 regional ‘centers of excellence’ to ensure coordinated, broadly supported acquisition process

Conclusions for Private Banking

Accomplishments to date:

- Turnaround of Private Banking from a mid-sized universal bank to a pure-play wealth manager
- From structural outflow to net inflow
- From being one of the private banks in the Netherlands to an excellent private bank

Now it is time for the next step:

- Transitioning from a traditional private bank towards an omnichannel private banking offering

Evi to
operate on a
stand-alone
basis to
realise its
full potential

evi



Evi: the digital proposition with the credentials of a trusted partner

- Playing into the trend of increased individual responsibility for pensions, healthcare and other needs at all levels of society
- *Evi van Lanschot* was introduced in October 2013
- Active in the Netherlands and Belgium
- Reached considerable size within 2.5 years, with €1.5 bn of assets entrusted
- Scalable, fully digital platform with online account opening, risk appetite assessment and portfolio proposition
- Using investment expertise of the private bank to provide the younger generation and mass affluent clients a trusted space to build and preserve wealth to meet the uncertainties of life



Evi will become the 4th pillar to our wealth management strategy

Evi Netherlands and Belgium will be combined and managed as separate segment to develop its full potential, with a dedicated budget and development team

Evi offers:

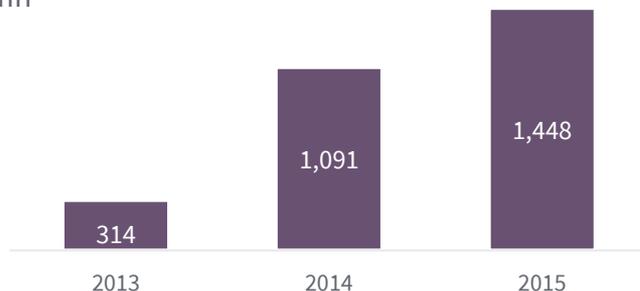
- Discretionary asset management
- Investment advice
- Savings accounts
- Pension solutions

Evi will be expanded with:

- Target investing product ('Doelbeleggen')
- Evi4kids
- Term deposits
- Further development of pension solutions
- Marketing strategy tailored to next generation

Client assets Evi

€ mn



Asset Management



KEMPEN
CAPITAL MANAGEMENT



Asset Management: a specialist European investment boutique

Asset Management activities

Investment strategies

- High quality niche investment strategies: small caps, real estate, high-dividend equity, IG credit, funds of hedge funds
- Clients: banks and asset managers, pension funds, insurers, family offices, foundations and charities in Europe

Solutions – Fiduciary Management

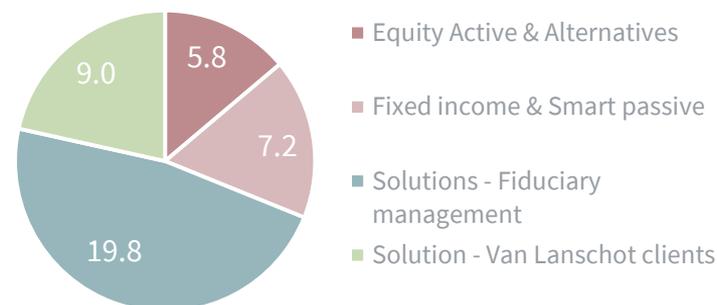
- Fully comprehensive asset management solution created around client-specific objectives and liabilities
- Clients: insurance companies and pension funds in NL and UK

Solutions – Van Lanschot clients

- Discretionary management solutions for Private Banking clients of Van Lanschot
- Services include asset allocation, mutual fund selection, portfolio construction and client reporting

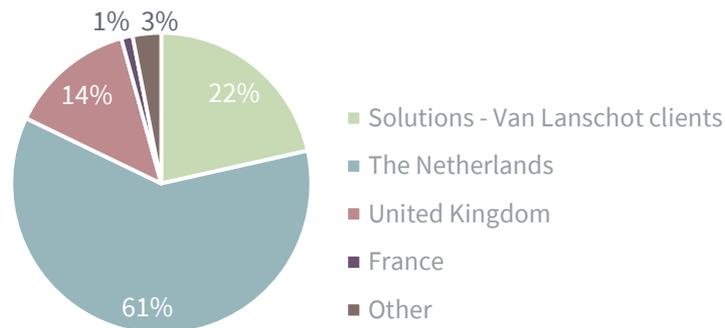
Breakdown of AuM by type of investment

YE 2015; 100% = €41.8 bn



Geographical breakdown of AuM

YE 2015; 100% = €41.8 bn



Highlights financials Asset Management

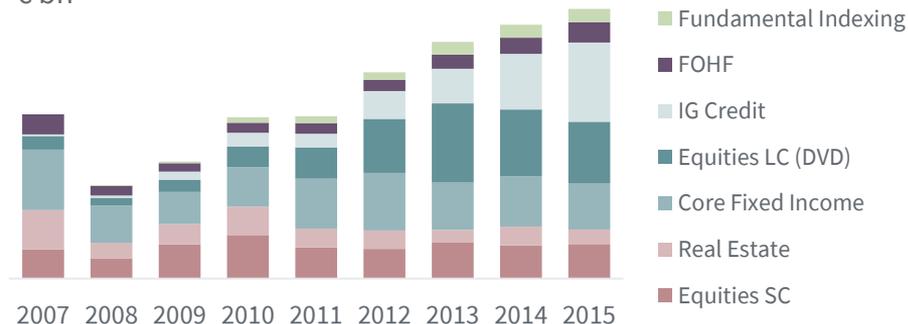
Assets under management – Client solutions

€ bn



Assets under management - Investment strategies

€ bn



Commission income

€ mn



Satisfied clients:

- Net promotor score 2015: 32%
- Average client turnover last 3 years: c. 6% p.a.

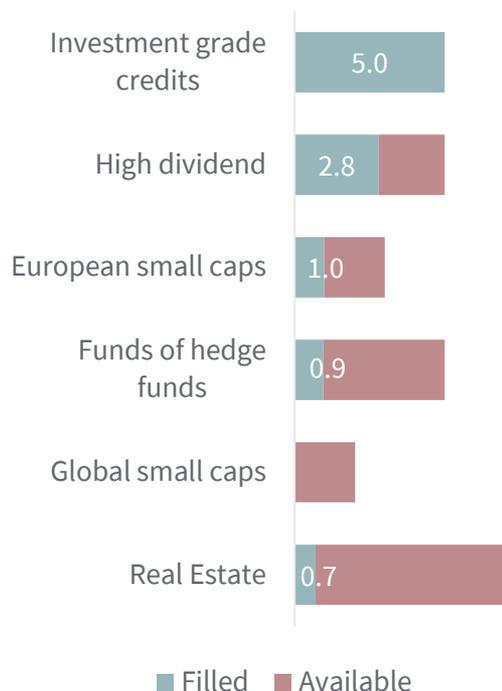
The Net Promoter Score tells an organisation both how loyal its customers are and how many promoters it has. The Net Promoter Score lies within a range of -100 to 100 points, the higher the better

Next phase in our wealth management strategy – *Asset Management*

- 1 Further leverage the partnership with Van Lanschot Private Banking and Evi
- 2 Intensify distribution organisation to drive AuM and fill capacity existing capabilities
- 3 Develop additional growth engines for the future
- 4 Grow fiduciary activities in the Netherlands and develop UK as second home market

Intensify distribution organisation to drive AuM and fill capacity existing capabilities

Scope for growth in well performing strategies (€ bn)



Change in distribution approach to broaden and diversify revenue pool

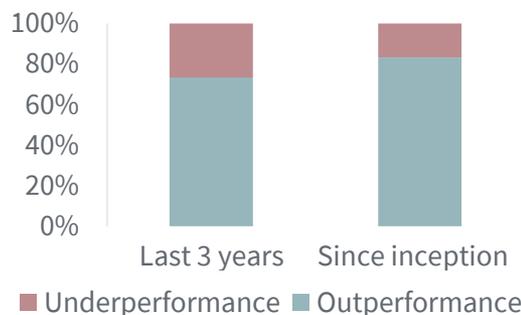
Historically

- Focus on delivering excellent products and less emphasis on distribution

Today

- Sales organisation being expanded to drive AuM growth in Western Europe (with a focus on UK, Germany, France)

% of flagship funds outperforming



18 funds; relative to their respective benchmark

Total AuM in growth countries

Country	AuM in € bn (2013)
UK	6,101
FR	3,258
DE	1,613
NL	469

Source: EFAMA

Develop additional growth engines for the future

Building on solid track record of launching new strategies

Combination of mature strategies...

- Strong track record in developing new investment strategies
- Building performance with seed capital of portfolio managers and Kempen
- Marketing to selected client groups based on strategy and client characteristics

Recently started capabilities...

