



VAN LANSCHOT
KEMPEN

March 2023

Van Lanschot Kempfen Soft Bullet Covered Bond Programme



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Executive summary - Soft Bullet Covered Bond Programme

Issuer	Van Lanschot Kempen N.V.
Programme size	€5.0bn
Format	Soft Bullet (SB)
Extension Period	Maximum of 12 months
Guarantor	Van Lanschot Kempen SB Covered Bond Company B.V.
Ratings (expected)	AAA (S&P)
Collateral	Prime Dutch residential mortgage loans
Asset Percentage	78%
Robust structure	<ul style="list-style-type: none">✓ Registered programme with DNB✓ Strong programme tests✓ Asset Cover Test & Amortisation Test✓ No interest rate swap counterparties*✓ External bank account✓ Exempted from bail-in

Van Lanschot Kempen N.V.

- Strong balance sheet and attractive capital strategy
- Credit rating of BBB+/BBB+ (S&P/Fitch)

AAA rated Soft Bullet Covered Bond Programme

- Established in March 2022
- Inaugural long 5-year Soft Bullet (SB) Covered Bond (CB) transaction issued in June 2022
- NTT and HTT reporting (ECBC Covered Bond Label)
- Experienced issuer that successfully operated a AAA/AAA (S&P/Fitch) rated Conditional Pass-Through (CPT) Covered Bond Programme since 2015 from which to date 3 benchmark issuances have been launched

Mortgage loan portfolio

- Total mortgage book of €6.341m per 31 December 2022
- High quality mortgage portfolio with low historic arrears and write-offs

* Portfolio swap and Interest rate swap are optional for the Programme



Van Lanschot Kempen at a glance

Who we are

- Well-capitalised, profitable, wealth manager with a strong specialist position in the market
- Clear choice for wealth management, targeting private, wholesale, institutional and investment banking clients
- Relatively small-scale organisation and high level of executive involvement
- Strong focus on sustainable investing
- Differentiating and compelling investment management offering that matches client needs
- Strong balance sheet and attractive capital strategy
- Strong track record in transformation processes and de-risking of the company

Our purpose is to create and preserve wealth for our clients and the society we serve in a sustainable way

Solid performance on all key financials

	2022	2021
• Net result	€84.2m	€143.8m
• CET 1 ratio	20.6%	23.7%
• Total capital ratio	26.4%	30.1%
• Client assets	€124.2bn	€131.2bn
• AuM	€107.8bn	€115.6bn
• Loan book (excluding provisions)	€9.4bn	€8.9bn



Van Lanschot Kempen at a glance



An independent, specialist wealth manager with the aim to create and preserve wealth for our clients and society in a sustainable way

Focus on private, institutional and corporate clients

Core activities private banking, professional solutions, investment management and investment banking



Our wealth management strategy

Our ambitions

Supported by our strong client relationships we are a leading player in our relevant markets and geographies:

- A leading wealth manager in the Netherlands and Belgium that creates and preserves wealth in a sustainable way
- The leading wealth management platform for the mass-affluent market in the Netherlands, combining online with a personal approach
- A prominent, European-oriented active investment manager that delivers sustainable alpha in less efficient and alternative markets
- The leading fiduciary manager in the Netherlands, and a key challenger in the UK fiduciary market
- The preferred trusted adviser in selected niches in investment banking across Europe
- A wealth manager with a solid risk profile and a moderate risk appetite, aiming to optimise our capital base while leaving room for potential acquisitions

Financial Targets

	Target	2022	2021
Common Equity Tier 1 ratio	15%*	20.6%	23.7%
Return on CET1	12%	12.3%	15.7%
Efficiency ratio	70%	73.1%	68.9%
Dividend pay-out	50-70%**	67%	53%

*Common Equity Tier 1 ratio: 15% plus a 2.5% M&A add-on for bolt-on acquisitions

**Of underlying net profit attributable to shareholders



We have a clear focus on our client groups



Private Clients

- Offices in NL, BE and CH
- Wealth management services for entrepreneurs, family businesses, high net-worth individuals, business professionals and executives, health care professionals, foundations and associations
- Online wealth management for mass-affluent individuals



Wholesale & Institutional Clients

- Fiduciary wealth management for institutional clients
- Niche investment strategies for wholesale clients: high dividend, small-caps, real estate, infrastructure, credit, sustainable equity and private markets
- Offices in the Netherlands, the UK and France



Investment Banking Clients

- Equities research and trading, capital market transactions, corporate finance and debt advisory
- Sectors covered are real estate, life sciences & healthcare, tech & fintech, renewables and infrastructure
- Offices in the Netherlands, Belgium, the UK and the US



We are an independent specialist wealth manager with clear ambitions



A leading wealth manager in the Netherlands and Belgium that creates and preserves wealth in a sustainable way

The leading wealth management platform for the mass-affluent market in the Netherlands, combining online with a personal approach

A prominent, European-oriented active investment manager that delivers sustainable alpha in less efficient and alternative markets

The leading fiduciary manager in the Netherlands, and a key challenger in the UK fiduciary market

The preferred trusted adviser in selected niches in investment banking across Europe

A wealth manager with a solid risk profile and a moderate risk appetite, aiming to optimise our capital base while leaving room for potential acquisitions



Continuous capital-light growth

Organic growth

Bolt-on acquisitions

Market performance



Our mid-term financial targets - A solid business model

CET 1 ratio

15%

Plus M&A add-on 2.5%

Efficiency ratio

70%

Return on CET 1

12%

Through the cycle

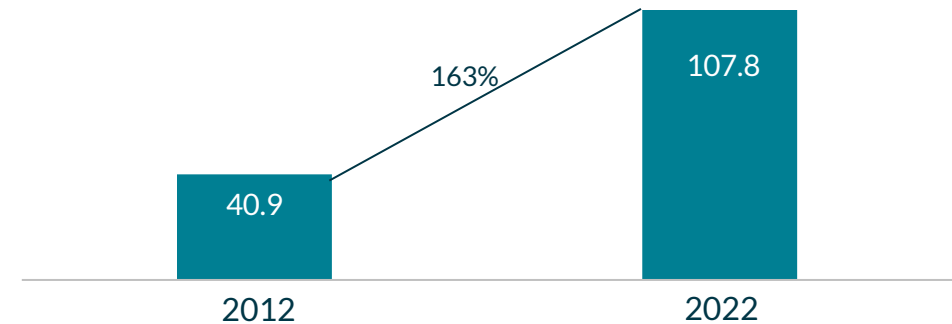


Our journey to a modern integrated and specialist wealth manager

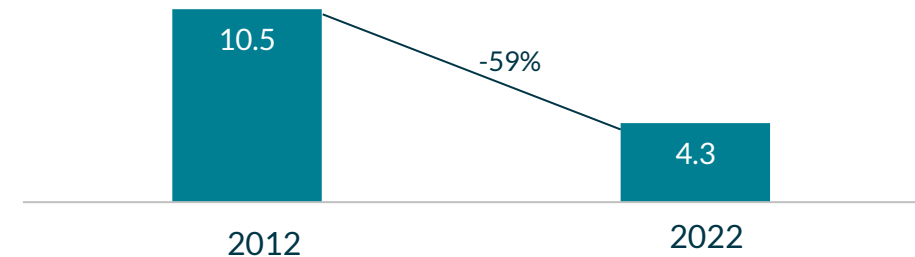
Strategy review

- In 2013 we started our journey from universal bank to a specialist wealth manager with focus on private banking, investment management and investment banking
- We simplified our product portfolio and organisation and initiated a targeted reduction of the corporate banking loan portfolio where there was no link to private banking
- In 2015 a logical next step was the sale of part of the non-performing commercial real estate loans. The corporate banking loan portfolio decreased to approximately €79m as per 31 December 2022 (2021: €132m)
- Over the years we acquired several activities and partnered up with businesses that suited our wealth management strategy:
 - MN UK fiduciary activities
 - Staalbankiers' private banking activities
 - UBS' Dutch wealth management activities
 - Hof Hoorneman Bankiers
 - Partnership with a.s.r. bank
 - Partnership with Mercier Vanderlinden
 - Partnership with Robeco

Assets under management
€bn



Risk-weighted assets
€bn



Our sustainability ambitions

Time to take bigger strides



To preserve and create wealth, in a sustainable way, for our clients and the society we serve

We focus on three themes: **climate, circularity and health**

We are committed to become a **net-zero wealth manager by 2050**

Ambitious annual carbon footprint reduction targets for discretionary AuM (-7%) and our own organisation (-7% per FTE)

Our **ambitions** in 2022 are set **through active stakeholder dialogue**

Impact via our assets under management

Engage actively with our institutional clients to commit to net zero

Further increase the share of sustainable and impact investments in our clients' portfolios

Launch of sustainable discretionary management propositions for private clients

Impact via our loans: launch of new sustainable mortgage proposition

Impact via own organisation: implementing new way of working (less and more sustainable travel, optimising our workspace)

Transparency and inclusion & diversity are other key focus areas going forward



VAN LANSCHOT
KEMPEN

2022 annual results



2022: Key financial highlights

- Net profit of €84.3m
- Underlying net profit of €117.8m
- Net AuM inflow at €13.7bn
- AuM at €107.8bn

Medium-term financial targets:

- CET 1 ratio at 20.6% (target: 15% + M&A add-on of 2.5%)
- RoCET 1 at 12.3% (target: 12% through the cycle)
- Efficiency ratio at 73.1% (target: 70%)



2022: Key messages

Net profit: €84.3m (2021: €143.8m), underlying net profit €117.8m (2021: €159.9m)

- Commission income (+6%); stable margins – Private Clients: 63 bps, Wholesale & Institutional Clients: 12 bps
- Increase in interest income (+6%)
- Operating expenses up (+7%)

Net AuM inflow of €13.7bn

- Private Clients net inflow: €2.0bn
- Wholesale & Institutional Clients net inflow: €11.6bn
- Negative market performance across almost all asset classes impacted AuM volume

CET 1 ratio 20.6% (2021: 23.7%), decrease driven by higher capital requirements for residential mortgages and a capital return in December 2022

Dividend proposal €1.75 per share (totalling €74.2m)

2022: Performance



Net result €84.3m
(2021: €143.8m)

Underlying net result
€117.8m
(2021: €159.9m)

Commission
income €407.8m
(+6%)

Interest income
€162.7m
(+6%)



Operating expenses
€438.2m
(+7%)

Efficiency ratio
73.1%
(2021: 68.9%)



AuM €107.8bn
(2021: €115.6bn)

Client assets €124.2bn
(2021: €131.2bn)



Strong capital position
CET 1 ratio 20.6%
(2021: 23.7%)

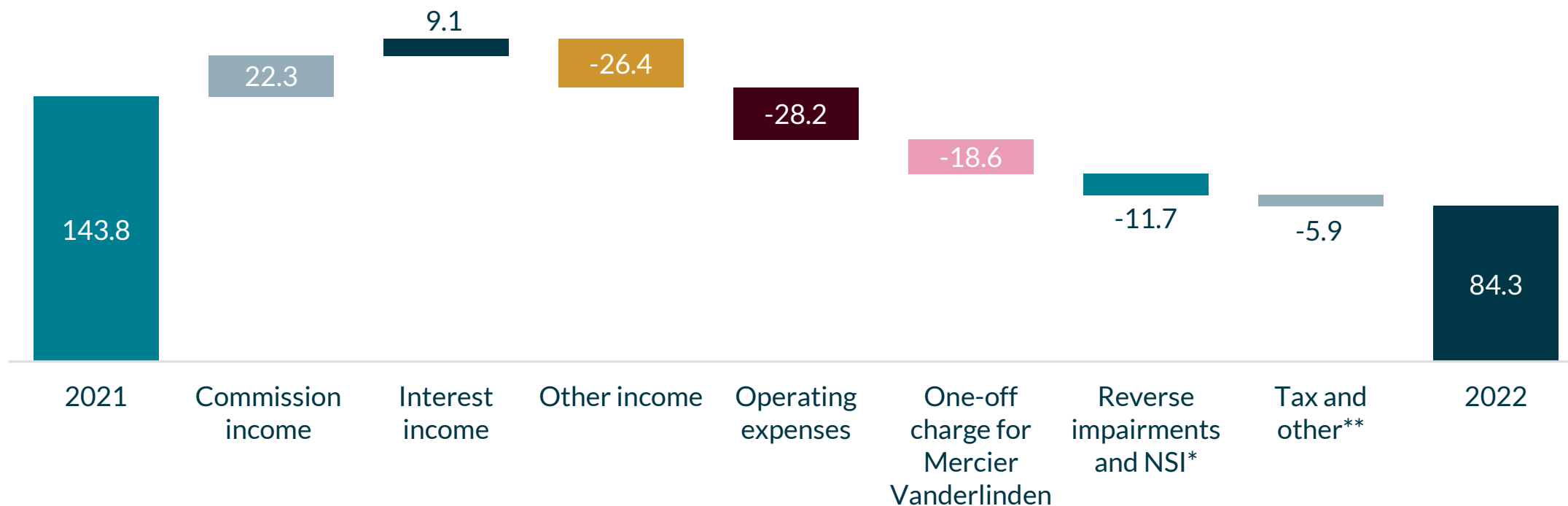
RoCET 1 at 12.3%
(2021: 15.7%)

Release from loan loss
provisions €7.7m
(2021: €11.7m)



Net result amounts to €84.3m

Key drivers of net result (€ m)



* Reverse impairment and NSI include a reversal in 2021 of impairments on participating interests, taken in earlier years, and the operating profits of non-strategic investments.

