

# Annual general meeting

's-Hertogenbosch, 22 May 2019



**VAN LANSCHOT  
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# 1. Opening



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## 2a. Report of the Supervisory Board

*Discussion item*



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# 2b. Report of the Statutory Board for 2018

*Discussion item*



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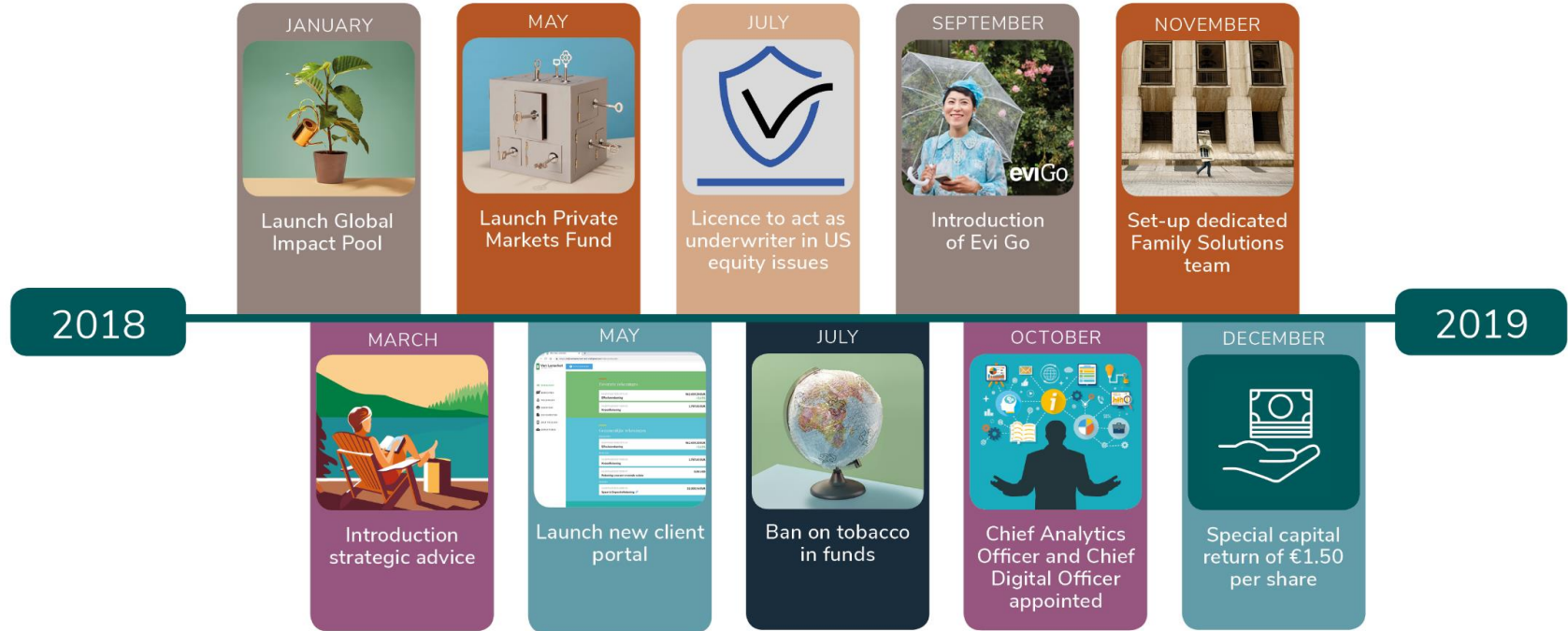