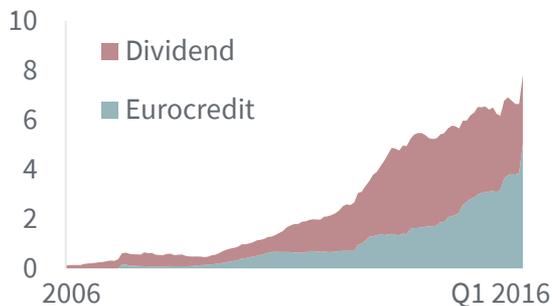
- Global real estate
 - Inception: October 2014
- Global small caps:
 - Inception: July 2014

...and new pipeline products

- Develop new funds that fit well with AM's capabilities and beliefs, e.g.:
 - European High yield
 - Diversified Growth Funds
 - Focusing capital on the long term

AuM development

€ bn



Performance recently started capabilities

Fund	2016 Q1	2015 FY
Global real estate	+1.8%	+13.3%
Global small caps	+0.3%	+11.6%

FOCUSING CAPITAL
on the **LONG TERM**

Grow fiduciary activities in the Netherlands and develop UK as second home market

The Netherlands: mature consolidating market

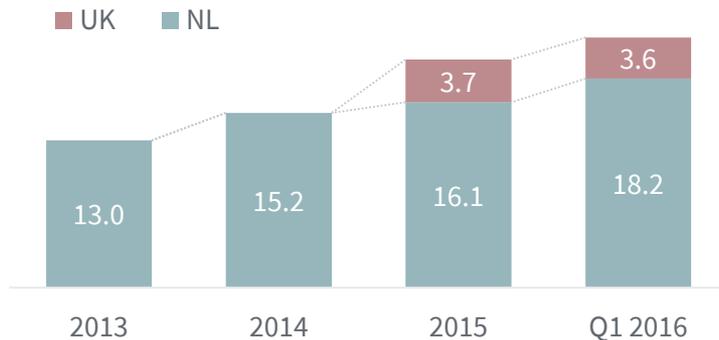
- Highly competitive sizeable market
- Consolidation is expected at level of clients and providers and KCM aims to take market share
- Kempen is able to provide both DC and DB solutions and well positioned for trend towards further individualisation of pensions

UK: high growth market

- Use foothold acquired in 2015 and solid capabilities in the Netherlands to establish UK as second home market
- UK pension market is relatively fragmented and less advanced than the Dutch market
- Strong growth in the UK fiduciary market is expected to continue
- London team has excellent reputation

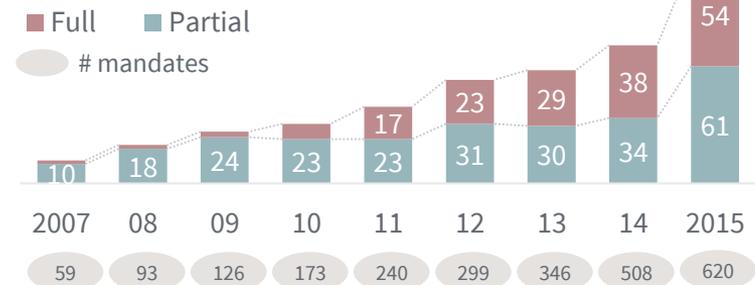
AuM in fiduciary management

€ bn



Development of UK fiduciary market*

€ bn



* Source : 2015 KPMG Fiduciary Management Market Survey

Cases studies of recently won large mandates



Mandate highlights	<ul style="list-style-type: none"> Type of client Size Services Start mandate 	<ul style="list-style-type: none"> French pension fund €1.0 bn Active management of investment grade corporate bonds End of March 2016 	<ul style="list-style-type: none"> Dutch insurance company €1.1 bn Fiduciary management Mid January 2016
Process	<ul style="list-style-type: none"> Approach Planning Differentiators 	<ul style="list-style-type: none"> 6 credit managers selected through a public tender Start tender: February 2015, decision: November 2015 Team, investment process, Euro Credit Fund is rated Morningstar Gold, consistent performance track record 	<ul style="list-style-type: none"> Outsourcing process, KPMG acted as advisor Start: process September 2015, decision: November 2015 Tailor-made solution, partner providing integrated balance sheet management incl. Solvency II

Member of the Board of Directors Univé:
“Univé is pleased to form an alliance with a professional partner such as Kempen.”

“We greatly value their services in the area of integrated balance sheet management. In addition, we appreciate Kempen as a partner who will be able to provide us with valuable advice on current issues, including Solvency II.”

Merchant Banking



KEMPEN & CO
Merchant Bank

Merchant Banking has a strong position in its selected niches

Full alignment
between activities

Focus on limited
number of sectors

Kempen & Co – Merchant Bank

Corporate Finance

Debt solutions
M&A transactions

Equity Capital Markets

Capital market transactions

Securities

Trading
Research
Corporate access
Structured products



European
Real Estate

- Market leader in German real estate ECM
- Healthy mix of (inter)national M&A and ECM deals
- Leading trading market shares
- Internationally recognised pan-European research products



European
Life Sciences

- Expanded internationally, including pan-European coverage
- Full use of platform ECM, M&A and Debt Solutions (DS)
- Highly active in the field of Corporate Access
- Specialist in sales trading and trading



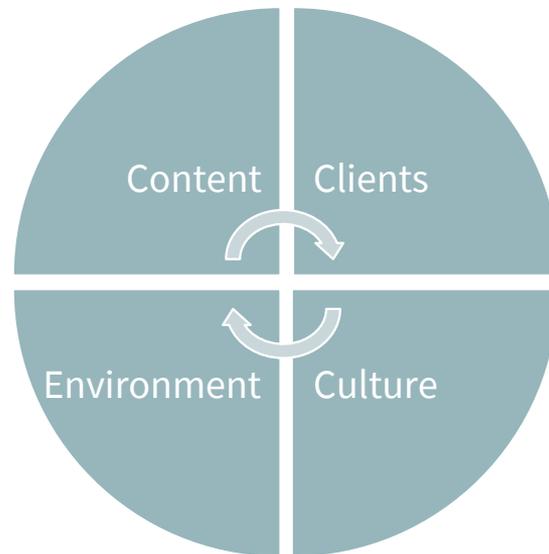
Benelux

- Strong client base with loyal (recurring) clients
- Full use of platform ECM, M&A and DS to both corporate and private equity clients
- Strong market position in Dutch & Belgian Equities
- Further expanding coverage in 2016

Driving force for the Merchant Bank is to be relevant for its clients

- In-depth knowledge of niches
- Dominant player in block trading in focus areas
- Coverage that matters

- Regulation (e.g. MIFID and FCA)
- Benefit from third party technology



- Relationships
- Bring something new
- Clear service levels
- Be relevant

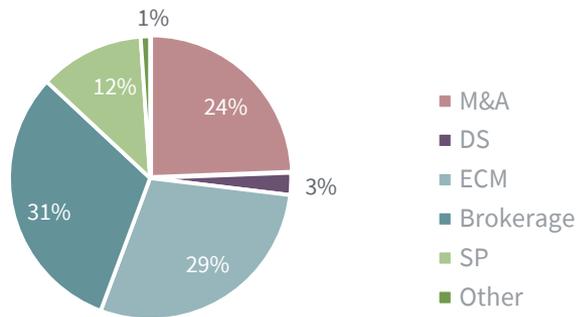
- Passion
- Ability to win
- Team
- Love the game
- Alignment

Resilient and diversified revenue base

Profitable throughout the cycle

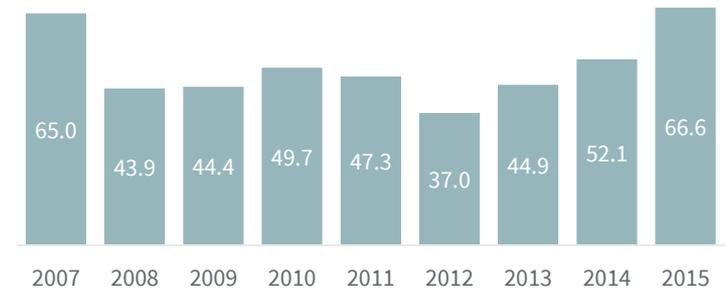
Breakdown of fees by type of transaction 2015