**Tax and other includes income tax, loan loss provisions, amortisation of intangible assets arising from acquisitions, expenses related to the accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the integration of Hof Hoorneman and other one-off items, including settlement of an interest rate derivatives case.¹⁸

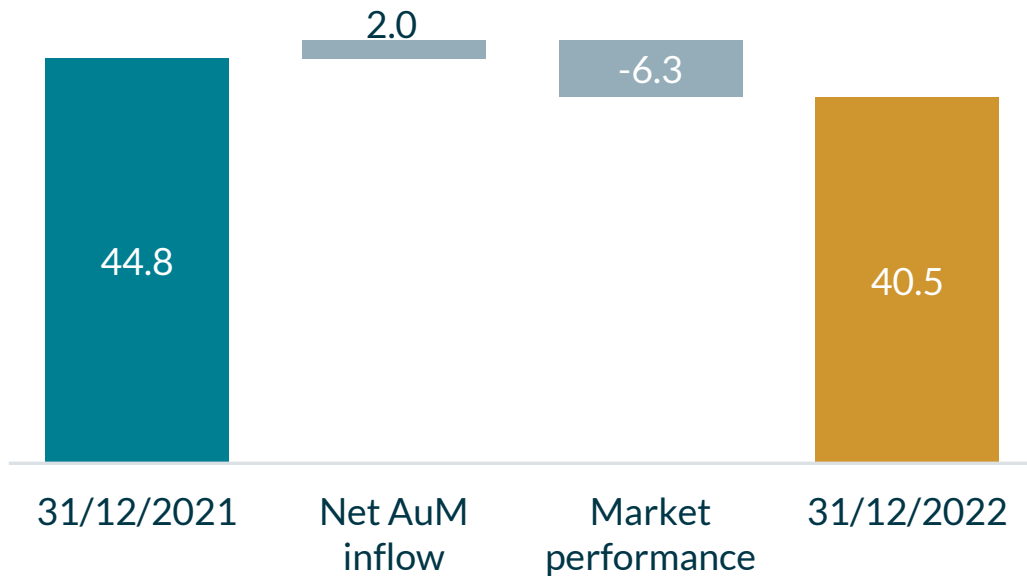
Overview of net result

€ m	2022	2021	% change
Commission	407.8	385.5	6%
Interest	162.7	153.6	6%
Other income	29.2	55.6	-48%
Income from operating activities	599.7	594.7	1%
Operating expenses	-438.2	-409.9	7%
Gross result	161.5	184.8	-13%
Loan loss provision	7.7	11.7	-34%
Other impairments	-1.1	6.5	
Operating profit before tax of non-strategic investments	0.6	4.8	-87%
Operating profit before special items and tax	168.7	207.7	-19%
Amortisation of intangible assets arising from acquisitions	-14.9	-11.3	31%
Expenses related to accounting treatment of Mercier Vanderlinden	-29.6	-8.5	
Provision for revolving consumer credit	2.0	-3.3	
Restructuring charges: Hof Hoorneman	-0.7	-3.9	-82%
Other one-off items	-6.5	-2.3	
Operating profit before tax	119.0	178.5	-33%
Income tax	-34.7	-34.6	0%
Net profit	84.3	143.8	-41%
Underlying net result*	117.8	159.9	-26%
Efficiency ratio (%)	73.1%	68.9%	

* Underlying net result excludes expenses related to the accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the integration of Hof Hoorneman and other one-off items, including settlement of an interest rate derivatives case.

Private Clients: Continued high net inflows

AuM (€ bn)



- Net inflows: 55% non-discretionary, 42% discretionary and 3% investment strategies
- Net inflows well spread across NL, BE and CH
- Operating profit before tax at €117.1m (2021: €114.3m)
- Underlying operating profit before tax at €151.4m (2021: €132.3m)
- Commission income +11% to €270.4m (2021: €244.4m)



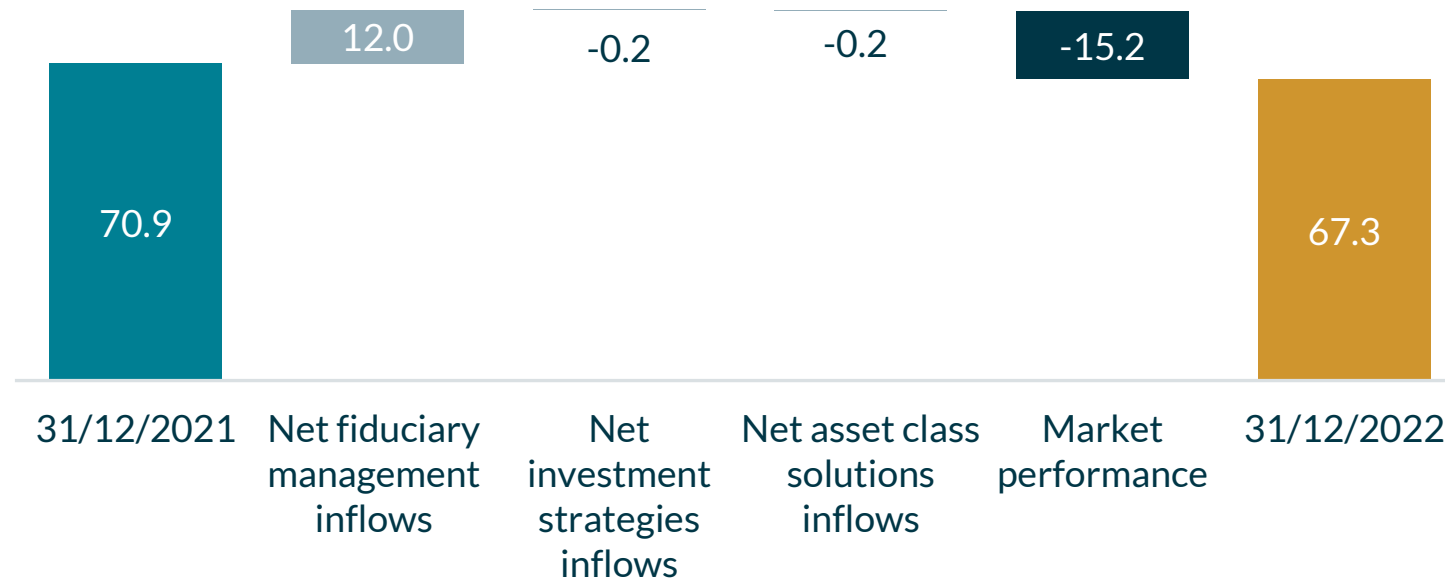
Private Clients: Strong net AuM inflow in Belgium of €0.7bn

- Van Lanschot Kempen acquired a 70% stake in Mercier Vanderlinden in 2021 and will add the remaining 30% stake in Q1 2023
- Ambition: to become a top-three player in the independent private banking market in Belgium
- Van Lanschot Belgium and Mercier Vanderlinden to continue as Mercier Van Lanschot
- Net AuM inflow: Van Lanschot Belgium €0.4bn, Mercier Vanderlinden €0.3bn
- Total AuM: €9.2bn (2021: €9.7bn)



Wholesale & Institutional Clients: €11.6bn net inflow

AuM (€ bn)

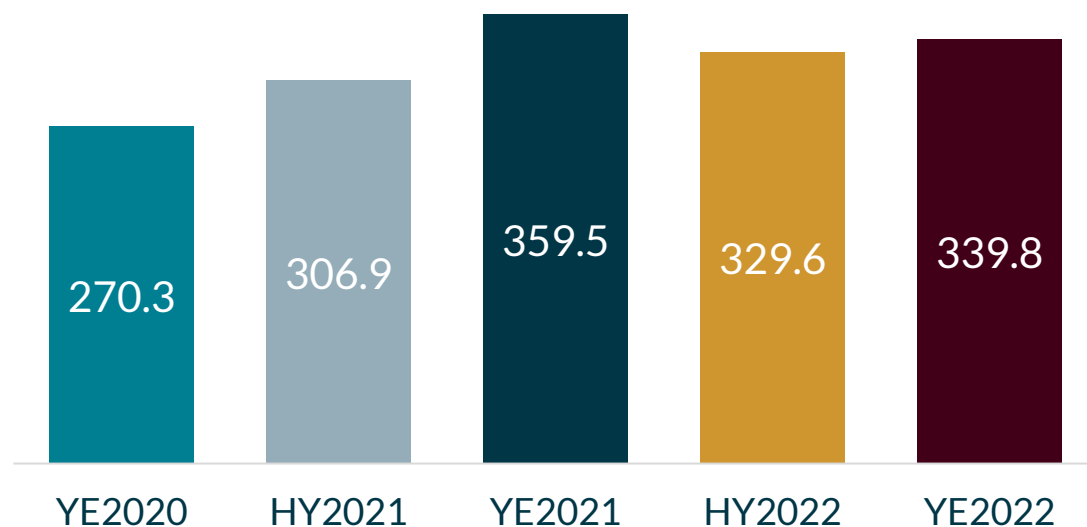


- Two large new clients: BPF Schilders pension fund (almost €8bn) and KLM Cabin Crew pension fund (almost €4bn)
- Outflows in credit and real assets strategies, partly offset by small-cap strategies
- Operating profit before tax at €2.2m (2021: €9.6m)
- Commission income at €78.4m (2021: €81.4m), decrease reflects a €5.5m performance fee in 2021
- Focus on profitable growth for investment strategies in western Europe and for fiduciary management in NL and UK

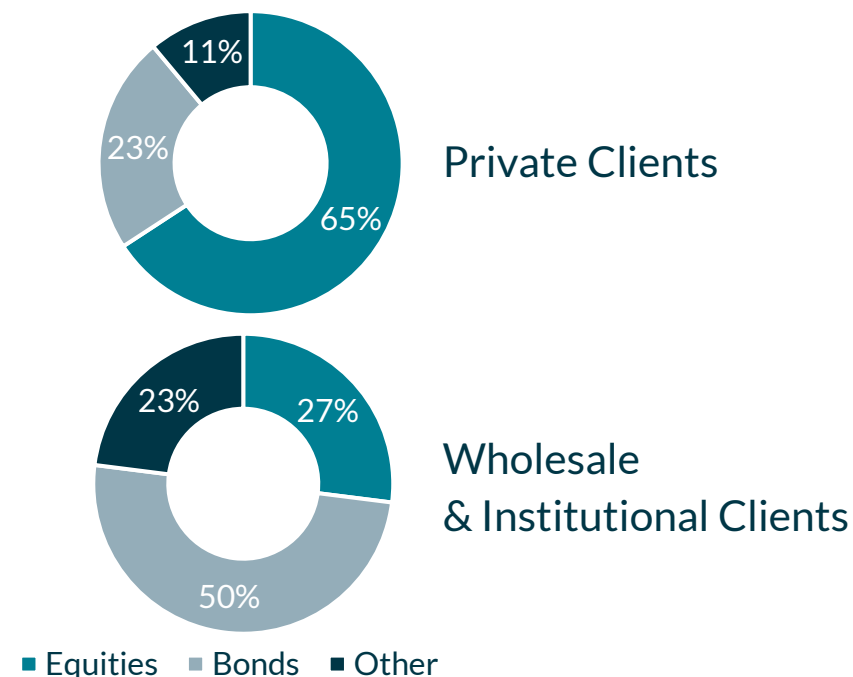


Stable margins at both Private Clients and Wholesale & Institutional Clients

Annualised recurring fees* (€ m)



AuM breakdown (~%)



- Stable AuM margins: Private Clients: 63 bps (2021: 62 bps); Wholesale & Institutional Clients: 12 bps (2021: 12 bps)

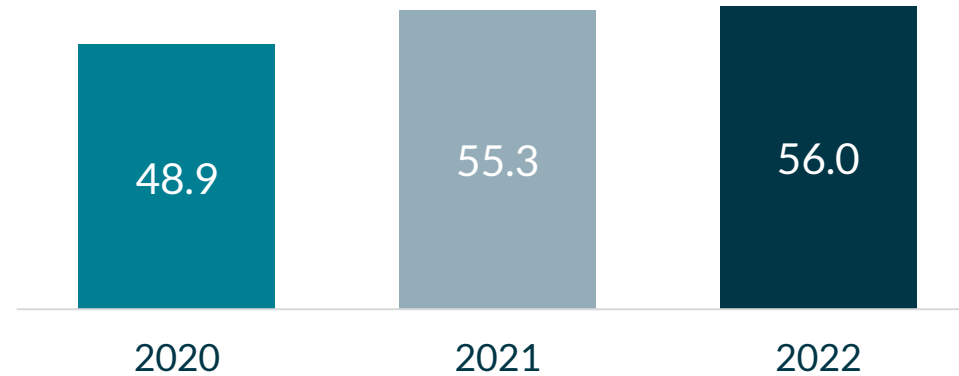
*Annualised recurring securities commission is determined by multiplying the AuM on the reporting date by the management fee per client to determine the expected annualised management fee, assuming the AuM remains unchanged. The expected annual transaction fees related to these client portfolios are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



Investment Banking Clients: Stable commission income in challenging markets



Commission income (€ m)