# 2018 annual results



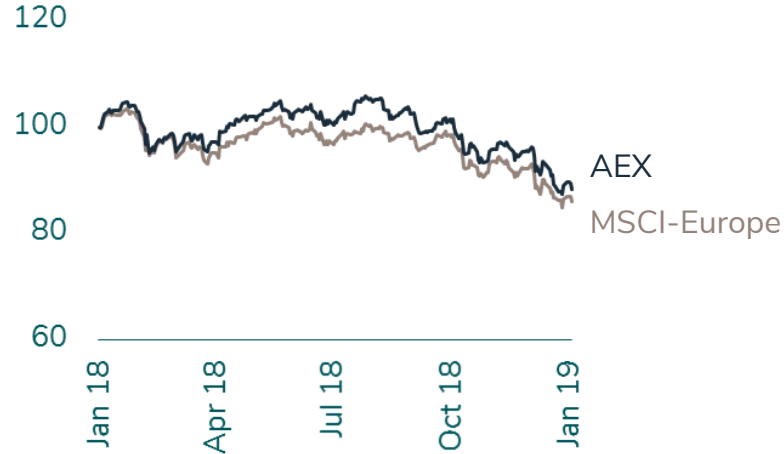
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# 2018 highlights



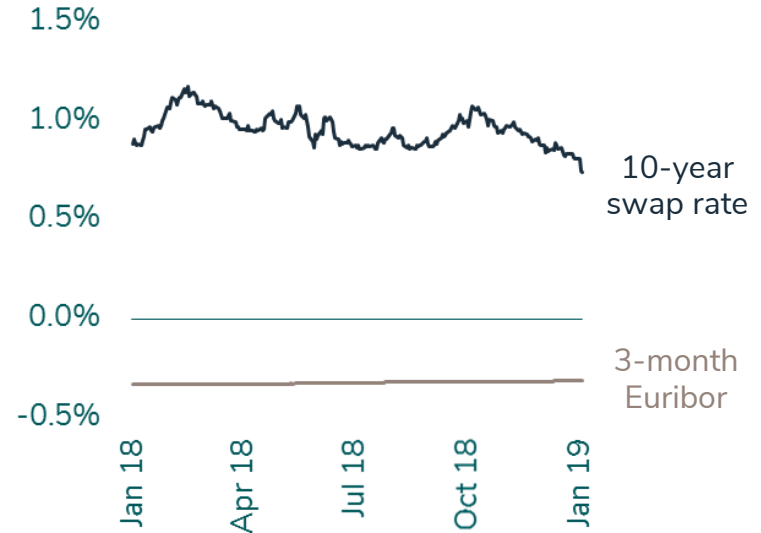
# Challenging market conditions in 2018

## Equity indices



Negative market performance results in AuM decline

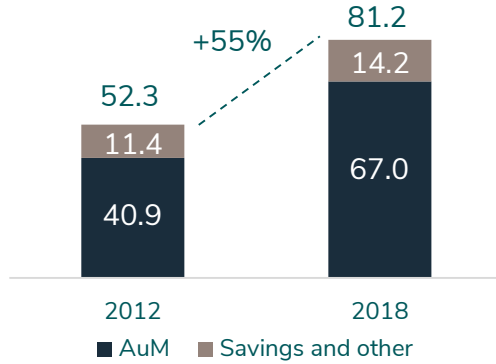
## Interest rates



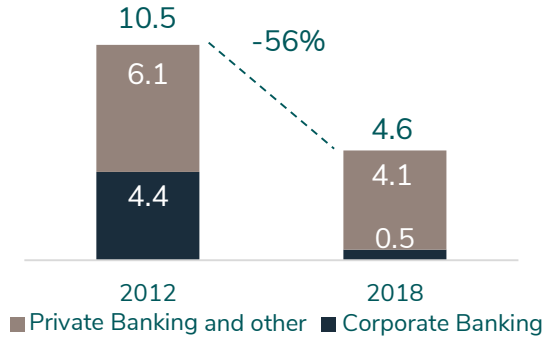
Current low interest rates affect interest income

# Our transformation to a specialised wealth manager

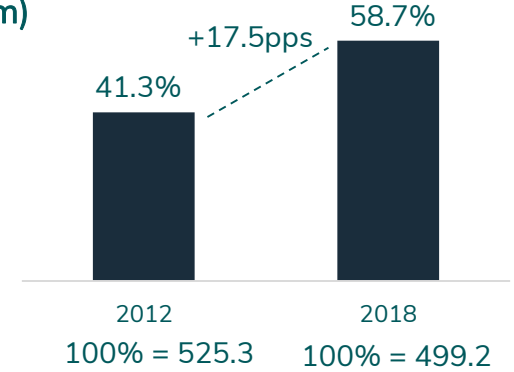
## Client assets and AuM (€bn)