100% = €69.8 mn*



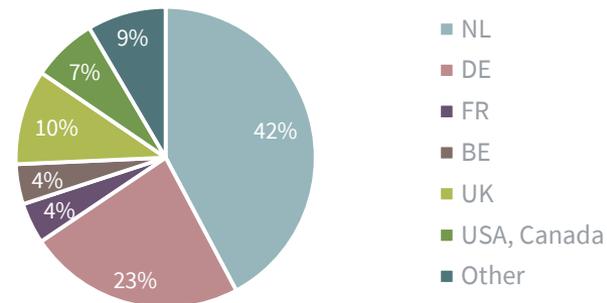
Commission income

€ mn



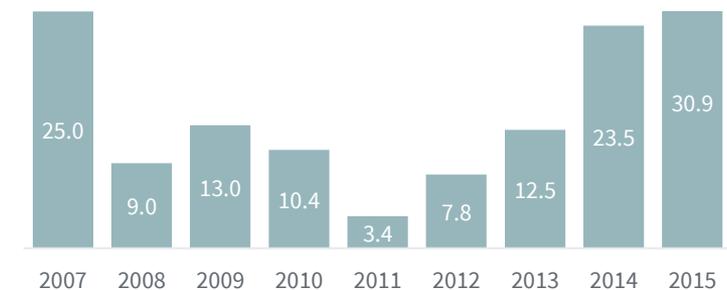
Geographical breakdown of fees 2015

100% = €60.7 mn**



Operating result

€ mn



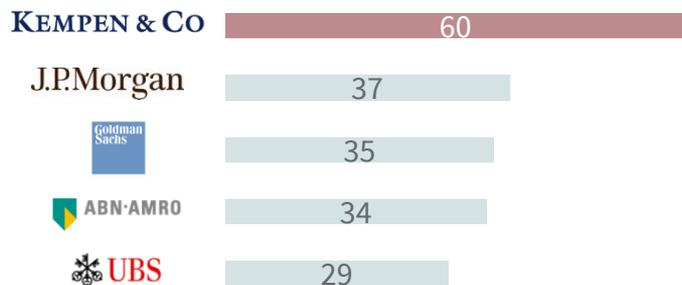
* Excluding revenues Inflation Breaker

** Excluding revenues structured products and other

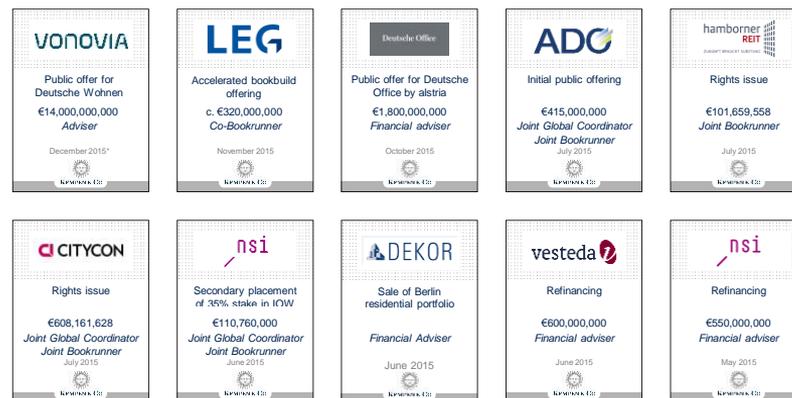
European real estate - an example of the Merchant Bank's successful niche strategy

Leading European real estate specialist...

Number of covered European real estate companies



... resulting in strong transaction flow



Results Extel 2015

Real Estate (client votes)

- Competitors are Exane BNP Paribas (10.8%) and Morgan Stanley (10.2%)
- Vincent Willink is #3 in the Sales Person ranking

2015	2014	2013
#3 (9.1%)	#2 (9.5%)	#4 (9.0%)

Real Estate (corporate votes)

- Competitors are Berenberg (8.8%) and Exane BNP Paribas (8.2%)
- Remco Simon is #2 in Equity Research

2015	2014	2013
#1 (15.5%)	#1 (15.9%)	#1 (13.6%)

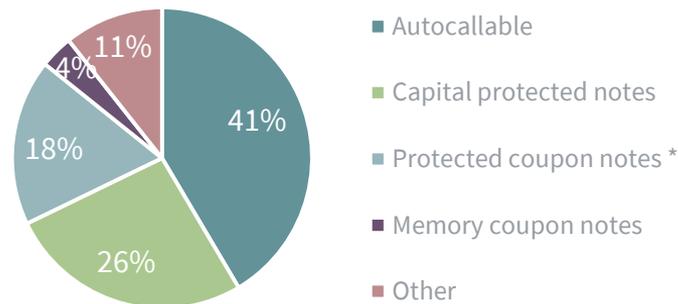
Strong suite of Structured Products adds value to the private banking activities

Structured Products

- Transparent investment solutions (private placements and public offerings)
- Products particularly suitable to (current) low interest environments
- Comprehensive, innovative product range including Memory, Trigger, Bonus and Participation Notes
- Continuous product development

Product type by issue size

100% = €260 mn (2015)



* E.g. Digital Coupon Notes and Fixed Rate Notes

Client base

- Van Lanschot private banking clients
- Other (inter) national private banks and brokers
- Total notional amount outstanding: ca. €800 mn
- >100 new notes issued in 2015 (96 private and 10 public) with a total value of ca. €260 mn

Awards



SRP Structured Products & Derivatives Awards 2016: 'The Netherlands Best Distributor' & 'The Netherlands Best Performance'



SRP Structured Products & Derivatives Awards 2015: 'The Netherlands Best Distributor' & 'The Netherlands Best Performance'

Source: SRP website

Next phase of our wealth management strategy – *Merchant Banking*

Continuation of successful niche strategy:

- Diversify corporate finance and ECM business
 - Build on strong position with specialist investors in Real Estate and Life sciences / Healthcare, to move to larger generalist investors
 - Strengthen position in Benelux
 - Selective expansion into adjacent niches
- Consolidate securities business
 - Value added research in specific niches to ensure MIFIDII proof operating model
 - Continued cooperation with Private Bank in successful development of Structured Products
- Continued focus on capital light, low cost operating model



IT transformation

Considerable progress made in transforming IT over the past three years

Strengthened IT function

- Back sourced IBM activities
- Created separate function for Data Management
- Invested in people & skills
- Van Lanschot and Kempen IT combined under single management
- Organised parts of IT closer to the business for faster decision making
- Adopted agile way of working in multiple areas

Upgraded infrastructure

- Migrated primary production to external data center
- Virtualised and replaced wintel servers
- Upgraded firewalls
- Upgraded file storage
- Scaled down of the Mainframe (in progress)
- Secure and stable company wide wifi access
- Upgrade of workspace hardware

Simplified application landscape

- Migrated securities, savings and lending away from legacy mainframe
- Implemented new CRM and workflow platform as basis for digital strategy
- Outsourced SEPA payments processing to Equens
- Outsourced and digitised client output
- Implemented SaaS solutions for HR and Office platforms
- Renewed data warehouse infrastructure

Replacement of payments administration and mortgage platforms will complete the IT transformation

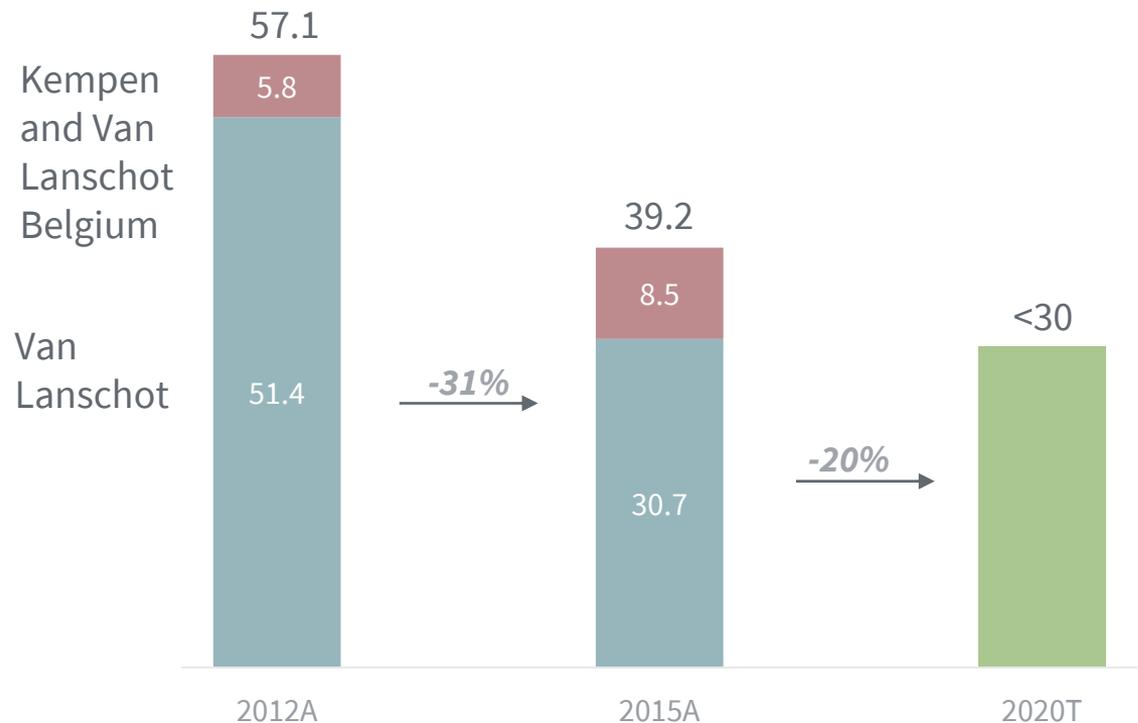
Significant reduction of recurring IT 'run' cost realised

This trend is expected to continue

- This excludes:
 - Cost increase in staff cost resulting from back sourcing of activities
 - Decrease in IT related depreciation cost
 - Both amounted to c. €4 mn
- We target a further reduction of out of pocket recurring IT cost

Development 'out of pocket' recurring IT cost* (run cost)

€ mn



* Recurring out of pocket cost exclude cost related to personnel, depreciation and out of pocket change cost

Actions to further reduce recurring IT cost

Integration of Van Lanschot
and Kempen
IT organisation and
infrastructure

Restructuring of supplier
contracts

Finalise step-by-step
phase out of IBM mainframe
platform

SaaS solutions for multiple
other platforms (payments,
mortgages administration,
regulatory reporting, etc.)