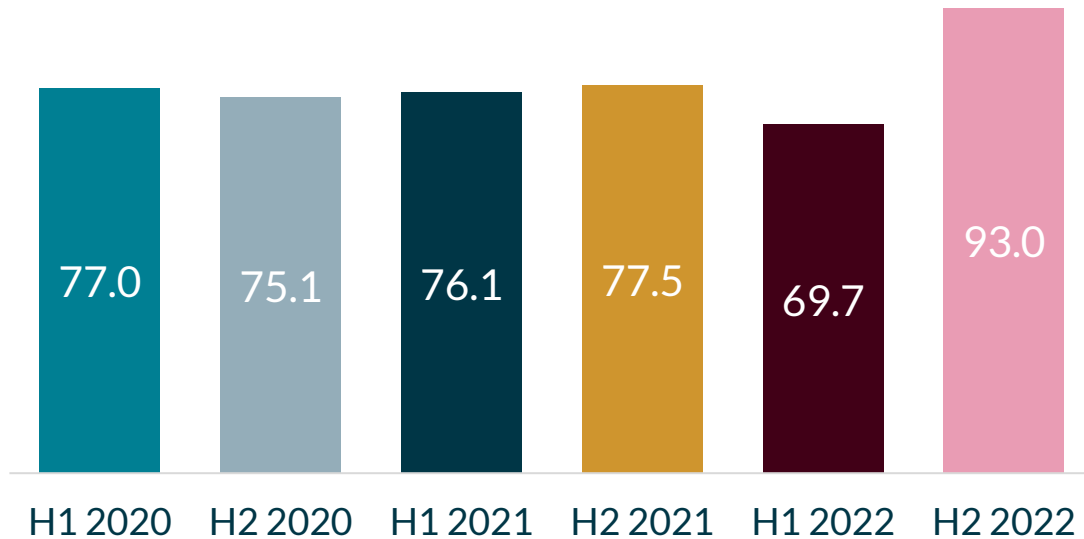


- Operating profit before tax fell to €9.7m (2021: €18.8m) in the wake of higher staff costs, lower income from securities trading and a book profit from the sale of Global Property Research in 2021
- 37 transactions were completed with a total volume of €8.1bn

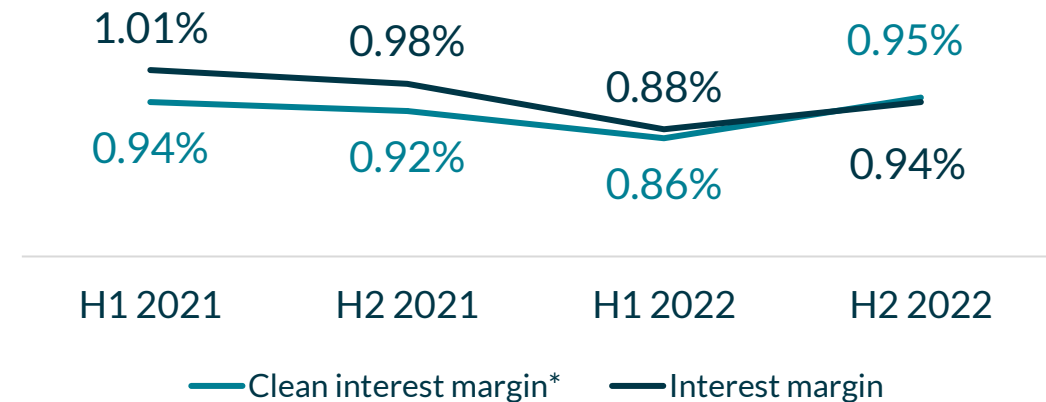


Interest margins improved in H2 2022

Interest income (€ m)



Interest margin (12-mth moving average, %)



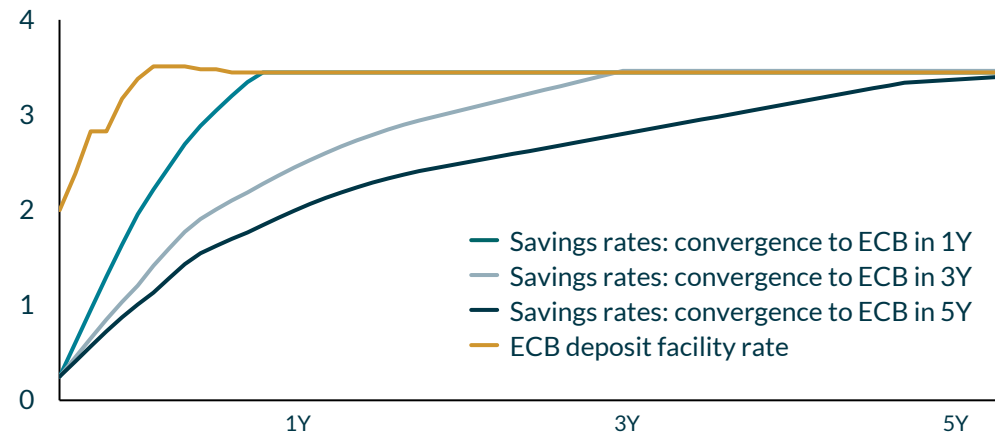
- Interest income up on the back of ECB interest rate hikes in the second half of the year
- In 2022, growth in our loan portfolio supported interest income
- Lower early redemption fees in 2022: €5.8m (2021: €13.3m), driven by fewer prepayments

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

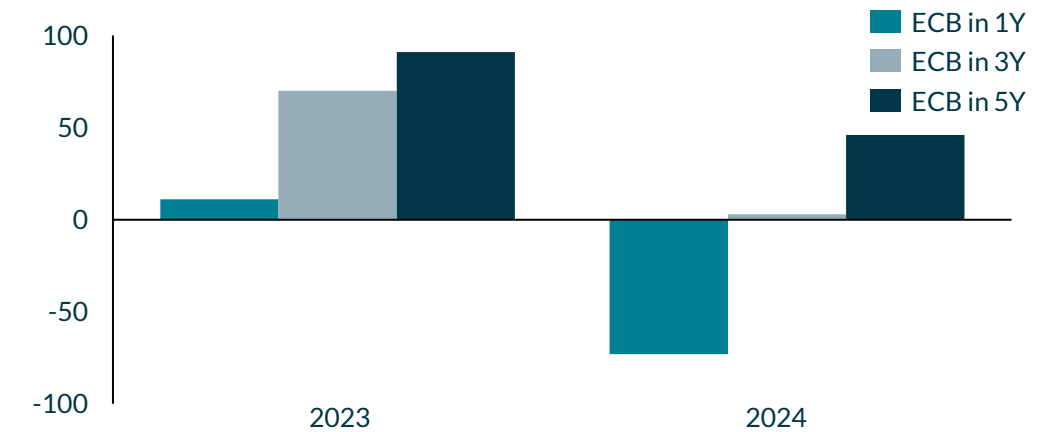


Convergence path of savings rate to ECB deposit rate main driver of interest income in the next few years

Potential convergence paths of client rate on savings to ECB deposit facility rate



Interest income to benefit from slow convergence to ECB deposit facility rate
(€ m – delta to total interest income 2022)

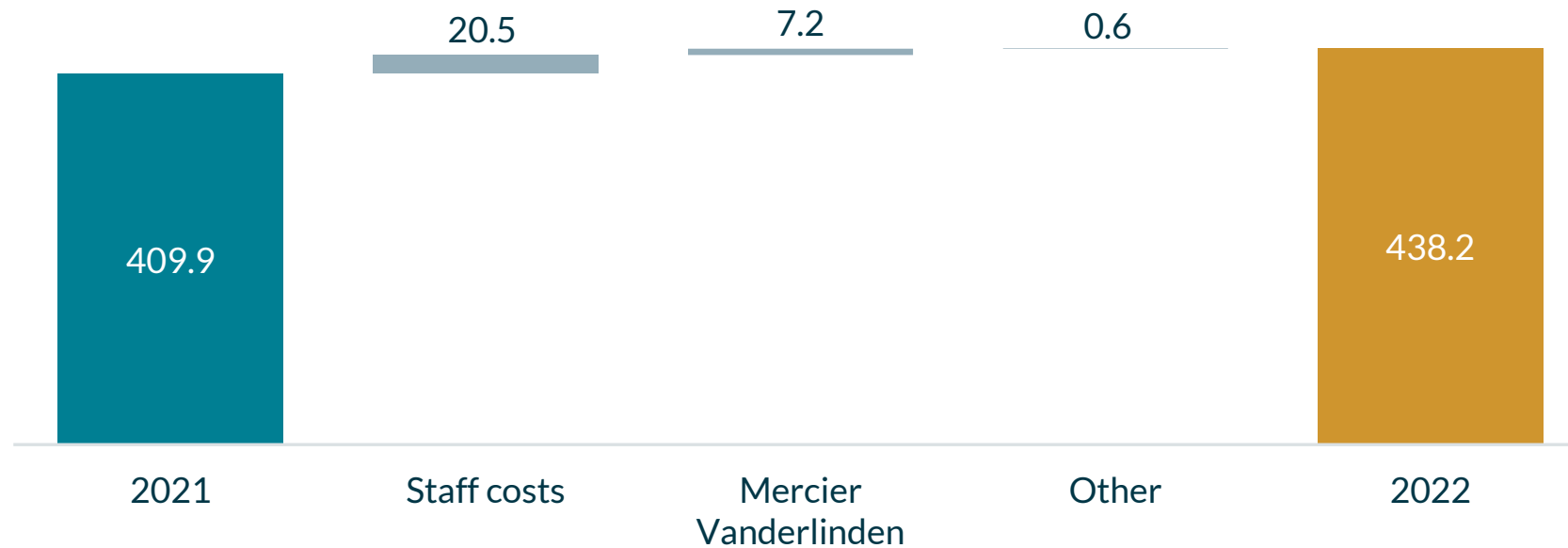


Assumptions

- As forward rates are relatively flat, we assume convergence to the ECB deposit rate as a proxy for convergence to long-term rates as well
- A replicating book with around 50% repricing within one year
- As savings rate increases, we expect 50%-60% of current accounts to flow to interest-bearing savings accounts. We expect a stable base of current accounts will remain at a 0% client rate
- Client rate projections are based on various rates of convergence to the ECB deposit facility rate
- We assume stable volumes for client deposits and the loan portfolio

Operating expenses developed in line with organic and inorganic growth

Operating expenses (€ m)

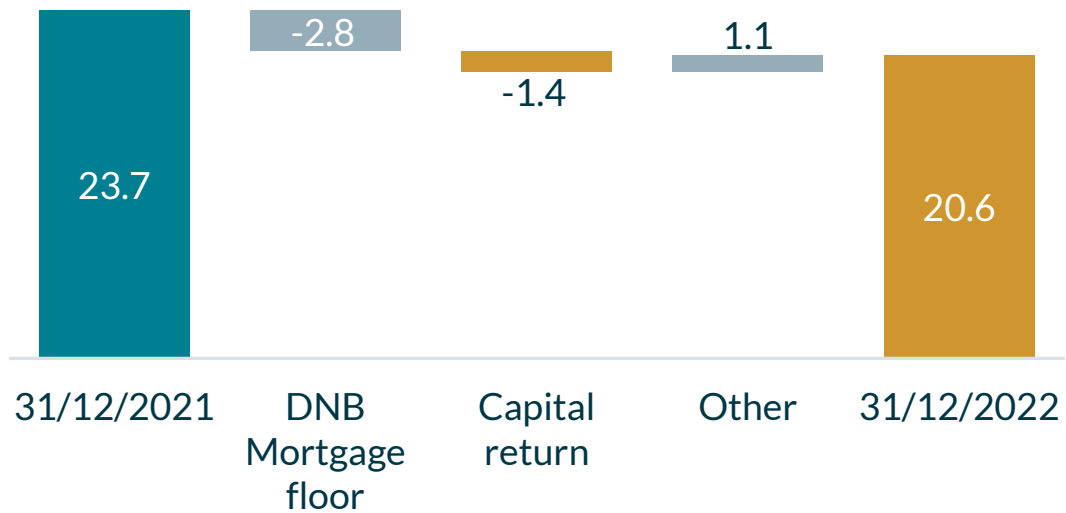


- Staff costs up, mainly driven by a higher number of FTEs at 1,780 (2021: 1,654), reflecting our growth ambitions
- Going forward, we expect:
 - Staff costs: general increase of fixed salaries by 4.4% as of 1 January 2023 and 1% as of 1 July 2023
 - General IT expenses up by 10%
 - Cost control remains key

Strong CET 1 ratio at 20.6%

Dividend proposal of €1.75 per share (total €74.2m)

Common Equity Tier 1 ratio (%)



Expected CET 1 ratio developments in 2023:

- Impact of +0.8 percentage points related to the share issuance as a result of the acquisition of the remaining 30% stake in Mercier Vanderlinden
- Impact of -0.4 percentage points as a result of the announced acquisition of Robeco's online investment platform



Solid capital position

Continued commitment to return excess capital

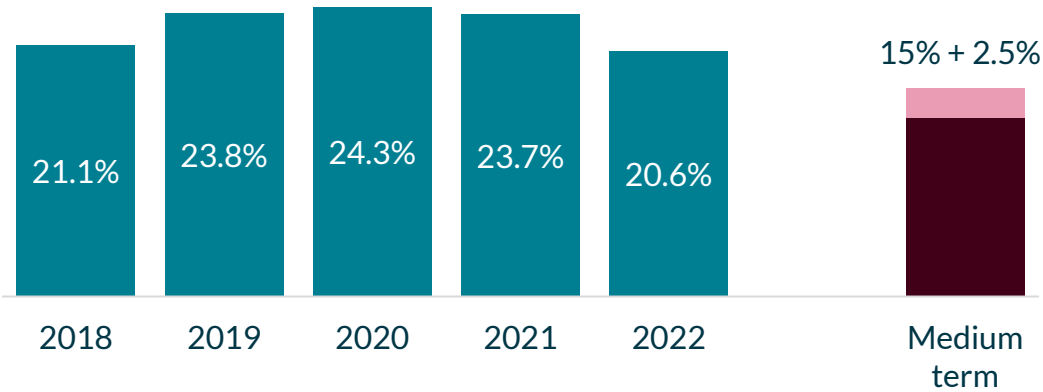


- Our target for the CET 1 ratio: 15% plus an M&A add-on of 2.5%
- At the time of announcement of the target, excess capital amounted to €145m (May 2022)
- €61m excess capital returned in December 2022
- Plan to return €2.00 per share (totalling c. €85m) in H2 2023, subject to regulatory approval
- Our intention is to return capital above our target to our shareholders going forward, subject to regulatory approval