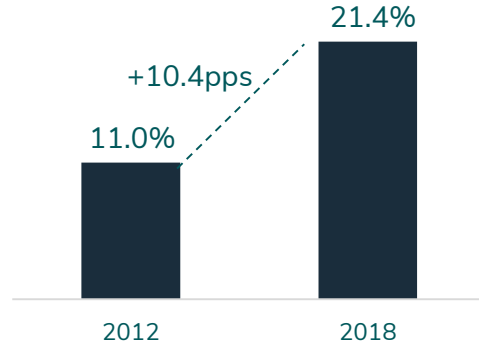
## Risk-weighted assets (€bn)



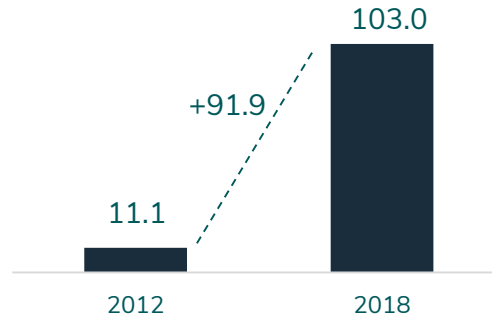
## Commission as % of operating income (€m)



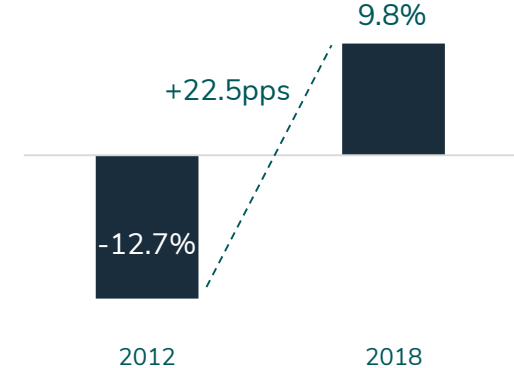
## CET 1 ratio



## Underlying net result (€m)



## Return on CET 1





# 2018: stable results in challenging market



Net result €80.3m (2017: €94.9m)  
Underlying net result €103.0m  
(2017: €112.3m)

Commission +10% (€293.2m)  
Interest -11% (€175.6m)



Operating expenses  
€396.4m (+1%)

Efficiency ratio 79.4%  
(2017: 76.2%)



Client assets €81.2bn (-3%)  
AuM €67.0bn (-3%)