One-off investment programme of €60 mn to finalise transformation and develop omnichannel platform

€60 mn additional IT expenditure

- Period: mid 2016 – 2019
- Rationale: finalise IT transformation of the Private Bank

Comprising:

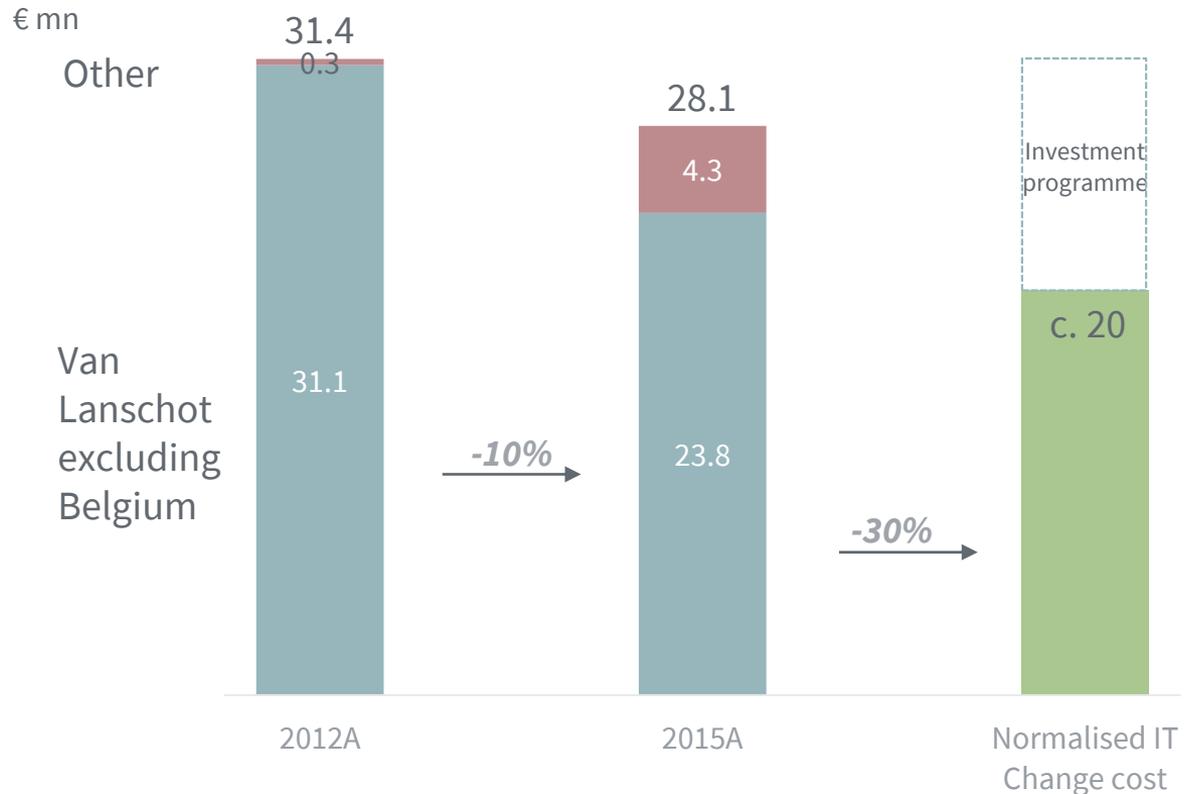
- Digital transformation to omnichannel servicing model
- Accelerate Evi development
- SaaS solution for payments administration to improve service, reduce costs and comply with PSD2 and other upcoming legislation
- Phase out mainframe
- Outsourcing of mortgages servicing and administration

Investments to yield a reduction in recurring IT cost, efficiency gains in mid and back office at both Private Banking as Group level and an improvement in service level

Investment programme against backdrop of reduced IT 'change' costs

- IT project cost have decreased over the last years
- Our targeted 'normalised' level of change cost is around €20 mn
- IT investment programme on top of targeted 'normalised' change cost level
- Costs will continue to run through P&L

Development out of pocket IT project cost (change cost)



A composite image representing financial analysis. It features a silver calculator in the upper right, a red pen in the upper left, and several overlapping documents. One document shows a table of numbers, another shows a line graph with multiple data series, and a third document has a specific value circled in red. A semi-transparent teal box with the text 'Financial impact' is overlaid on the center.

Financial impact

27,20	12,57	16,63	1,02
10,85	9,18	1,57	
3,48		1,05	
2,71		3,68	
40,75	11,36	2,94	
48,12	14,59	11,96	
15,69	9,87	0,73	
35,13	13,00	0,85	
22,68	19,03	1,55	
6,03	34,75	1,24	
6,67	16,59	1,82	
24	21,01	1,19	
26	21,54	2,66	
3	14,51	8,58	
1	19,69	2,53	
	28,32	1,88	
	11,05	1,87	
	10,73	0,99	
	18,40		
	17,98		

60,55	+1,34	-4,19	15,69	16,00
5,69	-0,11	-12,40	23,73	47,39
	-5,37	+17,35	0	23,46
		+2,57	11,98	56,30
		+11,44	-16,44	64,00
				39,16
40,95	-2,04	-3,07	8,19	55,39
19,66	-1,72	+14,56	8,98	8,99
52,10	+1,35	+4,94	14,12	25,11
56,90	+0,75	-24,89	17,68	19,10
37,53	+0,96	-17,53	9,17	265,50
52,52	-4,31	-16,75	13,65	190,75
5,84	-0,93	-10,79	22,79	66,64
18,61	+0,14	-2,79	9,51	19,47
205,63	0,58	+0,64	14,22	65,50
178,90	-0,26	-12,68	19,12	40,10
58,10	-1,76	+44,71	35,40	
30009	16,50			
042301	49,70			
202005	39,29			
1235301				



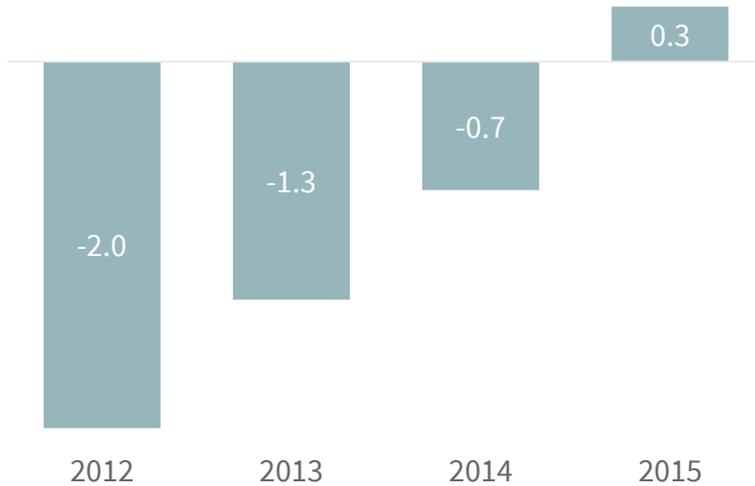
Setting the stage for our financial strategy

- We have turned the corner on AuM inflow
- We are moving towards a low-risk asset-light balance sheet
- We will continue to optimise our funding profile