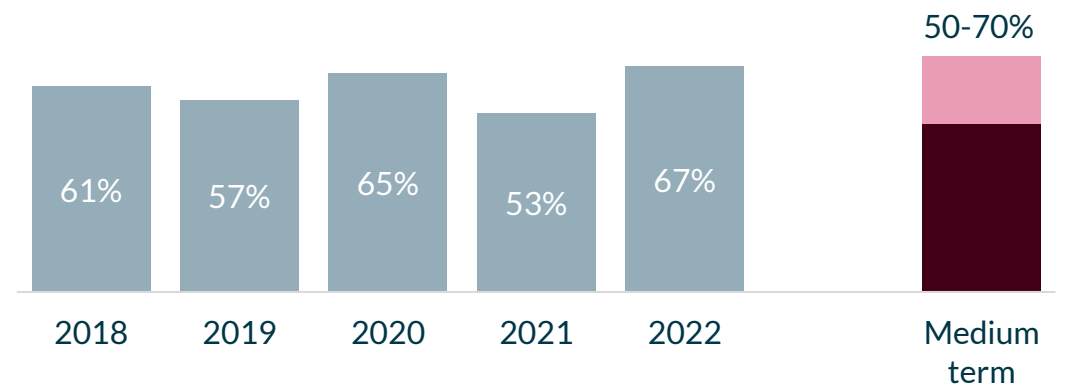


Financial targets overview

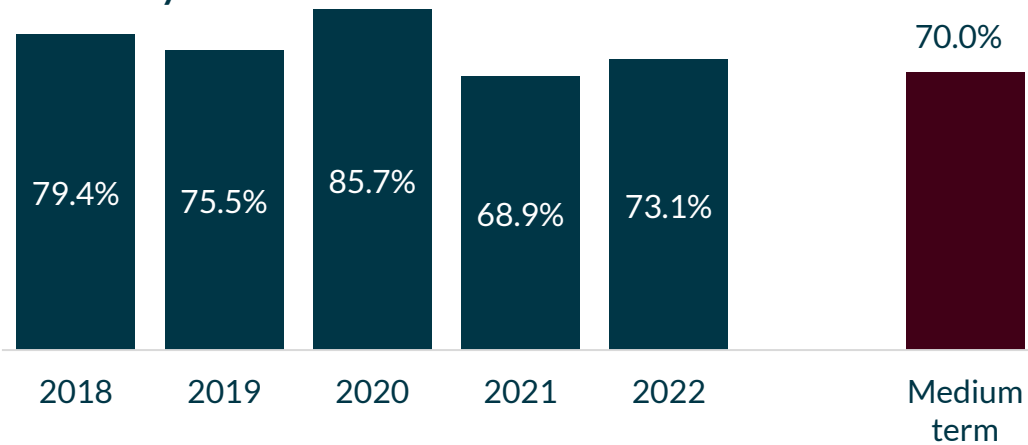
Common Equity Tier 1 ratio



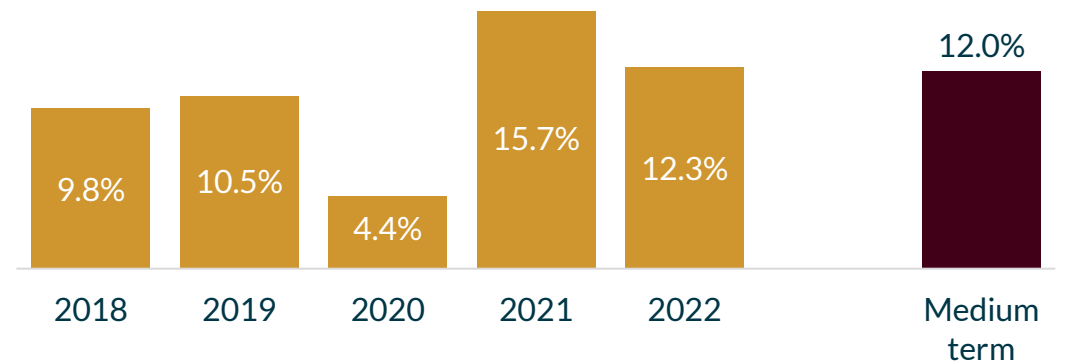
Dividend pay-out ratio*



Efficiency ratio



Return on Common Equity Tier 1*



* Based on underlying net result attributable to shareholders



Acquisition of Robeco online investment platform

Positioning Evi van Lanschot for further growth

Evi van Lanschot and Robeco

Evi van Lanschot

- €1.3bn in AuM
- c. 25,000 clients
- c. 100 bps for services + investment solutions

Robeco Retail Nederland

- €4.7bn in AuM
- c. 125,000 clients
- c. 30 bps for services

The combined activities

- Online and personal
- Combined €6.0bn in AuM and c. 150,000 clients
- Robeco investment funds to remain part of client offering
- Strengthening our mass-affluent team

The future

- Become leader in mass-affluent market
- Economies of scale
- Platform for further growth
- Improved client offering
- Complementary propositions

- Impact on CET 1 ratio is -0.4 percentage points
- One-off transition costs in the range of €8m – €11m during a two-year integration period
- Combined activities expected to break even by 2025 – and then start to make a positive contribution to net profit





**Van Lanschot Kempen's
diversified funding
profile and solid capital
buffers**

Van Lanschot Kempen's solid profile is reflected in its creditworthiness

Standard & Poor's

- Long-term credit rating of issuer: BBB+
- Outlook long-term credit rating: Stable
- Short-term credit rating of issuer: A-2
- Latest press release: 7 November 2022
- Latest report: 24 June 2021

"Our stable outlook on Netherlands-based Van Lanschot Kempen N.V. (VLK) reflects its focus on wealth management and our anticipation that its AUM base will remain resilient over the next two years, through organic and potential M&A, and excluding market effects. With costs remaining broadly under control, we expect the bank to improve efficiency to be in line with the industry and consistent with the current ratings. We also expect VLK's capital will remain a key rating strength based on a risk-adjusted capital (RAC) ratio, before diversification, of 10%-15% over the next 24 months. This reflects the controlled expansion of core activities and sufficient internal capital generation."

(07-11-2022)

Fitch

- Long-term credit rating of issuer: BBB+
- Outlook long-term credit rating: Stable
- Short-term credit rating of issuer: F2
- Latest press release: 15 June 2022
- Latest report: 4 July 2022

"Van Lanschot Kempen N.V.'s ratings are underpinned by its well established, albeit niche franchise in wealth management, investment banking and asset management, as well as sound asset quality and capitalisation, and a stable funding and liquidity profile. The ratings also consider profitability, which is below international peers with a similar business mix. Fitch's assessment of the bank's business profile reflects its established wealth management franchise in the Netherlands, small size compared with leading domestic players, and adequate geographic diversification, particularly in neighbouring Belgium. Van Lanschot's asset management and investment banking businesses provide a moderate degree of diversification to its revenue streams."

(04-07-2022)



Balance sheet shows strong capital and funding position

Significant capital buffer

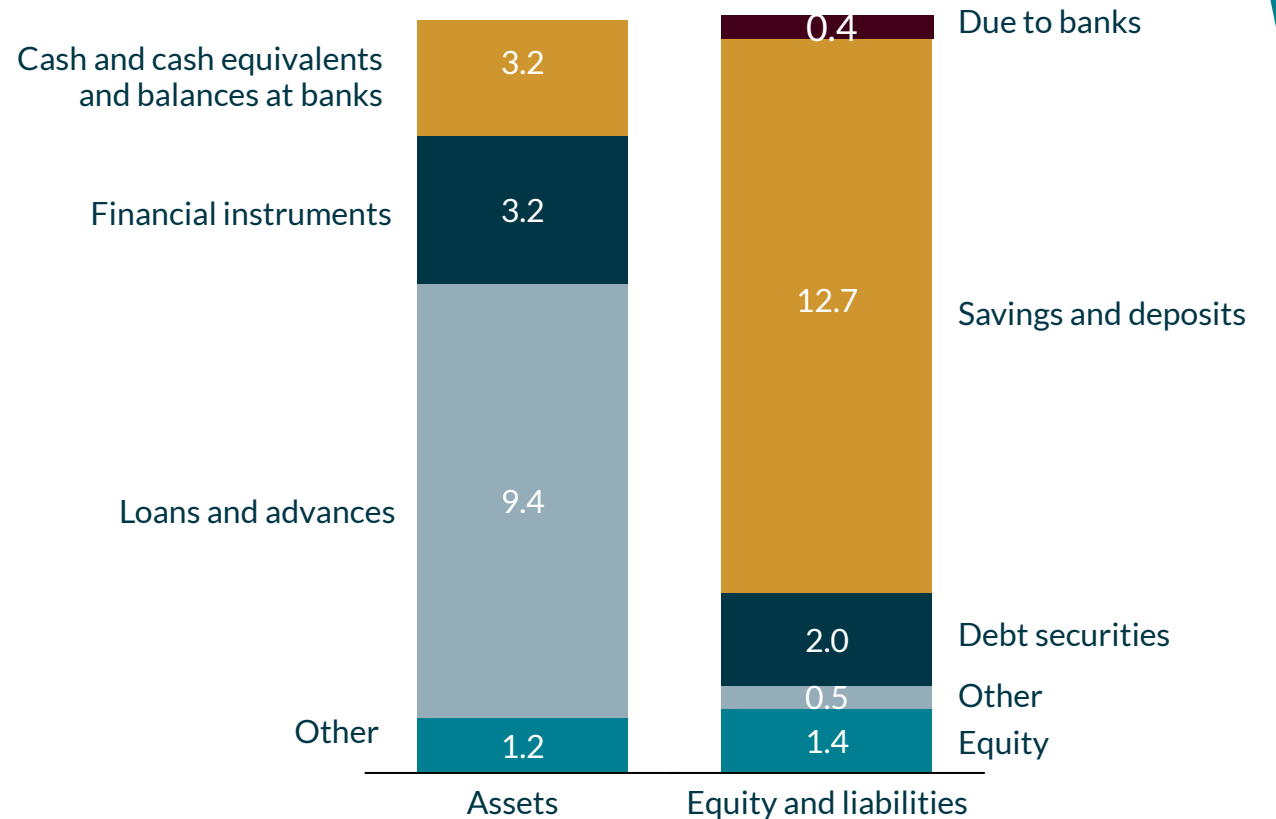
- Total equity of €1.38bn
- CET1 ratio 20.6%
- Leverage ratio 5.7%

Low-risk assets

- The total loan portfolio increased by 5% in 2022
- Mortgage book remained stable in 2022
- Investment portfolio consists mainly of low-risk European government bonds and bonds issued by financial institutions

Solid, diversified funding position	31 December 2022
Loan-to-deposit ratio	73.6%
Liquidity coverage ratio	178.3%
Net stable funding ratio	158.1%

Balance sheet 31 December 2022
€ bn, balance sheet total = €17.0bn



Van Lanschot Kempfen has various funding programmes

Secured programmes

- Public covered bond programmes used for wholesale funding purposes
- Residential mortgage loan portfolio, fully originated and serviced by Van Lanschot Kempfen
- Registered with the Dutch Central Bank
- ECBC Covered Bond Label

Specific programme characteristics

- CPT Covered Bond Programme 2 is a retained programme used for liquidity management purposes
- Both CPT Covered Bond Programmes are significantly de-linked from Van Lanschot Kempfen's rating
- New covered bonds are issued of the Soft Bullet Covered Bond Programme

Unsecured programmes

Debt Issuance Programme / MTN

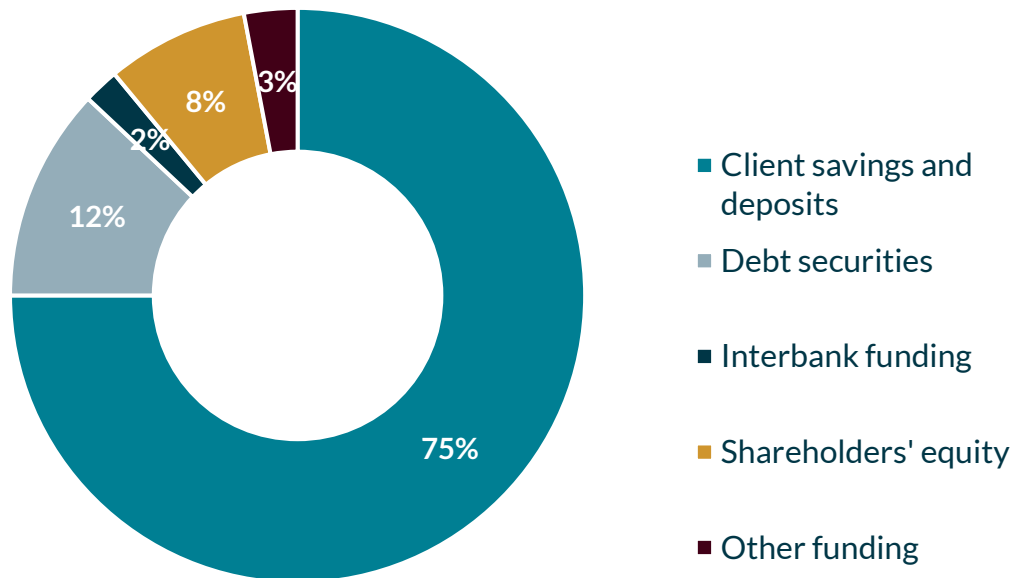
- €5.0 billion programme
- Used for wholesale funding (senior unsecured and subordinated), and structured retail products