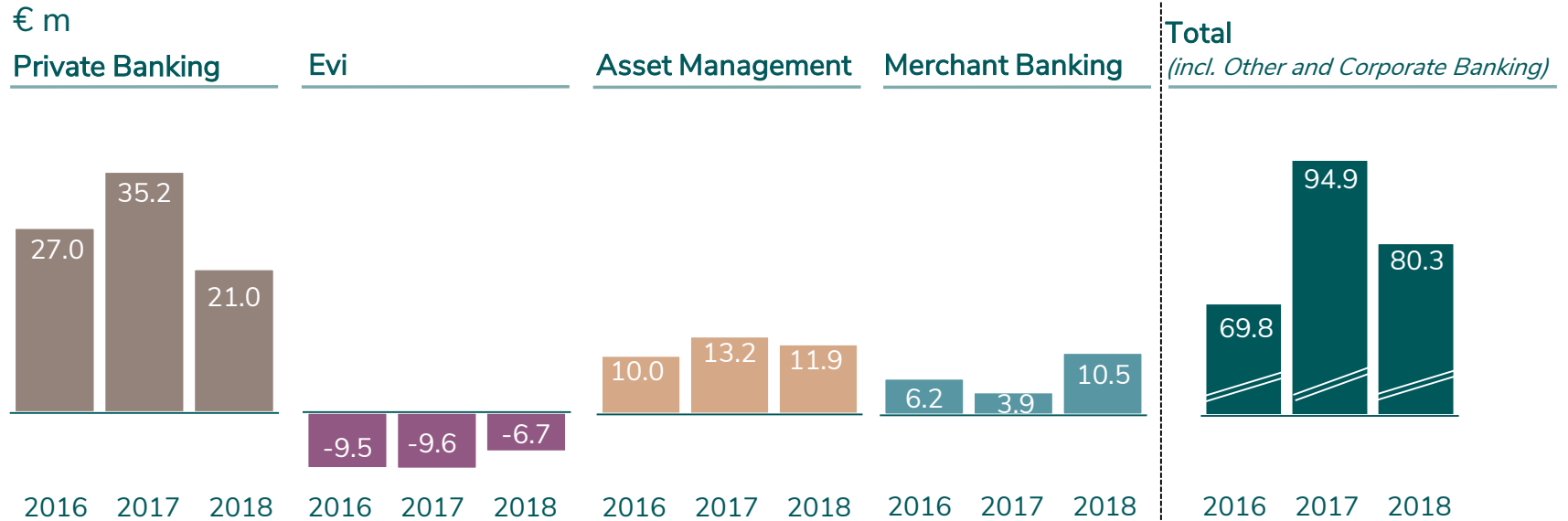
Net inflow AuM €1.0bn



Strong capital ratios  
CET 1 ratio rises to 21.4%

Dividend per share €1.45,  
unchanged from 2017

# 2018 net result of €80.3m



# Commission income (+10%) is key driver of net result

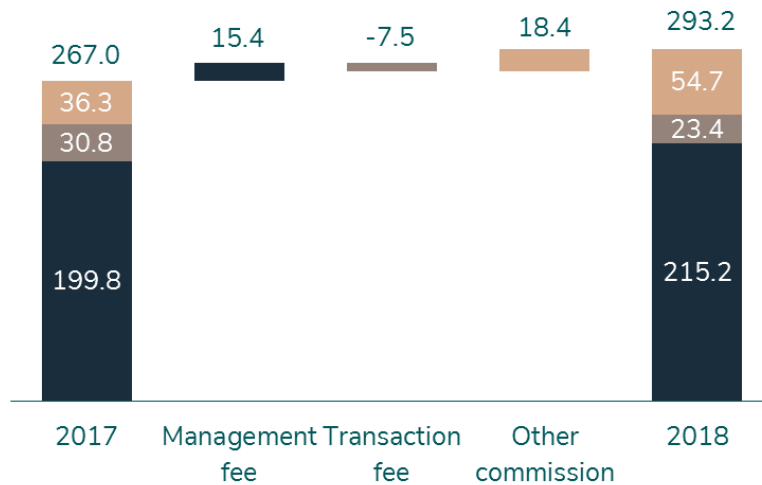
Key drivers of net result  
€ m



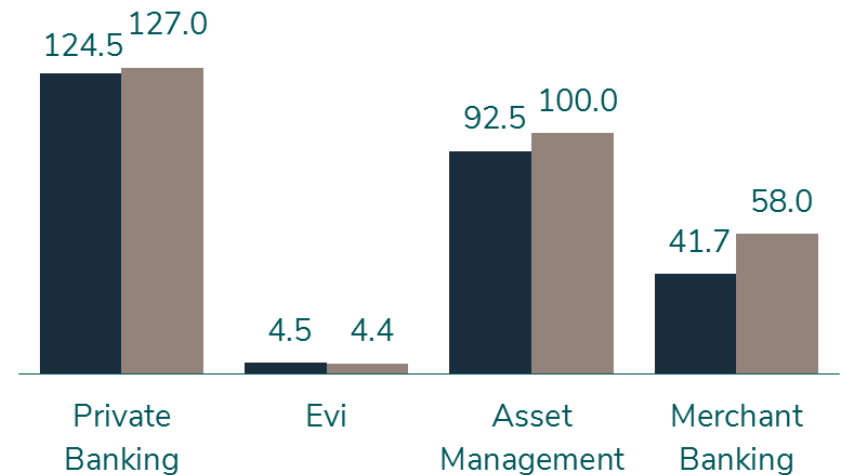


# Growth in commission due to solid AuM and strong results at Merchant Banking

Total commission  
€ m