We have turned the corner on AuM inflow

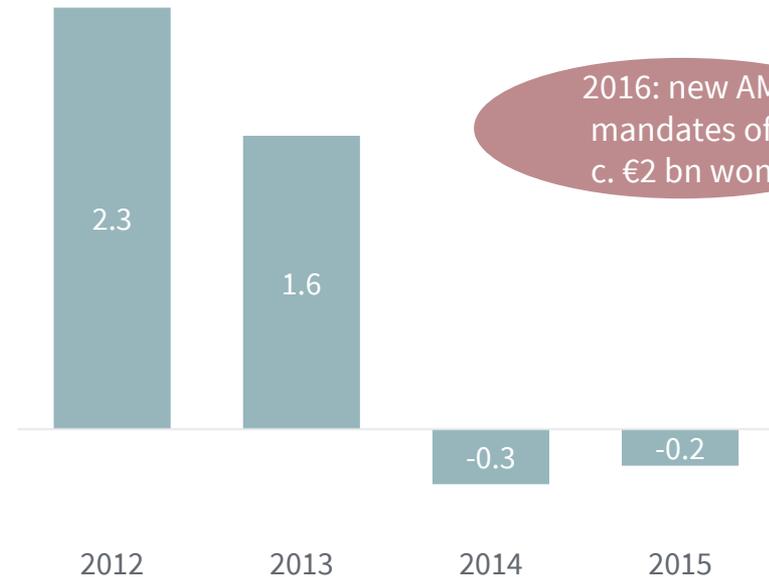
Net inflow AuM¹ Private Banking

€ bn



Net inflow AuM Asset Management

€ bn

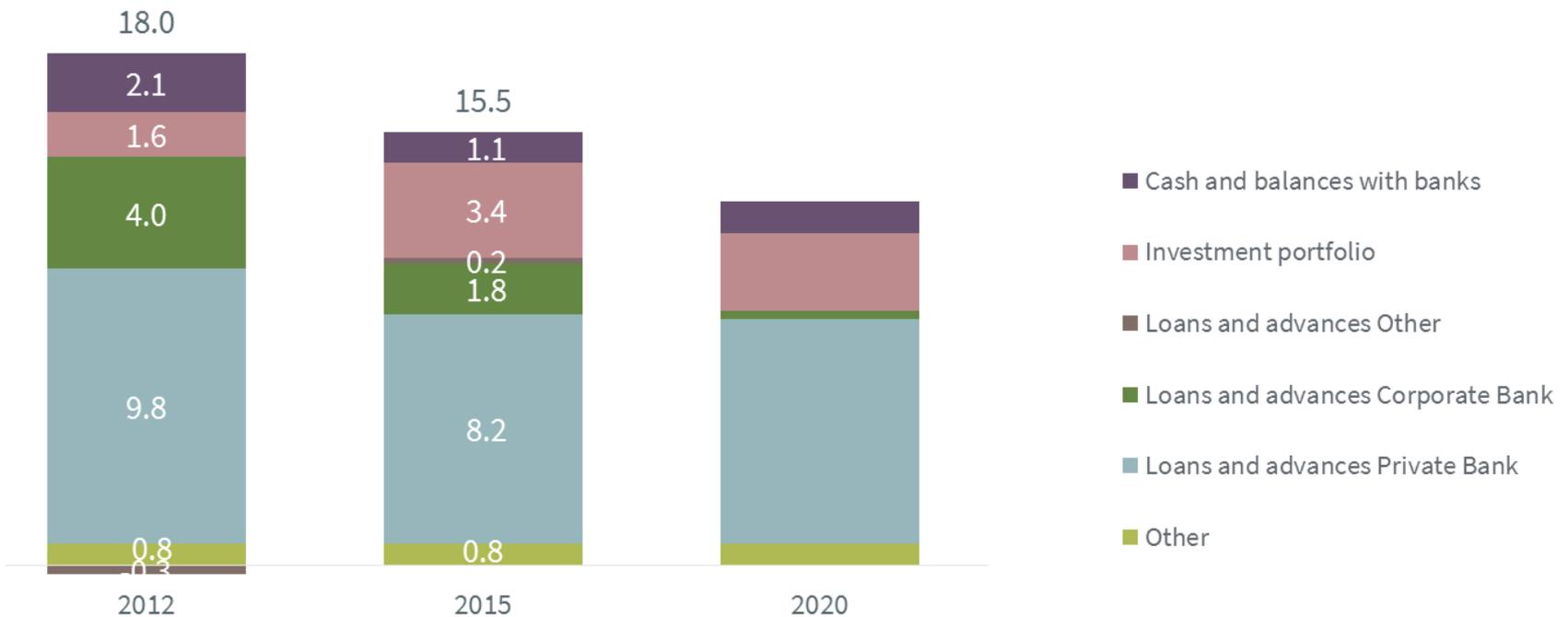


¹Comparative figures have been restated following the introduction of assets under administration; this restatement for inflow of AuM over the period 2012-2014 is indicative

We are progressing towards an asset-light balance sheet

Balance sheet assets

€ bn



The risk profile of the loan book is improving as the Corporate Banking loans are run-off

		Size (€ bn)		Key characteristics	Impaired ratio	Coverage ratio
		YE12	YE15			
Private Banking	Mortgage loans	9.8	6.0	<ul style="list-style-type: none"> • Average LTV: 71% • Average size: c. €440,000 • €471 mn gross production in 2015 • Full recourse 	2.1%	42%
	Other loans		2.2	<ul style="list-style-type: none"> • Well diversified • Average size c. €210,000 		
Corporate Banking	SME loans	4.0	0.8	<ul style="list-style-type: none"> • Well diversified • Run-off supported by improving economic climate 	18.8%	26%
	Real estate loans		1.1	<ul style="list-style-type: none"> • Sale of €400 mn portfolio of non performing loans in 2015 • Balanced portfolio: 31% offices, < 1% project development • Average LTV: 74% 		
Other	Mortgages third party distribution	-	0.3	<ul style="list-style-type: none"> • Part of investment portfolio • Plain vanilla mortgages 		

weighted average

5.2%

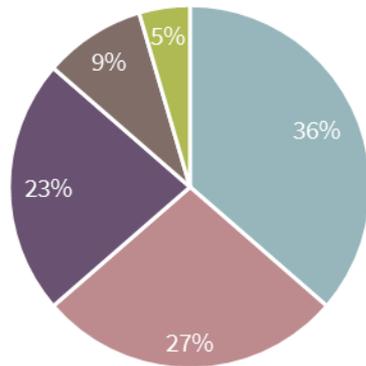
31%

All numbers at YE 2015 (unless stated otherwise)

Our portfolio of other private banking loans is well diversified

PB other loan portfolio by type of loans

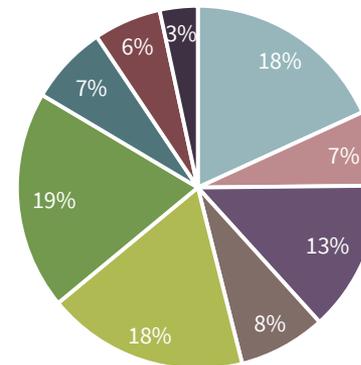
YE 2015: 100% = €2.2 bn



- SME loans
- Current accounts
- Other loans
- Real estate loans
- Lombard loans

PB other loan portfolio by type of client

YE 2015: 100% = €2.2 bn

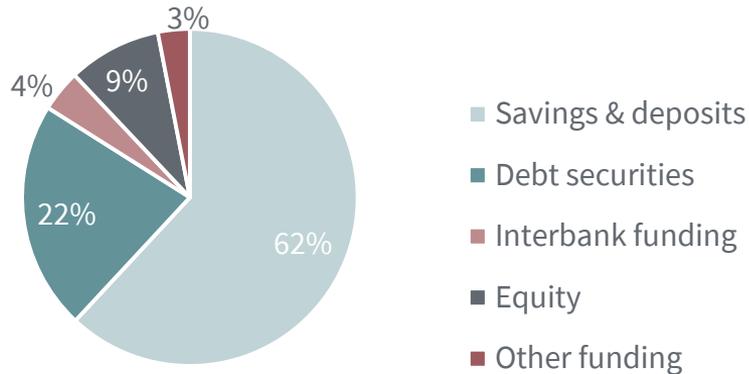


- Healthcare
- Entrepreneurs
- Private Banking
- Van Lanschot Switzerland
- Other
- Business professionals
- Private Office
- Personal Banking
- Van Lanschot Belgium