Non-MTN / Specials

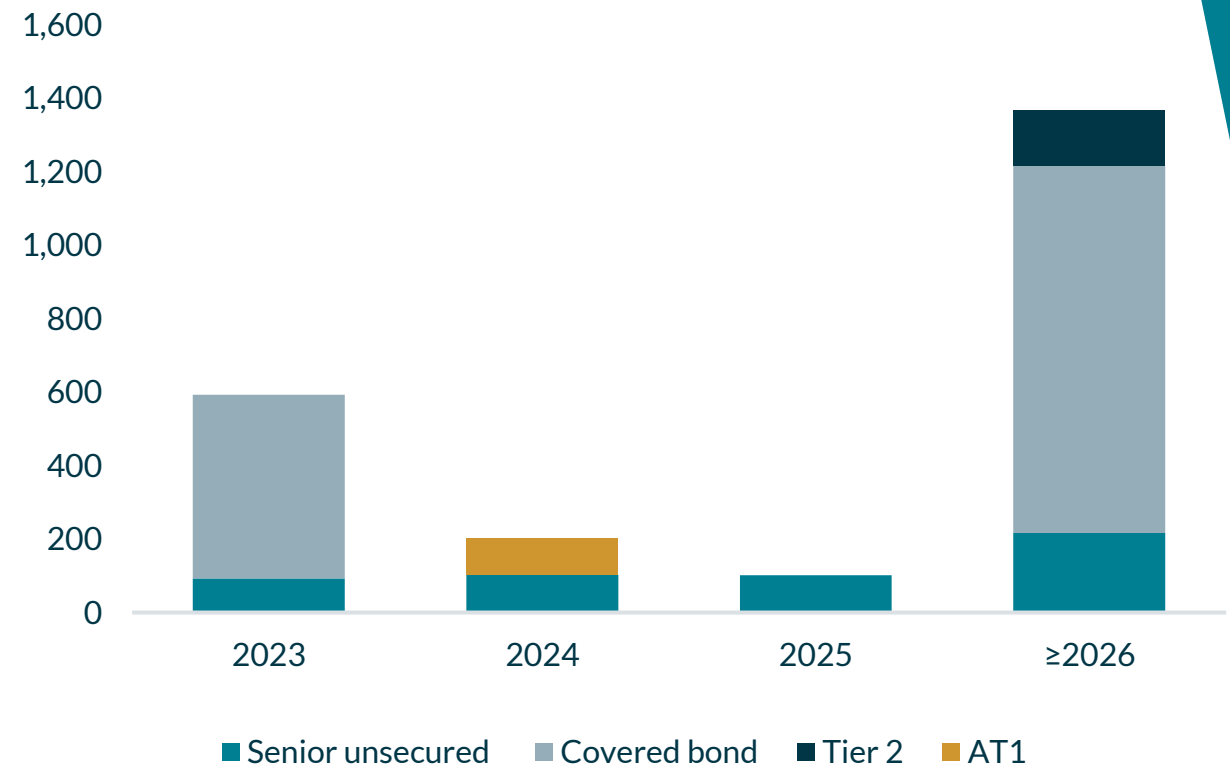
- Euro and non-euro issues on stand-alone documentation
- Private placements
- Structured products (SNIP)
- Hybrid instruments

Diversified funding mix and solid liquidity buffers

Funding mix 31 December 2022
(100% = €17.0 billion)



Redemption profile*
€m

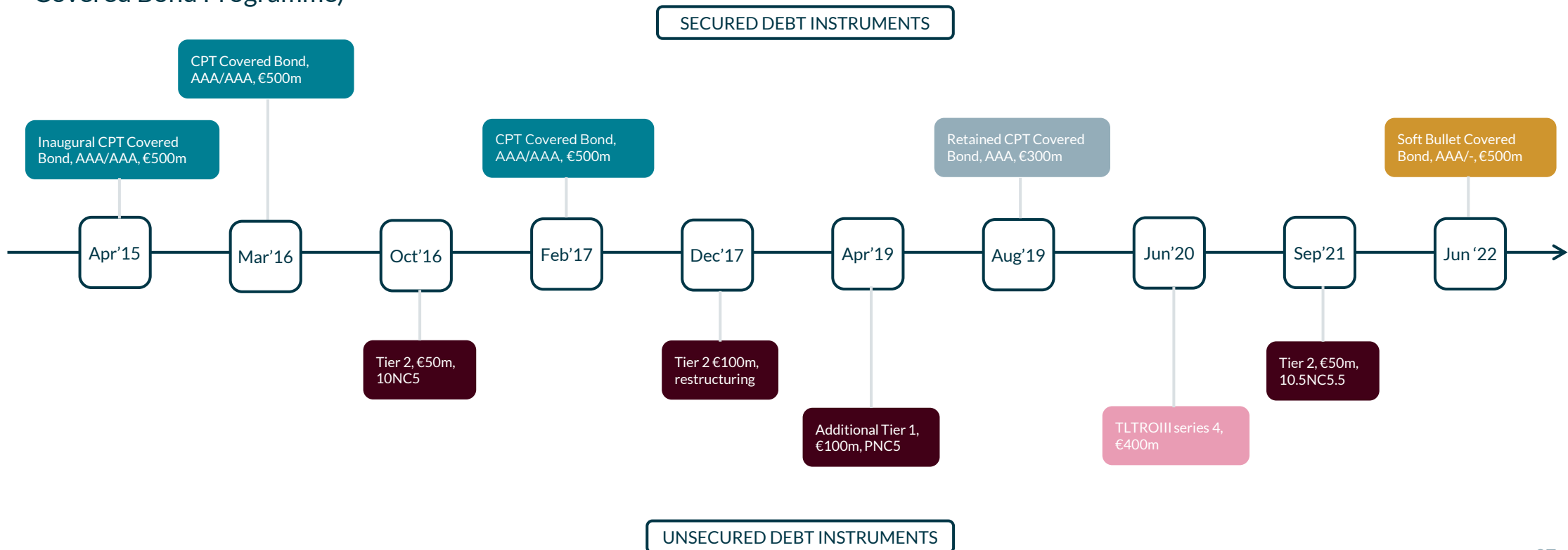


*As per 31 December 2022, breakdown by years is based on the first call dates of the instruments.



Long track record of issuing secured and unsecured debt instruments

- Strong funding position based on a stable level of bond issuance, our presence in wholesale markets and accordingly experienced with secured funding related (reporting) tasks
- Experienced player in setting up new funding programmes (for example: the public CPT Covered Bond Programme replaced the Citadel and Lunet RMBS programmes and the newly set-up Soft Bullet Covered Bond Programme will overtime replace our public CPT Covered Bond Programme)



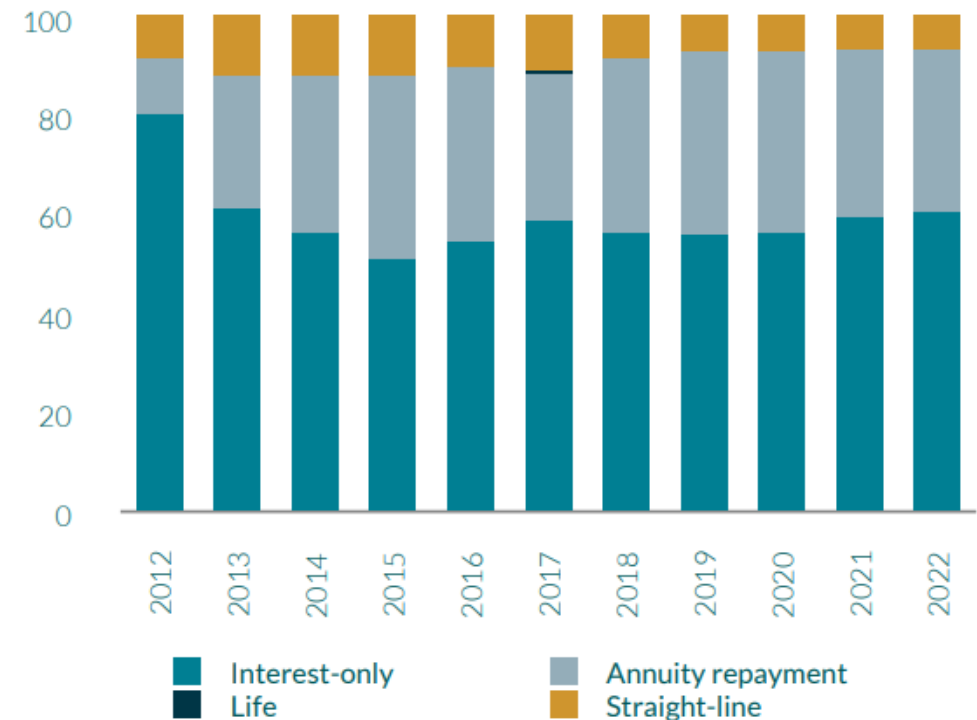


Mortgage loan portfolio

Offering mortgages to private banking clients

- We are a specialist wealth manager offering multiple services to our clients: investment allocation, estate planning and financing – and we also offer mortgages to our private banking clients
- Our private bankers can offer personalised service thanks to their compact client portfolio size. Our investment advisers also add value by providing advice on clients' investment portfolios
- As a long-standing institution, we've been offering credit for many years. This means that our credit assessment takes place in-house and we make limited use of intermediaries
- Mortgages are primarily granted to high net-worth individuals
- More than 70% of the portfolio consists of Dutch residential mortgages with an average loan-to-value (LTV) of 63%.

Mortgage loans: new production by type (%)

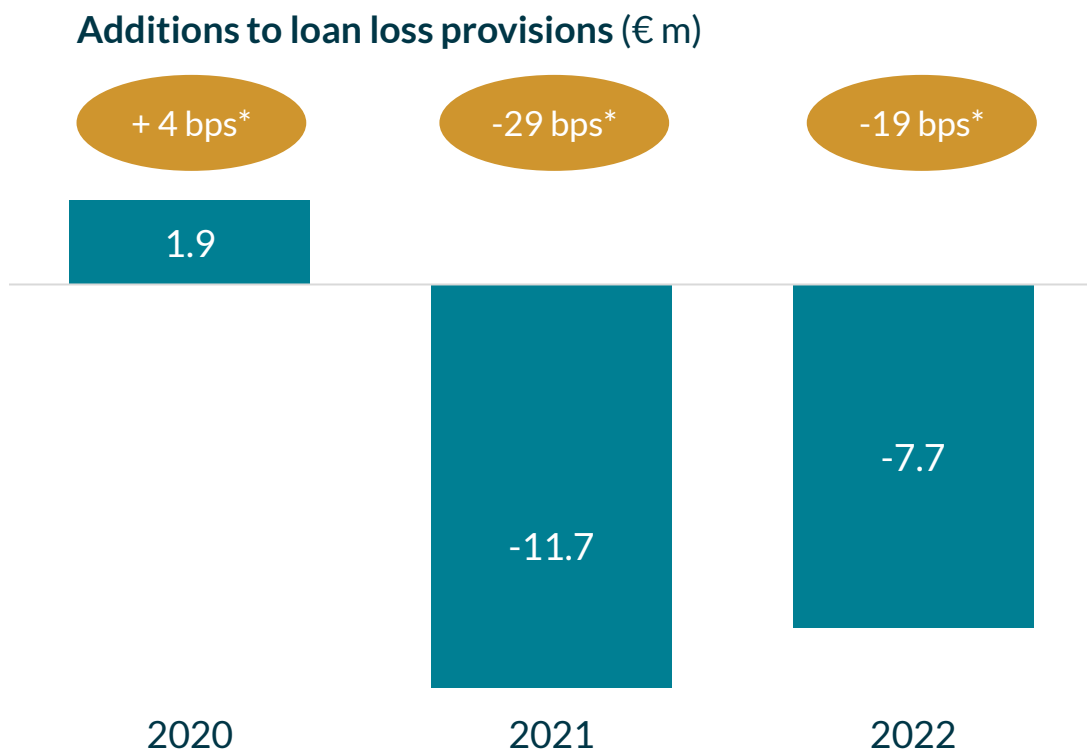


Loan portfolio

€ m	Loan portfolio 31/12/2022	Loan portfolio 31/12/2021	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	6,341	6,337	0%	24	1	0.4%	6%
Other loans	2,371	2,199	8%	82	25	3.5%	31%
Loan portfolio	8,712	8,536	2%	106	27	1.2%	25%
Mortgages distributed by third parties	373	389	-4%	0	0	0.0%	2%
Other loans covered by residential real estate	320	-	0%	0	0	0.0%	0%
Total loan portfolio	9,404	8,925	5%	106	27	1.1%	25%
ECL stages 1 and 2					13		
Total	9,404	8,925	5%		40		

- Other loans include loans to family businesses and entrepreneurs (37%), Lombard loans (31%), current accounts (20%)
- Higher other loans driven by a €0.1bn increase in Lombard loans in Belgium
- Impaired ratio decreased to 1.1% (2021: 1.7%)

Release from loan loss provisions



Loan loss provision per stage

€ m	31/12/2021	31/12/2022	% change
Stage 1	3.6	6.1	69%
Stage 2	3.5	7.0	101%
Stage 3	42.4	26.9	-36%
Total	49.5	40.0	-19%

- Current management overlay amounts to €5.2m (2021: €1.6m) – aiming to reflect real-world behaviour of our clients and the economy, which is not (fully) captured by the models