Commission by segment  
€ m

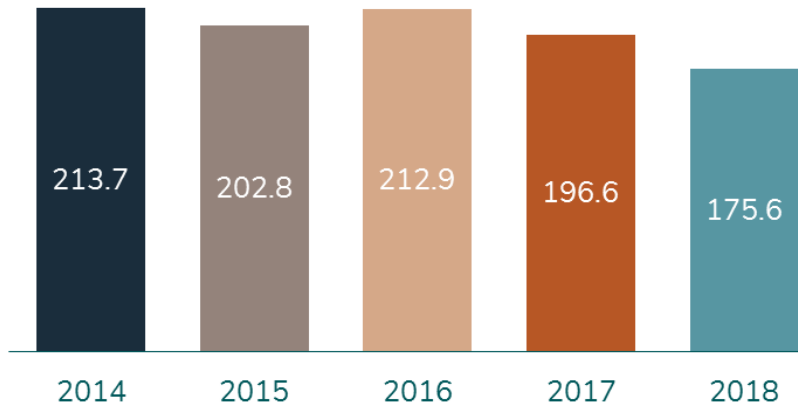


■ 2017 ■ 2018

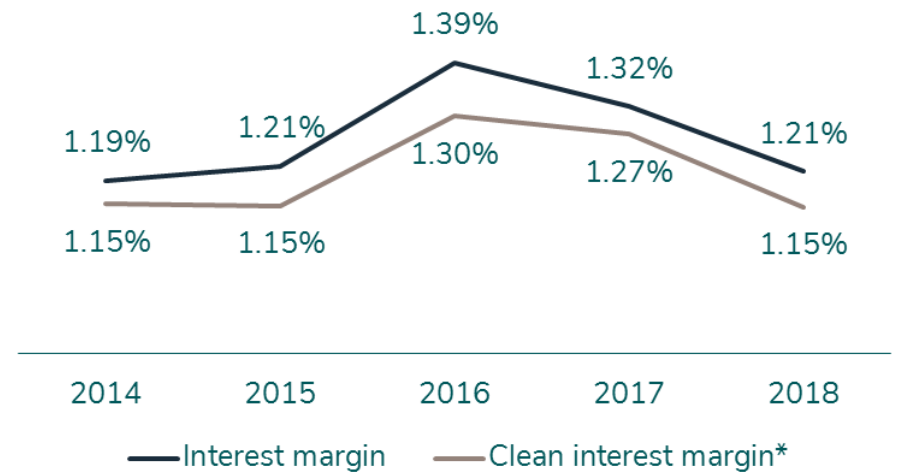


# Margin pressure and smaller loan portfolio affect interest income

Interest  
€ m



Interest margin (12-mth moving average)  
%

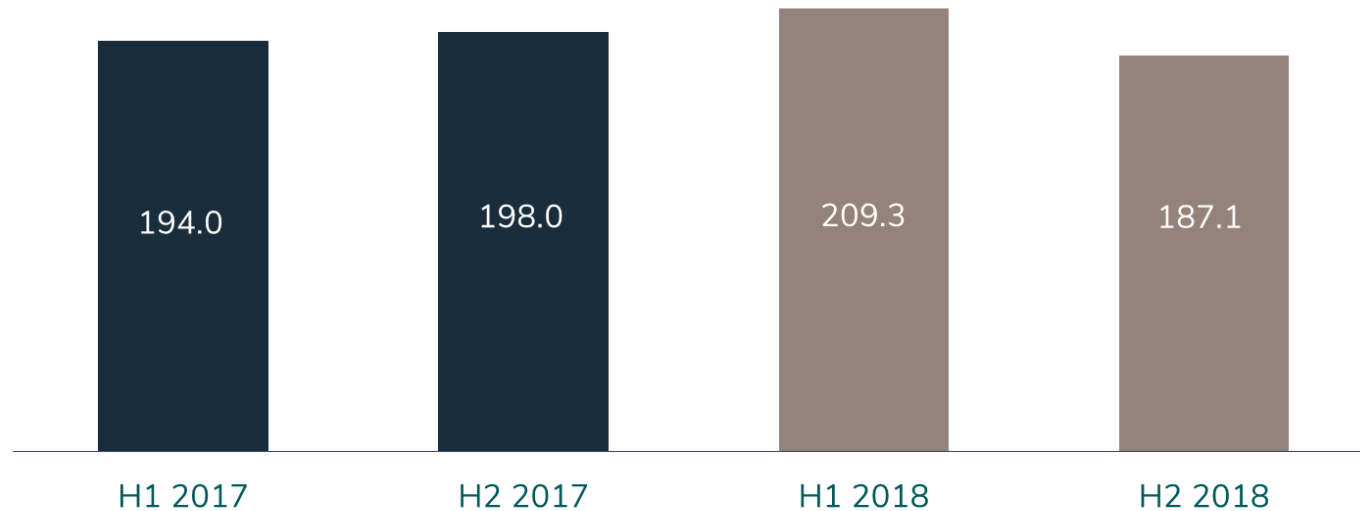


\* The clean interest margin equals the gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation



# Increased focus on cost reduction

Operating expenses  
€ m



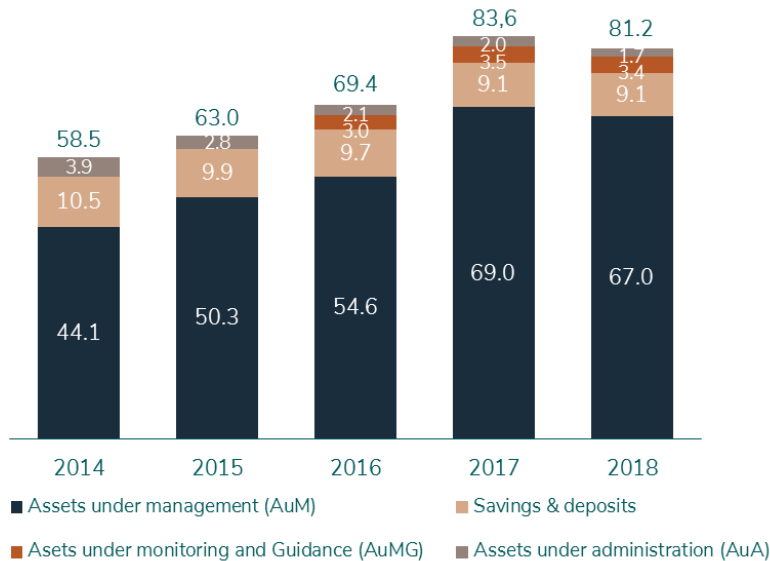