We will continue to optimise our funding profile

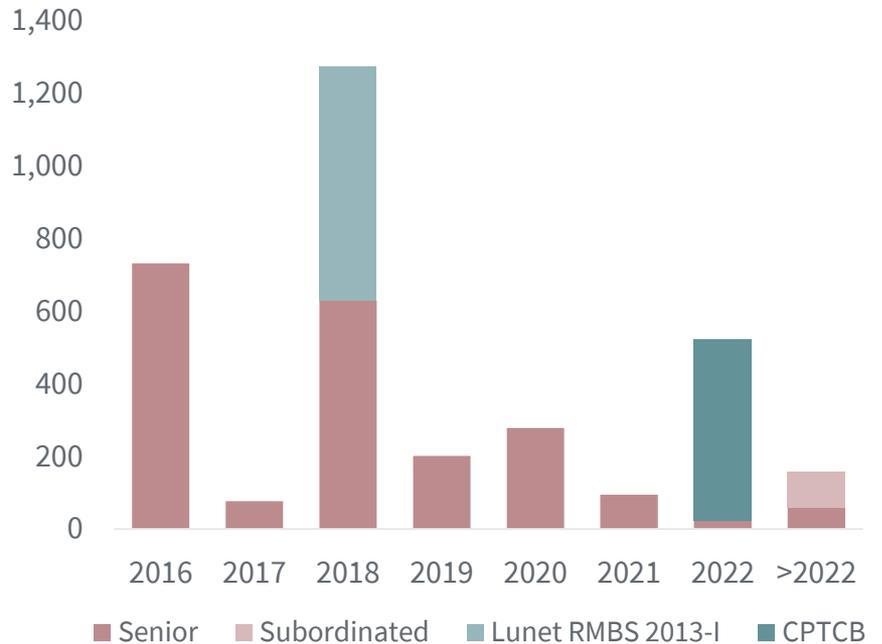
Funding mix 2015

100% = €15.5 bn

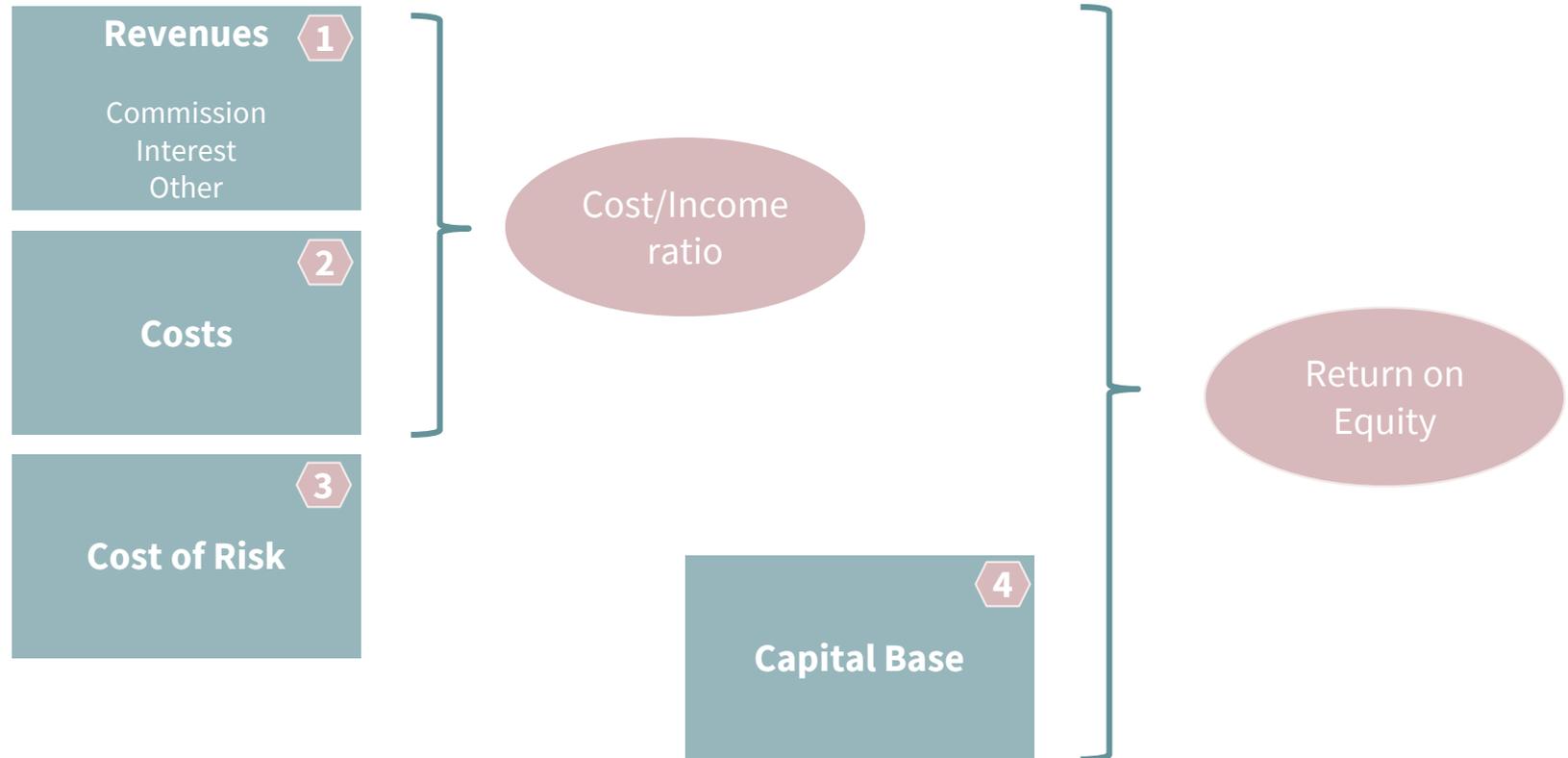
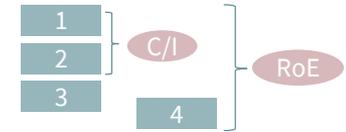


Redemption profile

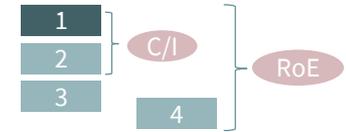
€ mn



4 key drivers of financial performance



Continued growth of commission income expected in core activities



Commission income increased due to:

- Market performance
- AuM growth
- Increasing share of discretionary management at Private Banking

Growth drivers Private Banking commission income going forward:

- Growth of total wealth pool
- Room to expand market share
- Continuing shift towards discretionary management

Asset Management growth is expected to consist of:

- International growth of investment strategies
- Growth in fiduciary management in the Netherlands and UK
- A degree of margin compression is envisaged

Merchant Banking benefited from strong market conditions in 2014 and 2015; more moderate conditions expected for the near term

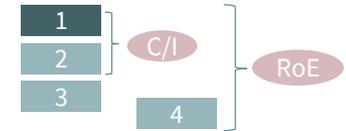
Commission income by segment*

€ mn



* Excludes commission income Corporate Bank and other commission income

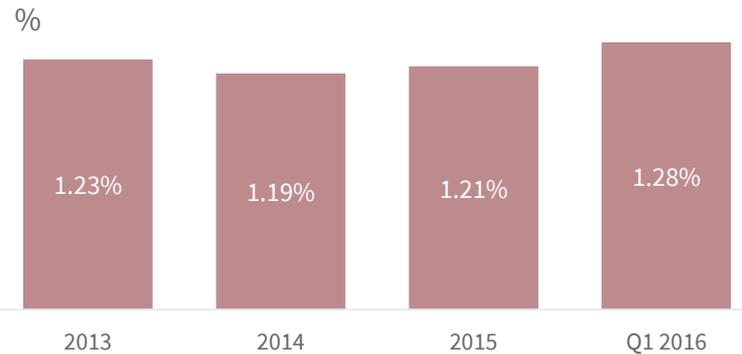
Active balance sheet management to support net interest income



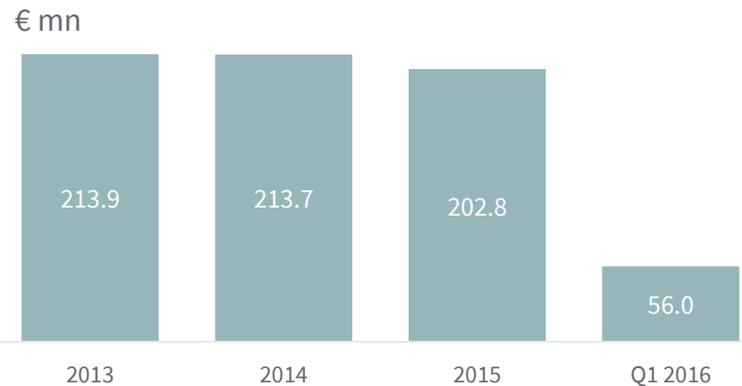
Assuming ongoing low yield environment, we expect interest income to remain relatively stable through:

- Active management of savings volume and pricing
- Repricing loans when possible
- Active managing our investment portfolio
- Mortgages production to replace repayments and expiry
- Changing funding mix, for instance replacing outstanding RMBS with more attractive CPTCB
- Lower amortisation costs on discontinued interest hedges positively impact interest margin

Net interest margin (12m moving average)

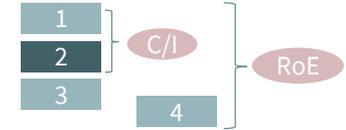


Net interest income



Structural cost reductions at Van Lanschot, investments in profitable growth at Kempen