*Annualised loan loss provision / average total RWA



Soft Bullet Covered Bond Programme

Highlights & key benefits

Highlights - summary

Issuer	Van Lanschot Kempen NV
Programme size	€5.0 bn
Format	Soft Bullet (SB)
Extension Period	Maximum of 12 months
Guarantor	Van Lanschot Kempen SB Covered Bond Company B.V.
Rating	AAA (S&P)
Collateral	Prime Dutch residential mortgage loans
Governing law	Dutch covered bond legislation Programme is supplemented to meet the new legislation on the basis of the Covered Bond Directive
Overcollateralisation	Regulatory OC% of at least 5% Asset Percentage: 78%

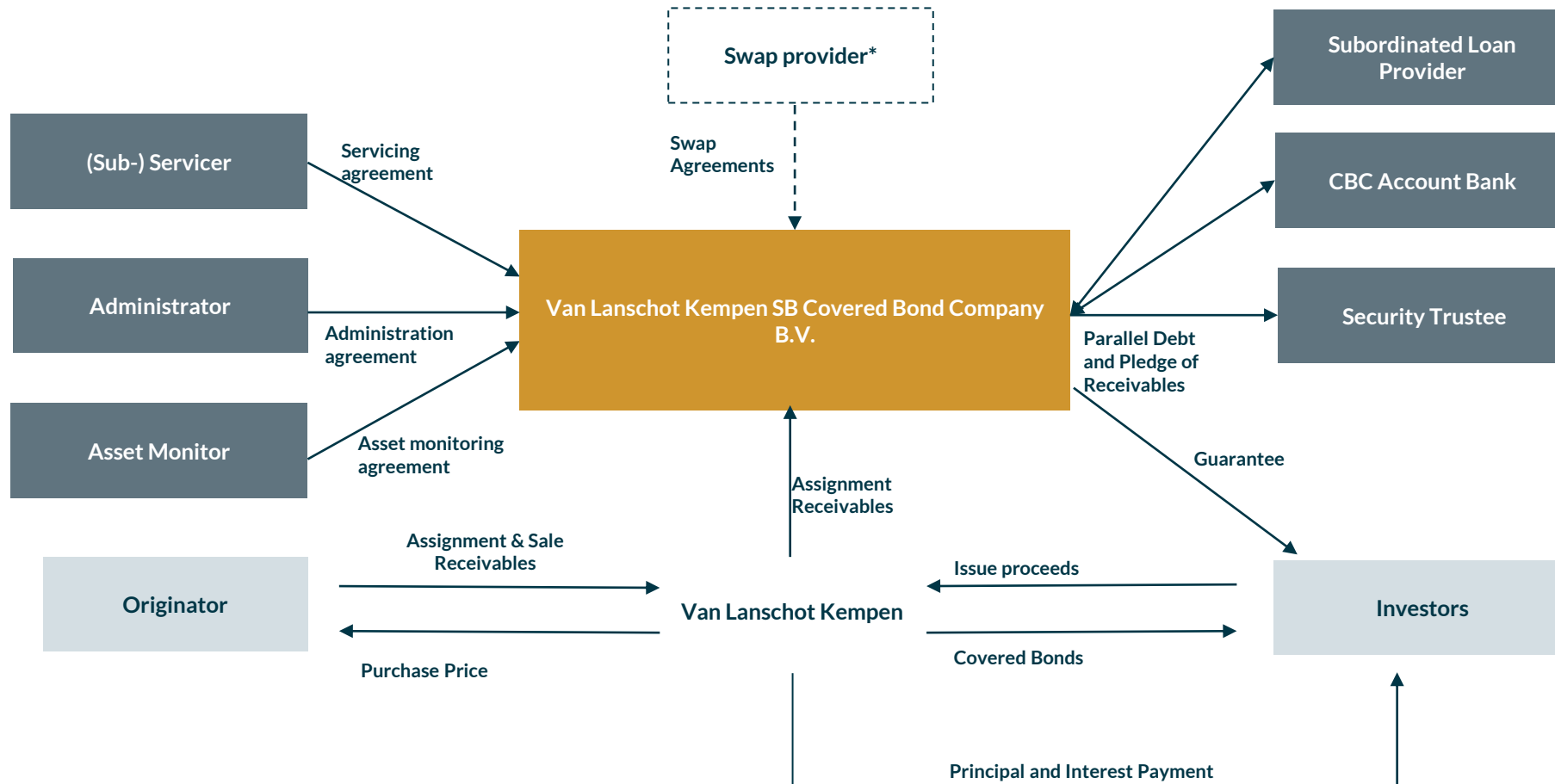
Key benefits

Robust structure	Registered programme with DNB Strong programme tests (asset cover test & amortisation test) No interest rate swap counterparties* Exempted from bail-in
Dual recourse	Recourse to Van Lanschot Kempen (BBB+/BBB+) (S&P/Fitch) on an unsecured basis should the cover pool be insufficient to repay covered bond holders Recourse to CBC in case of default of Van Lanschot Kempen
Favourable regulatory treatment	Qualify as LCR eligible (Level 1) Solvency II eligible ECB CBPP3 eligible UCITS and CRR article 129 compliant ECB repo eligible
Cover pool**	Originator: Van Lanschot Kempen CLTIMV: 46.55%**
Reporting	ECBC Covered Bond label Compliance by NTT & HTT format

* Portfolio swap and Interest rate swap are optional for the Programme

** The composition is based on the current cover pool (Jan-23) which composition can change in the future

Transaction structure



* Portfolio swap and Interest rate swap are optional for the Programme

Key parties & transaction structure

Key Programme Parties

Originator	Van Lanschot Kempen
Transferor	Van Lanschot Kempen
Issuer	Van Lanschot Kempen
Servicer	Van Lanschot Kempen
Guarantor	Van Lanschot Kempen SB Covered Bond Company
Subordinated Loan Provider	Van Lanschot Kempen
Administrator	Intertrust Administrative Services
Asset Monitor	PriceWaterhouseCoopers (PwC)
Director CBC	Intertrust Management
Security Trustee	Stichting Security Trustee Van Lanschot Kempen SB Covered Bond Company
Director Security Trustee	IQ EQ Structured Finance
CBC Account Bank	BNG Bank

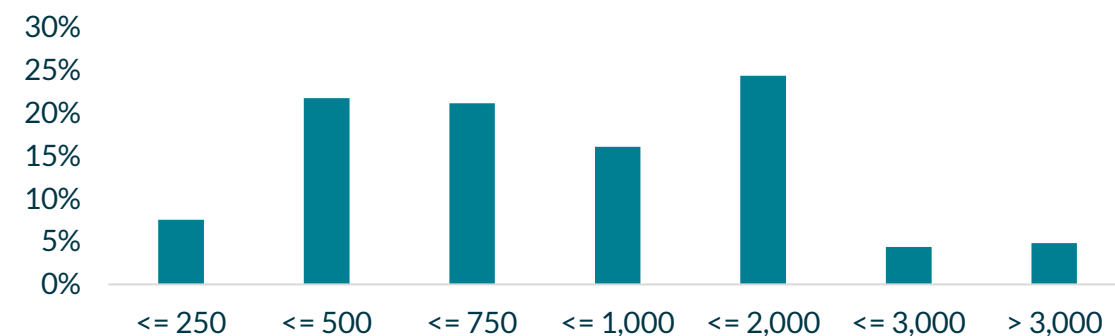
Key pool characteristics as of 31 December 2022

Net principal balance	€677,121,400
Construction deposits	€247,090
Fixed rate	98.38%
Floating rate	1.62%
Number of loans	1,236
Number of loan parts	2,908
Average net principal balance (per borrower)	€547,832
Weighted average current interest rate	2.28%
Weighted average maturity (in years)	17.76
Weighted average remaining time to interest reset (in years)	7.33
Weighted average seasoning (in years)	12.25

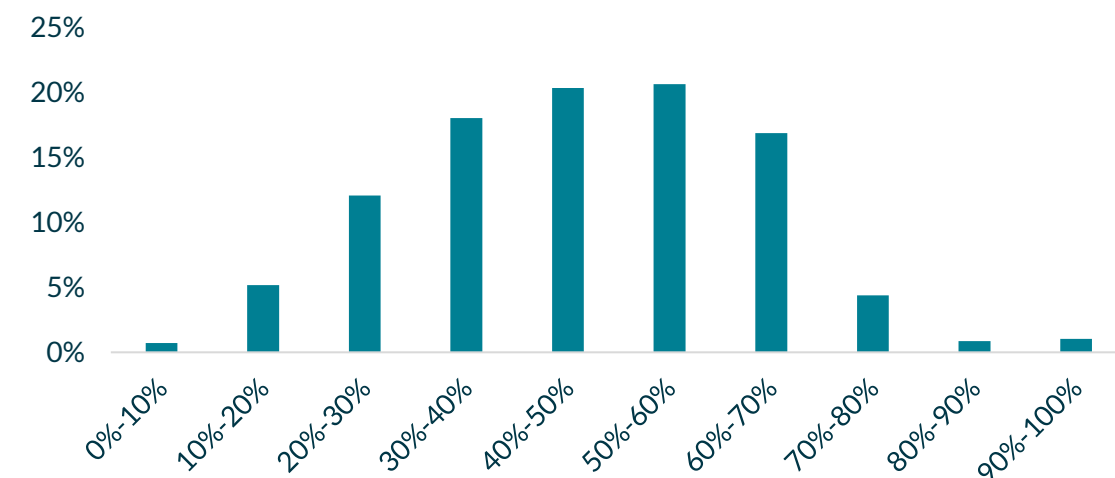
Cover pool characteristics as of 31 December 2022

Current loan balance per borrower

€ thousand



Current Loan to Indexed Market Value

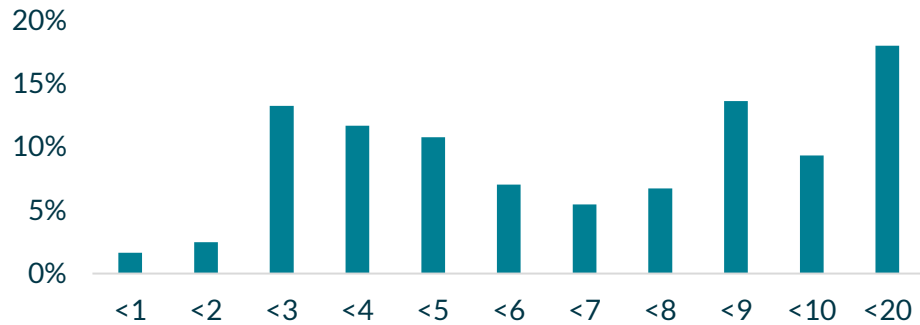


Geographical distribution as % of outstanding amount

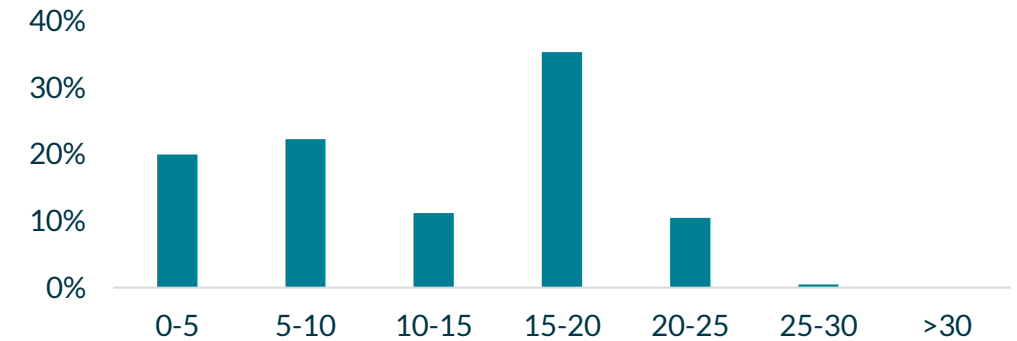
Noord-Holland	30.71%
Zuid-Holland	22.03%
Utrecht	16.78%
Noord-Brabant	14.05%
Gelderland	8.34%
Limburg	2.47%
Overijssel	1.79%
Zeeland	1.31%
Flevoland	0.94%
Groningen	0.58%
Drenthe	0.53%
Friesland	0.47%

Cover pool characteristics as of 31 December 2022

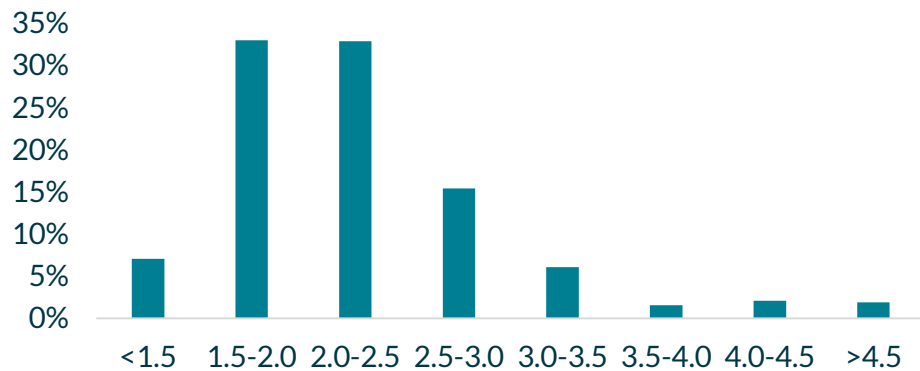
Remaining interest rate fixed period (in years)