- Cost-saving measures taken and planned lead to a restructuring charge of €8.3m
- Taking into account possible investments and indexation, we aim for a net cost level of around €390m in 2019



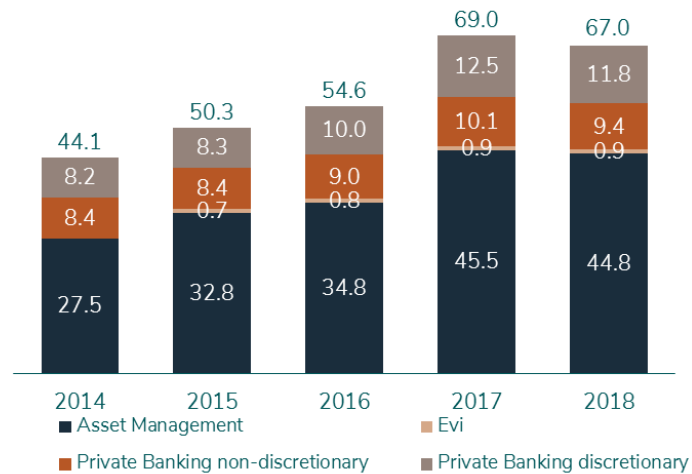


# Client assets at €81.2 billion

Client assets\*  
€ bn



Assets under management\*  
€ bn



\* As of 1 January 2018, €0.2 bn in AuM has been transferred to AuA. The comparative figures for 31 December 2017 have been adjusted accordingly