We expect this trend to continue



Operating expenses - Group

€ mn

- 6%

410.4

387.4

2012

2015

Operating expenses - Van Lanschot

€ mn

- 15%

335.0

283.6

2012

2015

Operating expenses - Kempen

€ mn

38%

75.4

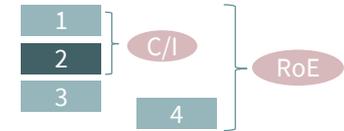
103.8

2012

2015

Numbers are indicative and unaudited

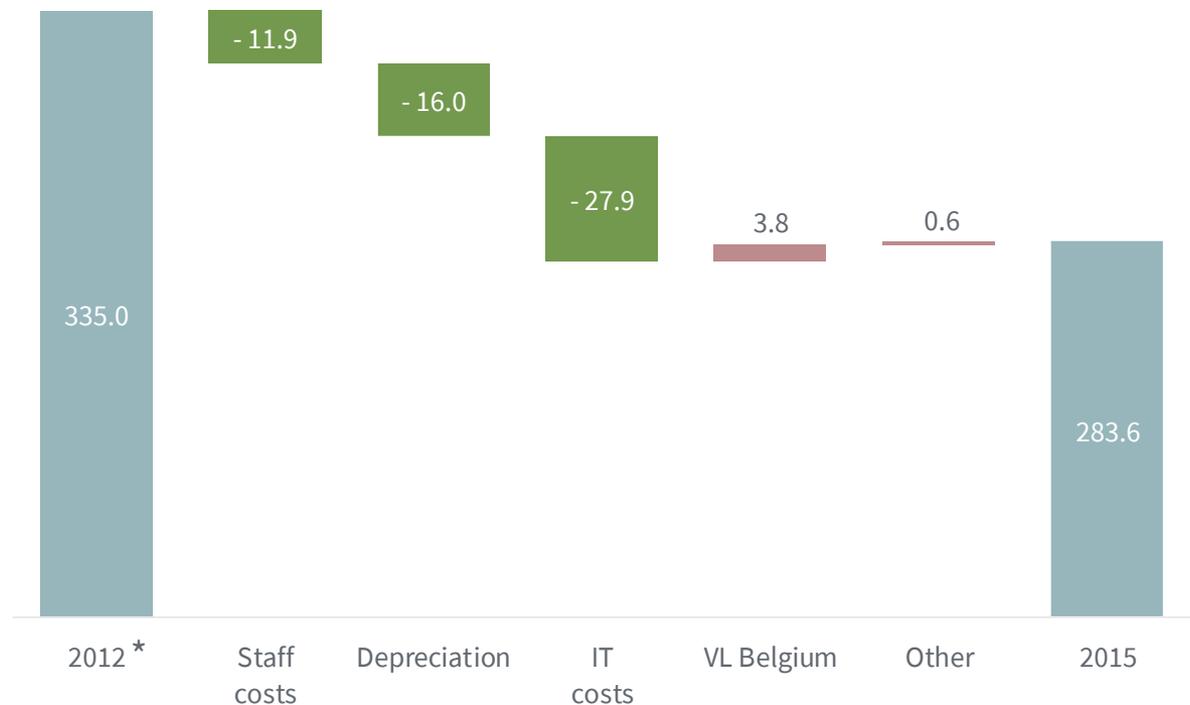
Cost reduction at Van Lanschot (ex Kempen) mostly in personnel, IT and depreciation



- Staff costs declined due to lower FTE numbers: net reduction after insourcing of IT activities amounted to 404 FTE (YE 2011 to YE 2015)
- Investments in Evi led to higher costs at Van Lanschot Belgium
- Lower IT cost resulting from lower out-of-pocket recurring IT cost and project costs
- All IT costs are run through the P&L

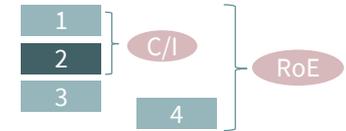
Operating expenses – Van Lanschot 2012 - 2015

€ mn



* 2012 including accelerated investment in client services
Numbers are indicative and unaudited

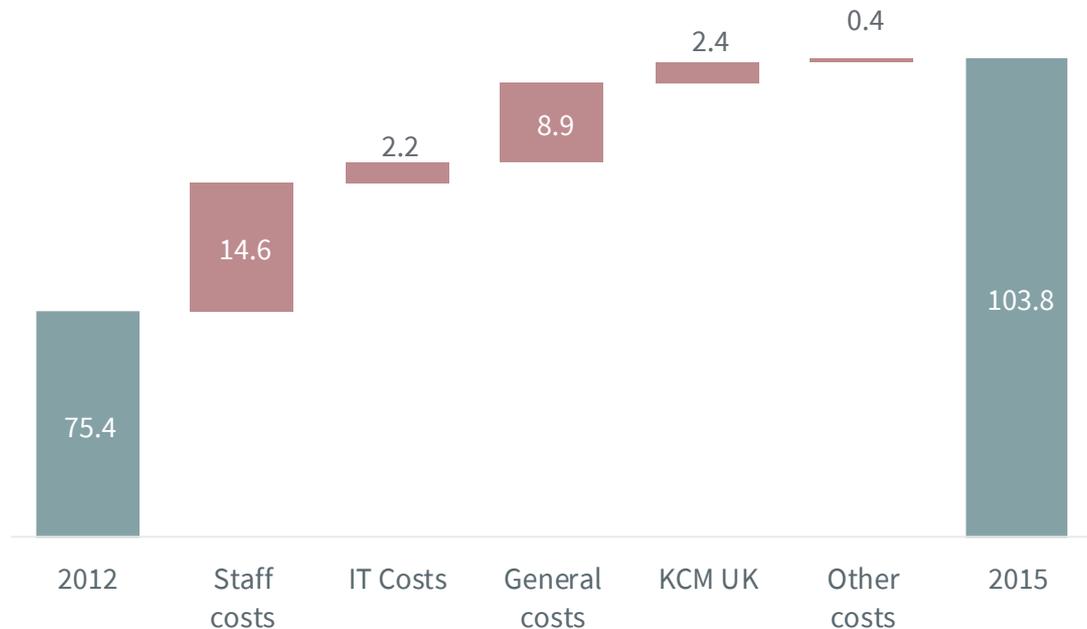
Cost increase at Kempen driven by investment in profitable growth



- Higher staff costs due to:
 - Increase in the number of FTEs (by 61 from YE 2011 to YE 2015)
 - Higher variable compensation due to increased operating result
- IT costs increased due to higher costs related to projects
- General costs increased among others due to higher cost of information providers
- The acquisition of KCM UK in October 2015 led to an increase in costs by €2.4 mn

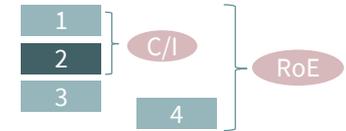
Operating expenses – Kempen 2012 - 2015

€ mn



Numbers are indicative and unaudited

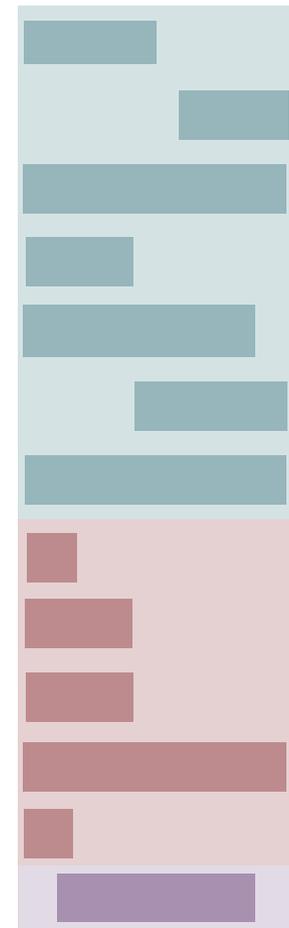
On balance, costs expected to decrease coming years (excluding €60 mn investments)



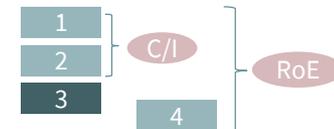
- ↓ Regionalisation of Private Banking branch network
- ↓ Optimising mortgages and payments; shut down mainframe
- ↓ IT run & change costs
- ↓ Combination support staff / integration Van Lanschot/Kempen
- ↓ Corporate Bank run-off
- ↓ Streamlined mass affluent offering
- ↓ Depreciation
- ↑ Regulatory expenses and levies
- ↑ Evi expansion
- ↑ Expand distribution capacities Asset Management
- ↑ Variable compensation (contingent upon success)
- ↑ Full year KCM UK
- ↑ One-off investment program

Indicative timing

2016 2020



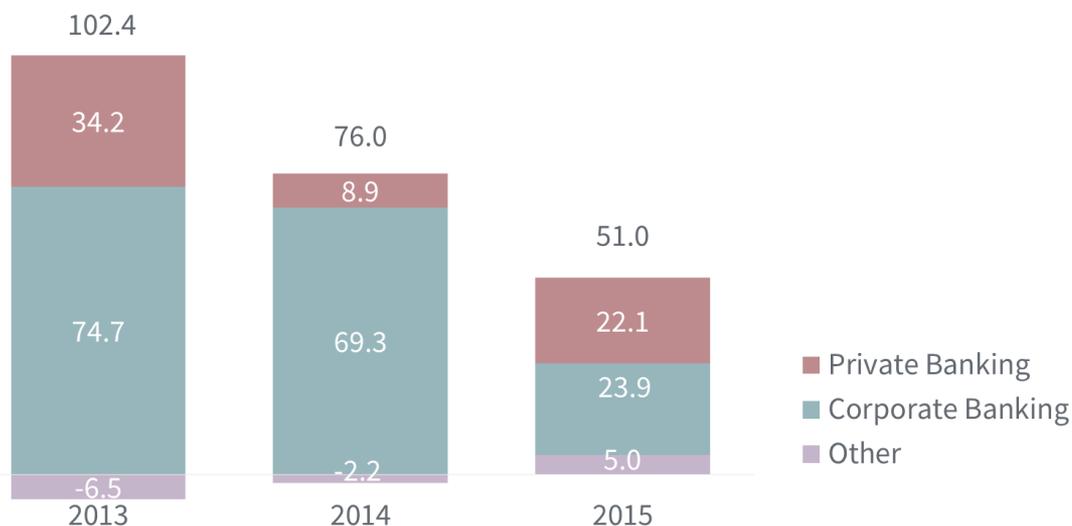
Cost of risk expected to trend down to normalised levels