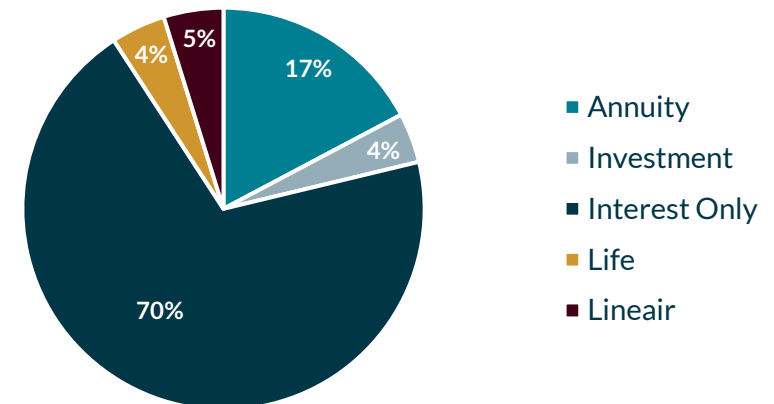
Seasoning (in years)



Interest rate (%)



Product type



Soft Bullet mechanism

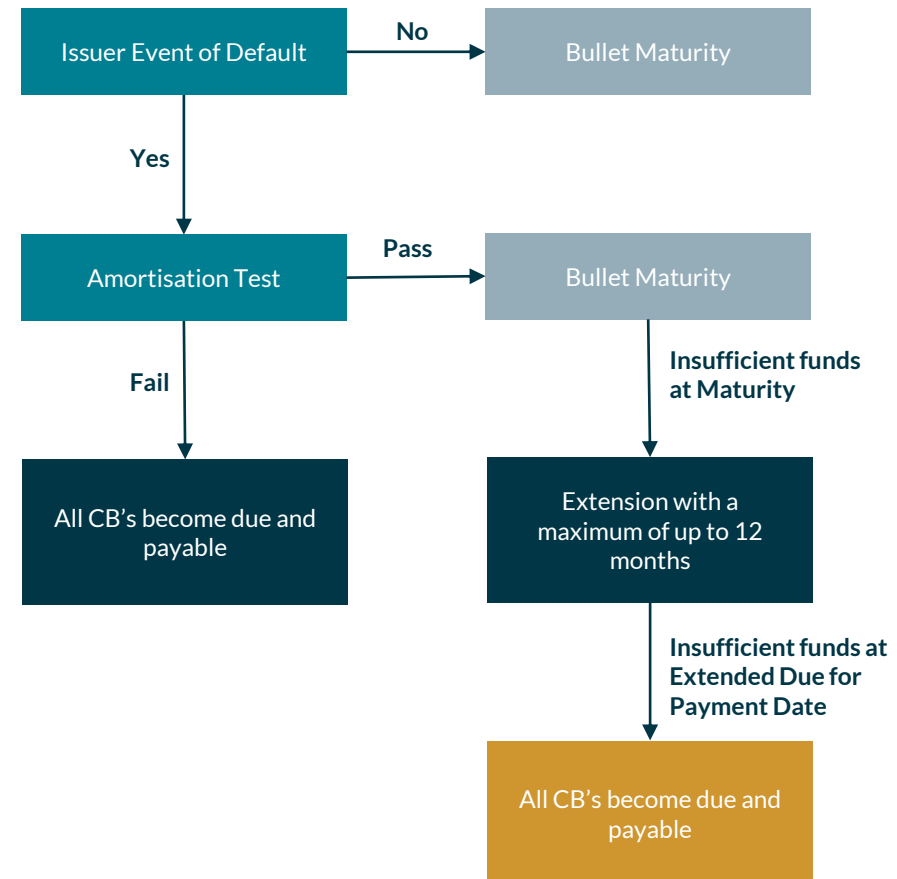
Going-concern

- The covered bonds (CBs) are bullet securities due on the specified maturity date and the Issuer makes the coupon and principal payments to the investors
- The ACT ensures that the cover pool meets the minimum OC requirements

Issuer event of default

- The ACT will be replaced by the Amortisation Test
- If on the maturity date of the CB an Issuer Event of Default takes place and the CBC has insufficient funds to redeem the CB, this will not trigger a CBC Event of Default
- At such moment the maturity date is extended for a maximum of 12 months
- During this extension period the administrator undertakes to (partially) sell the cover pool and to use the proceeds to (partially) repay the CB series on every interest payment date within this period
- If the structure has insufficient funds to repay a specific series on the Extended Due for Payment Date, this will trigger a CBC default and result in all CBs becoming due and payable
- A breach of the Amortisation Test would also constitute a CBC Event of Default and lead to all CBs becoming due and payable

Soft Bullet Mechanics



Comparison - Dutch covered bond programmes

Main highlights*

	 VAN LANSCHOT KEMPEN	 ABN-AMRO	 achmea	 AEGON	 ING	 NIBC	 NN	 Rabobank	 de volksbank
Issuer Rating (S/M/F)	BBB+/NR/BBB+	A/A1/A	A-/NR/A	A/NR/A-	A+/A1/AA-	BBB+/NR/BBB	A-/NR/NR	A+/Aa2/A+	A-/A2/A-
Programme Rating (S/M/F)	1. AAA/NR/NR 2. AAA/NR/AAA	NR/Aaa/AAA	1. NR/Aaa/AAA 2. AAA/NR/NR	1. AAA/NR/NR 2. AAA/NR/NR	1. AAA/Aaa/AAA 2. AAA/NR/AAA 3. NR/Aaa/NR	1. AAA/NR/NR 2. AAA/NR/AAA	AAA/NR/NR	NR/Aaa/NR	NR/Aaa/AAA
Collateral Type	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages
Indexed Valuation	Kadaster, 90% increase 100% decrease	Calcasa, 100% increase 100% decrease	Calcasa 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 100% increase 100% decrease
LTV Cut-Off (ACT)	80%	80%	80%	80%	80%	80%	80%	80%	80%
Asset Percentage	1.) 78% 2.) 95.0%	93.0%	1.) 94.3% 2.) 94.5%	1.) 97% 2.) 93%	1.) 98% 2.) 98% 3.) 93%	1.) 78% 2.) 98%	96.5%	100%	88.5%
Total Return Swap Provider	Na	na	na	na	1.) ING Bank N.V. 2.) ING Bank N.V. 3.) na	na	na	na	na
Repayment Type	1.) Soft Bullet 2.) Conditional Pass-Through	Hard & Soft Bullet	1.) Conditional Pass-Through 2.) Soft Bullet	1.) Conditional Pass-Through 2.) Soft Bullet	1.) Hard Bullet 2.) Soft Bullet 3.) Soft Bullet	1.) Soft Bullet 2.) Conditional Pass-Through	Soft Bullet	Soft Bullet	Soft Bullet
UCITS Compliant	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CRR Article 129 Compliant	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DNB Registration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Comments *	Two public programmes		Two public programmes	Two public programmes	Three public programmes	Two public programmes			

*Based on July 2022 reporting figures as published by individual issuers.

Van Lanschot Kempen investor reporting

- Van Lanschot Kempen is a member of the Dutch Association of Covered Bond issuers (DACB). The objective of the DACB is to continuously improve the quality of the Dutch covered bond product offering (see also www.dacb.nl)
- The public Conditional Pass Through and the Soft Bullet Covered Bond Programmes both carry the ECBC Covered Bond Label
- Investor reports follow the HTT and NTT and are published on our website
<https://www.vanlanschotkempen.com/en/financial/debt-investors>



COVERED BOND
• L A B E L •



Financial /

Debt Investors

Van Lanschot Kempen aims for a solid capital position and a balanced funding mix with sufficient diversification (both retail and wholesale), products and maturities.

Being a wealth manager savings and deposits account for a relatively large proportion of Van Lanschot Kempens's funding mix. In addition, Van Lanschot Kempen is a regular issuer of secured and unsecured bonds in the wholesale market.

Funding mix and redemption profile

We aim to retain access to both retail and wholesale markets through diversified funding. At the end of 2022, our funding ratio has increased by 4 percentage point to 136% (year-end 2021: 132%).

Click on the figures for additional information on the funding mix (left) and the funding redemption profile (right).

Funding mix

Category	Color
Client savings and deposits	Dark Blue
Debt securities	Light Blue
Interbank funding	Purple
Shareholders' equity	Orange
Other funding	Grey

Funding redemption profile

Year	Client savings and deposits	Debt securities	Interbank funding	Shareholders' equity	Other funding
2023	Low	Low	Low	Low	Low
2024	Low	Low	Low	Low	Low
2025	Low	Low	Low	Low	Low
≥2026	High	High	High	High	High





Annex I | Sustainability

Progress on our non-financial KPIs

KPI		Targets		Performance in 2022	Performance in 2021
Manufactured capital	Three-year relative performance of our managed propositions	> benchmark		0.2%	n/a
Human and intellectual capital	Employer Net Promoter Score (eNPS)	>10		18	13
	Employee engagement score (EES)	> 80%		88%	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ benchmark, ≥ last pulse/EES (if below benchmark)		81%	n/a
	Gender balance among senior staff	> 30% female		17.9% female	15.1% female
		> 30% male		82.1% male	84.9% male
	Gender pay gap	< 2.0%		2.7%	4%
	Staff turnover	5-10%		6.4%	5.2%
	Absenteeism	< industry average (all: 3.1%; long 2.0%)		2.8% all; 2.0% long	2.2% all; 1.3% long
Natural capital	Sustainability rating of all Kempen funds by Morningstar	≥ 3.5		3.6	n/a
	Decrease in carbon emissions:				
	Direct emissions via our own organisation	-7.0% per FTE per year, against 2019 baseline		1.45 tonnes CO ₂ e (-40% compared with 2019)	1.10 tonnes CO ₂ e (-54% compared with 2019)
	b. Alignment of our solutions with Paris Agreement:				
	i. Kempen funds and discretionary management solutions	80% of funds comply with 7% average annual emission intensity reduction		88%	n/a
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals		59%	n/a
	c. Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO ₂ e emissions by end 2022		56%	59%
	d. Indirect emissions via our mortgage portfolio	CO ₂ e/€ < last year		+8.7%	-6.1%
	Investment Strategies & Solutions sustainability ambition:				
	a. Percentage of AuM invested in sustainable and/or impact wealth management solutions	+5 percentage points per year	n/a	20.6%	n/a
b. Percentage of AuM in internal and external funds/mandates on the approved list that meet the basic sustainability criteria	> last year	n/a	95%	n/a	
c. Kempen listed funds engage with companies representing > 50% of carbon footprint of the fund	Engaged with companies representing > 50% of carbon footprint out of total portfolio		54 out of 55 companies	n/a	
Social capital	Net Promoter Score (NPS):				
	a. Private Clients	20		36	36
	b. Evi	10		-1	15
	c. Wholesale & Institutional Clients	20		n/a	38
	Investment Banking Clients: number of successful transactions with repeat Corporate Finance clients (five-year period)	50-60%		78%	n/a
	Number of interactions (indexed) with institutional investors by Securities	130 (2020 baseline: 100)		103	n/a
	Average Morningstar analyst rating	≥ last year		1 gold, 1 silver, 4 neutral	1 gold, 1 silver, 2 bronze, 2 neutral
	Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements		30	n/a
	Percentage of employees who believe they have a responsibility to behave ethically	≥ benchmark (86%), ≥ last pulse/EES (if below benchmark)		90%	90%
	Percentage of employees who believe the company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication	≥ benchmark (79%), ≥ last pulse/EES (if below benchmark)		85%	n/a
Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes		Yes	n/a	



High scores on external ESG ratings

Governance: 1

Lower governance risk = 1
Higher governance risk = 10

ISS QualityScore

8th place in league table of
486 entrants

Transparantiebenchmark

21st place in a league table
of 78 multinationals



B- rating

ISS ESG Corporate Rating

ISS ESG 

AA rating

on resilience to ESG risks

MSCI 

4 and 5 stars (out of 5) for
responsible investment process

PRI Principles for
Responsible
Investment

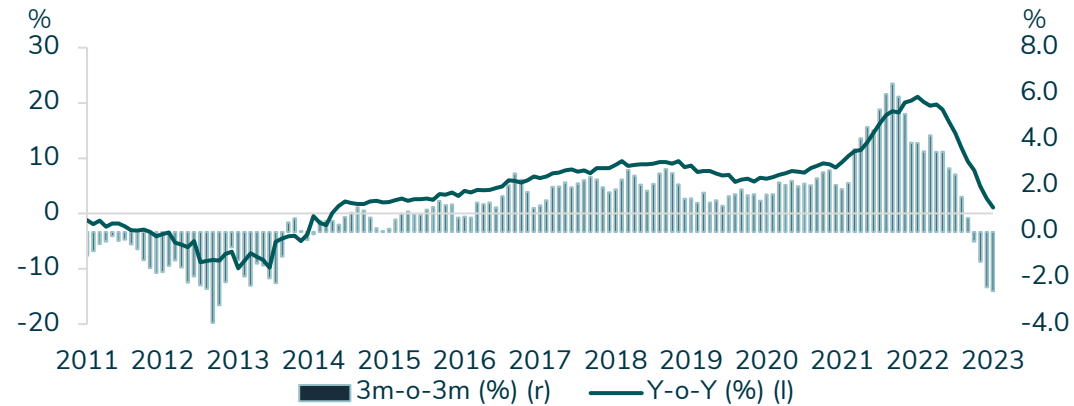




Annex II | Dutch Housing Market

House price development

House Prices Index



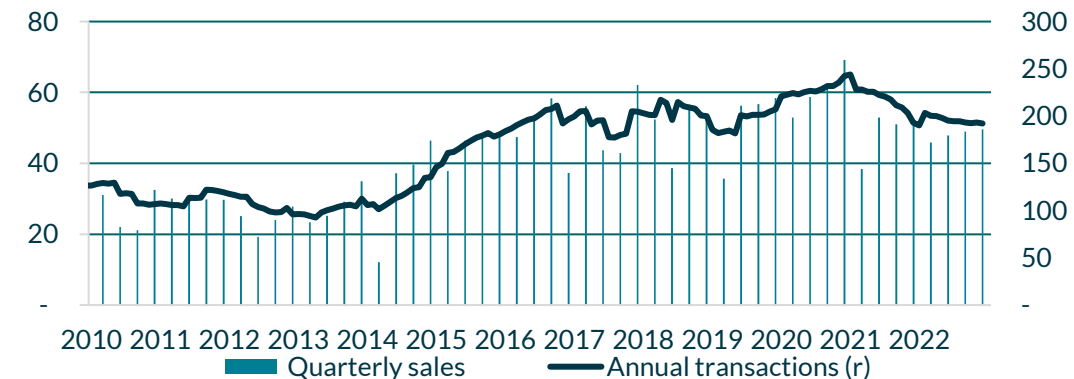
In 2021 and also in the first months of 2022, the number of home sales transactions decreased mainly due to a lack of supply. However for the coming years, it is expected that the number of home sales will decrease due to a buyers drop out. Although many consumers are still looking for a home for sale within their financial means, due to the increased mortgage interest rates, much of the supply is simply no longer within financial reach at current house prices

The number of home sales is expected to fall 17% in 2022 (compared to 2021), totalling 188,000 transactions

For 2023, 179,000 sales of existing owner-occupied homes are expected

The estimation is that the number of home sales will recover cautiously from 2024 onward. In 2024, it is expected that 184,000 home sale transactions will take place

Quarterly annual transaction volume YTD Q4 2022 (in 000s)



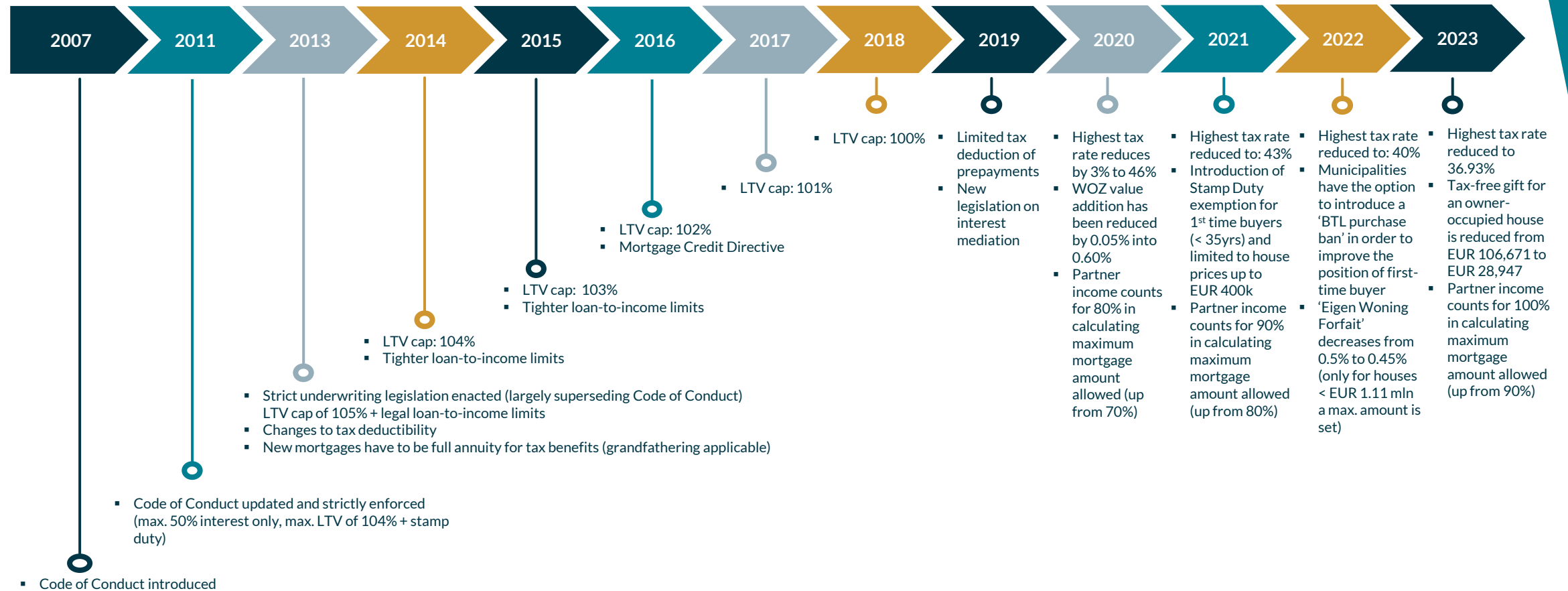
Sources:

- RaboResearch: "Despite falling house prices, housing affordability remains an issue" (December 15, 2022)
- Statistics Netherlands (CBS)



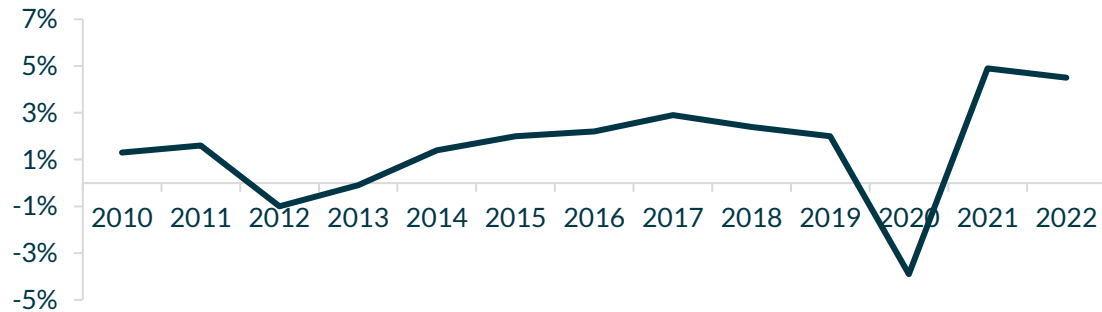
Dutch mortgage lending standards

Evolution of Dutch mortgage lending standards

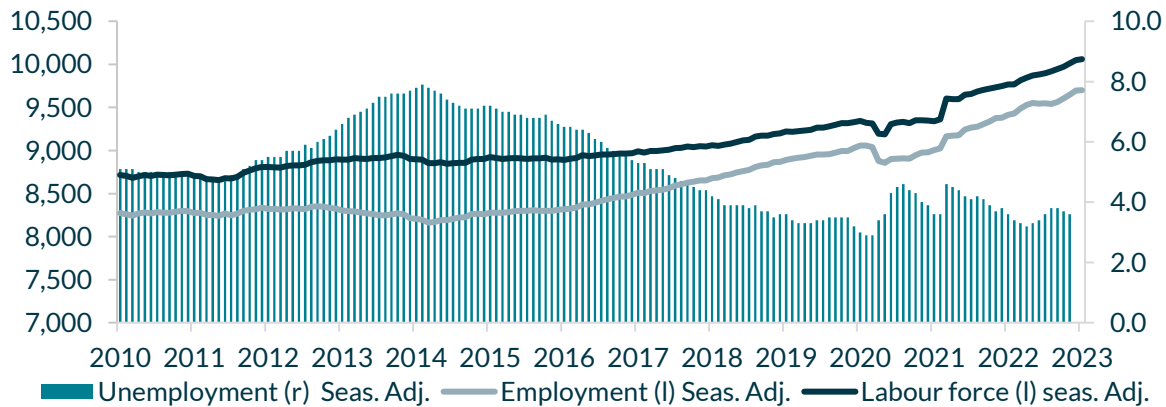


Economy in the Netherlands

Gross Domestic Product (GDP) - Y-o-Y change



Unemployment




For 2023 and 2024, the Dutch economy is expected to have a moderate growth following two years of impressive recovery growth in 2021 and 2022. For 2022 the economic growth rate is expected to end on 4.2%. For 2023 the Dutch economy is expected to grow by only 0.6% in 2023, followed by 1% in 2024

High prices, increased interest rates and falling house prices are leaving increasing marks on the Dutch economy, and will continue to do so in 2023 and 2024

According to Statistics Netherlands (CBS), in October 2022 3.7% of the labour force in the Netherlands was unemployed. February 2022 recorded the lowest unemployed rate since 2003. Since then the unemployment rate has increased slightly. For 2023 the unemployment rate is expected to average out to 4.1% and for 2024 it is expected to be at 4.5%



A photograph of a modern architectural scene. In the foreground, a person is walking on a paved plaza, holding a large, white architectural model of a building. The model shows a multi-story structure with a green base. In the background, there is a long, curved building with a glass facade and a white, circular, perforated canopy structure. The sky is blue with some light clouds. A teal-colored graphic overlay is on the left side of the image, containing the text.

Annex III | Product offering and underwriting

Product offering

Private banking services to wealthy individuals and to individuals starting to build their wealth

- Advice on financial planning and wealth management
- Focus on relevant advice and high-quality service
- Mortgage loans offered to clients as part of full-service financial solutions – preferably based on advice but also on execution only
- Three types of mortgage loans offered: annuity, linear or interest-only
- Advice based on the client’s personal preferences and circumstances: “Does the mortgage loan fit the client?”
- Check on income and assets: is the client able to pay the interest and redemptions, while maintaining their desired standard of living?
 - Risk awareness: changing interest rates, declining house prices
 - Scenarios and calculations based on key life events such as unemployment, disability and death

Origination at Van Lanschot Kempen

The origination of private clients is done by our bankers and certified mortgage advisors



Underwriting (1/2)

Governance

Dutch Code of Conduct

Our mortgage underwriting criteria have evolved over time in line with the Dutch Code of Conduct, national law and general market practices. The criteria below are those currently applied

Loan

Maximum loan to value

- Mortgage loans up to and including €2 million: maximum 100% of market value
- Mortgage loans > €2 million and ≤ €3 million: maximum 70% of market value . For mortgages > €3 million: maximum 40% of market value.
- Interest-only loans: up to 75% of market value

Borrower criteria

- Dutch nationality or permanent resident of the Netherlands
- Employment contract for indefinite period; temporary contracts only accepted if they meet stringent criteria
- Self-employed borrowers: three years of income history, except for business professionals and medical practitioners
- Cohabiting (registered) or married partners are jointly and severally liable

Financial criteria

Loan to income has to be compliant with Dutch Code of Conduct and national law. Income components for calculation:

- Fixed salary, subject to employer's declaration and salary slips, of both borrowers considered
- Variable income may be partially taken into account, under strict conditions
- Income from client assets limited to 6.17% annual return on securities, 0.36% on savings
- Net rental income from other properties (after interest payments, instalments and maintenance fees)



Underwriting (2/2)

Fraud & insurance requirements

- Various fraud checks are carried out (BKR, SFH, VIS, EVA, employer's certificate)*
- Continuous contact between banker and client
- Mandatory hazard insurance based on reconstruction value

Property

- Mandatory property valuation by independent appraiser
- Full appraisal is carried out according to the requirements of the DNB
- Valuation reports must be from qualified appraisers and valuation agents (mandatory external validation as of 1 January 2015)
- Valuation reports should not be older than six months
- Exception: sales contract for newly built properties**

Information

- Van Lanschot Kempen follows strict requirements on providing information to its borrowers
- To prevent unfavourable borrower behaviour, borrowers need to have a good understanding of:
 - how their mortgage will work
 - what they can expect to change in the future
 - what their choices are

Loan approval governance

- Certified Mortgage Adviser: up to €1,000,000 if fully compliant with Dutch Code of Conduct and Van Lanschot Kempen's credit policy (four eyes principle), including specific standard open explanations
- Credit approval: up to €3 million (minimum four eyes)
- Credit Risk Committee: > €3 million; committee consists of two members of the Management Board, Manager of Credit Risk Management, Head of Credit Approval and Private Banking Directors
- No standard exception policy, due to client base of wealthy individuals

* BKR (Credit Registration Bureau), SFH (Anti-Fraud System), VIS (Identification System), EVA (Anti-Fraud System)

**In case of project construction: valuation in advance for properties > €1m); in other cases valuation based on sales contract.



Arrears management

Arrears management/timeline

- Mortgage loans are considered in arrears if one or more regular payments have been missed by the client
- After approximately two weeks a reminder letter is sent by the service provider. Every month another letter is sent, for as long as the arrears continue.
- For non-core clients: Client Support contacts the client within 30 days of the arrear arising
- For all clients: if the arrear still exists after 30 days, the Early Prevention Team calls the client to ask for payment
- The Credit Monitoring department reports all arrears weekly to management and account managers

Restructuring approach

Early prevention

- All arrears of over 45 days are monitored by the Early Prevention Team. They focus on analysing the situation of the client in order to find a permanent solution, rather than just acting on signals. Within 60 days it must be clear whether a problem can be easily solved, or whether the Recovery and Restructuring team needs to be involved.
- The next step is to define the client proposition and the tools we will give to the client to help them avoid potential problems

Restructuring

- After 90 days of material overdraft, the client is in default, or earlier if required or needed. The Restructuring and Recovery department then registers the file as a “file under supervision”
- Check of banking position/security check:
 - Mortgage
 - Pledged securities
 - Guarantees / pledges (e.g. life insurance)
 - First client appointment together with private banker
- Situation is considered to be curable: first tailor-made recovery plan and follow-up
- Situation is considered not to be curable: tailor-made rectification plan and vigorous follow-up
- There are no specific timelines for foreclosure; this is client-specific and on a case-by-case basis

Recovery/foreclosure

- If the client does not agree to a voluntary sale, the sale will be forced via public auction
- Van Lanschot Kempen is always present at auctions, either through an employee or a representative
- Van Lanschot Kempen has a vehicle in place through which it may buy a property at auction





“ Contact

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