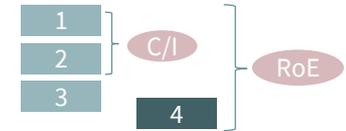
- Loan loss provision came down significantly over the last years and this trend is expected to continue
- Higher provisions in Private Banking in 2015 result from:
 - a few individual cases (H1)
 - one-off impact of stricter provisioning criteria in first half of 2015
- Sale of non-performing real estate loans and improving economic environment lead to lower loan loss provisioning in the Corporate Bank

Addition to loan loss provision

€ mn



Capital targets reached, positive outlook

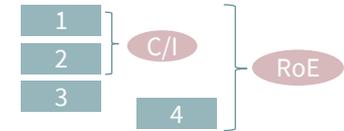


- Year-end CET1-ratio at 16.3 % (15.4% fully loaded)
- Corporate bank run-off offers further upside potential (RWA YE 2015 = €1.9 bn)
- Impact Basel III tightening not known yet but RWA increase expected to be lower than decrease due to CB run-off
- Net profit (after one-off investment program) will also have positive impact
- No transformational M&A planned (selective add-on acquisitions may be considered)



FOR ILLUSTRATIVE PURPOSES ONLY, NOT DRAWN TO SCALE

Financial impact – in summary



1

Revenues

- Further commission income growth expected, on the back of AuM growth within Private Banking and Asset Management
- Modest projections regarding interest income

2

Costs

- Despite higher one-off cost to support growth plans, expectation that recurring expense base – on balance – will go down, based on:
 - Efficiency projects within PB, Operations and support
 - Reduction of headcount
 - Higher expenses for omnichannel, Evi and Asset Management distribution
 - Inclusion of KCM UK
 - Higher costs for regulation and levies

3

Cost of Risk

- As we completed the transition to an asset-light balance sheet, cost of risk is expected to come down further

4

Capital Base

- Whereas capital targets are being reached, there is ample room for higher shareholder return

Capital strategy 2016 - 2020

Higher capital target

- With a further shift away from credit risk (Pillar I), the regulatory framework is expected to require a higher CET I ratio in the coming years in order to cover Pillar II risks (e.g. interest rate risk and concentration risk) as well
- Based on the current regulatory framework and business mix, we expect a CET I ratio in the range of 15-17% to be adequate

Excess capital

- Based on current plans and expectations and outlook for future regulations, we expect to build up excess capital of at least €250 mn by 2020

Increased pay-out ratio

- Part of this excess capital will be distributed in the form of ordinary dividends; for this purpose we are raising our target pay-out ratio from 40-50% to 50-70% as of 2016

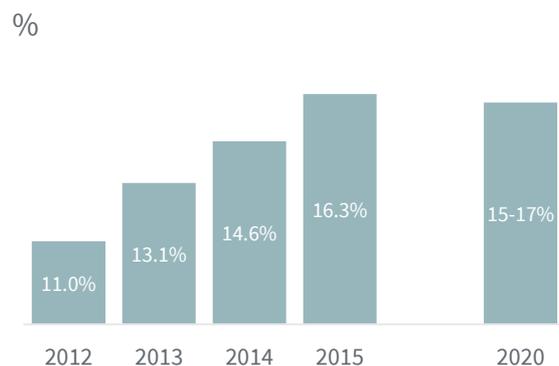
Commitment to return capital

- In addition, management is committed to return any further excess capital to its shareholders, subject to regulatory approval

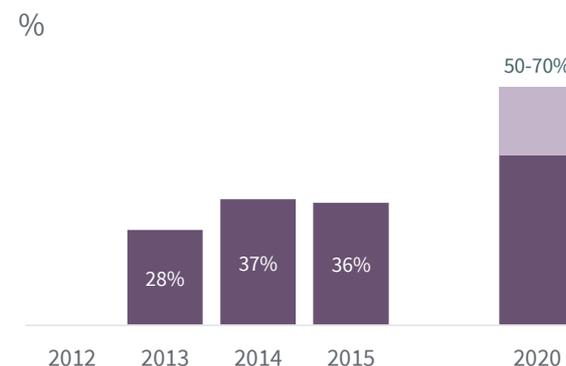
Financial targets 2020

- CET I ratio target of 15-17% reflects Pillar II requirements
- Previous target for C/I ratio will not be reached by 2017, however considered a realistic target for 2020
- RoE target of 10 to 12% to be reached in the medium-term based on current expectations and market situation
- As of today, Van Lanschot will no longer report on the 2017 targets but focus on achieving the new 2020 targets

Common Equity Tier I ratio (phase-in)



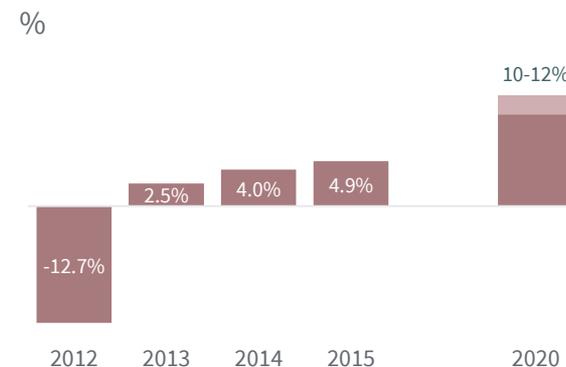
Dividend payout ratio ¹



Efficiency ratio



Return on Common Equity Tier I



¹ Based on underlying result

A pair of silver binoculars is mounted on a pedestal, overlooking a blue sea and distant mountains. The binoculars are the central focus, with their two lenses clearly visible. The background is a soft-focus landscape of water and hills under a clear sky. A semi-transparent teal box is overlaid on the lower left, containing the text 'To conclude'.

To conclude

Next phase of our wealth management strategy

Key themes for core activities:

Private Banking

- Enhance client experience through omni-channel servicing model
- Foster AuM growth by enhancing front-line effectiveness

Asset Management

- Intensify distribution
- Launch new strategies
- Further develop UK as second home market

Evi

- To play into trend of increased individual responsibility for pensions and other needs
- Will become a separate segment to realise its full potential

Merchant Banking

- Continue capital light operating model
- Build on solid, sustainable position in selected niches

Supported by:

Continued run-off of
Corporate Bank

Rightsizing support
functions and
streamline operations

Finalise transformation
of IT platform

Outsourcing
standardised 'universal'
banking services

Appendix



Legend: IFRS vs Managerial numbers

This table shows per slide whether IFRS or managerial numbers are used

Slide	IFRS	Managerial	Slide	IFRS	Managerial
6		✓	52		✓
11	✓ (CET I)	✓	53	✓	
15	✓ (income)	✓	54		✓
28		✓	55		✓
30		✓	56	✓	
31	✓ (income)	✓	58	✓	
33		✓	59	✓	✓ (margin)
34		✓	60		✓
35		✓	61		✓
40	✓ (income/ result)	✓	62		✓
42		✓	64		✓
46		✓	68	✓ (CET I)	✓
49		✓			

IFRS does not recognise Assets under Management, all AuM numbers are managerial

Executive Board



Karl Guha (1964)
Chairman of the Board

Appointed

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

Background

- 1995 – BCG in the Netherlands: Consultant
- 1998 – BCG Boston
- 2004 – BCG: appointed Partner and Managing Director and managing BCG Prague
- 2008 – BCG in the Netherlands

Executive Board



Richard Bruens (1967)
Private Banking

Appointed

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

Background

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



Paul Gerla (1966)
*CEO Kempen & Co
Asset Management*

Appointed

Appointed member of the Management Board of Kempen & Co in January 2009. In March 2015 he was appointed Chairman

Background

- 1988 – Shell: Shell Pension Fund, Finance Director at Shell Malaysia, Controller at Shell Exploration & Production Asia Pacific
- 2004 – Kempen Capital Management



Joof Verhees (1960)
Merchant Banking

Appointed

Appointed Managing Director Securities at Kempen & Co in October 2004. Served as a member of the Management Board of Kempen & Co since January 2009.

Background

- ING Bank
- 1990 – Paribas Capital Markets' London office: senior trader
- 1993 – ABN AMRO: Senior Vice President, Head of European Trading in London
- 1996 – Rabo Securities: Managing Director

Disclaimer

Disclaimer and cautionary note on forward-looking statements

This presentation contains forward-looking statements on future events. These forward-looking statements are based on the current information and assumptions of Van Lanschot'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 risks, developments and uncertainties that in their very nature fall outside the control of Van Lanschot and its management. The actual results may differ considerably as a result of risks, developments and uncertainties relating to Van Lanschot's expectations regarding, but not limited to, estimates of income growth, costs, the macroeconomic and business climate, interest rates, political and market trends, actions by supervisory and regulatory authorities and private entities, and changes in the law and taxation.

Van Lanschot cautions that expectations are only valid on the specific dates on which they are expressed, and accepts no responsibility or obligation to revise or update any information following new information or changes in policy, developments, expectations or other such factors.

The financial data included in this presentation have not been audited. This presentation does not constitute an offer or solicitation for the sale, purchase or acquisition in any other way or subscription to any financial instrument and is not an opinion or a recommendation to perform or refrain from performing any action.