# Good progress on strategic investment programme since 2016

Innovative wealth management apps launched and further improved in 2018



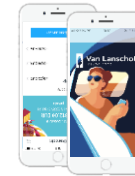
Introduced Vermogenshorizon in 2018



New website and online portal for clients in 2018



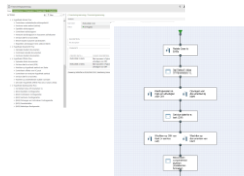
Developing new payments platform and payments app with Fidor – roll-out planned for 2019



Outsourced mortgage servicing to Stater in 2017



Improved and new workflows



Digital communication tools for bankers



Further expanding digital functionalities in 2019

- Introducing remote identity verification
- Further expand digital functionalities; e.g. digital signing, simplified log-in procedures, expanding client portal functionality, introduce trade proposals in the app

c. €10m to spend c. €60m budget

2016

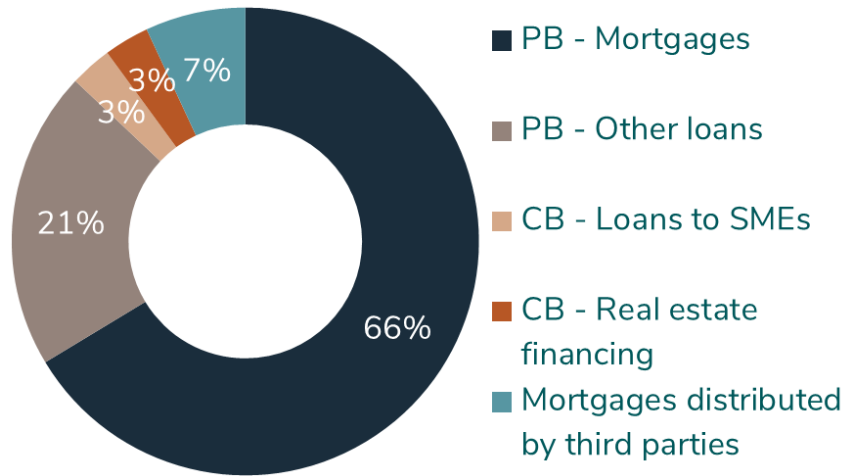
2018

2019

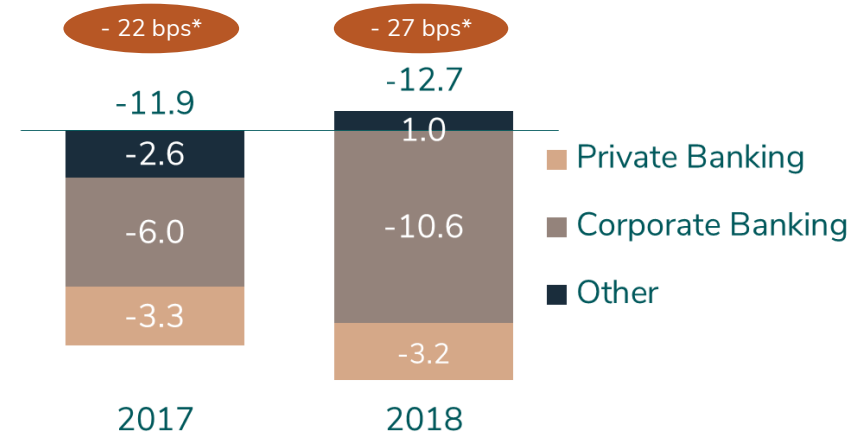


# Net release of loan loss provisions due to positive economic environment

Loan portfolio (excluding provision)  
at 31/12/2018 100% = €8.7bn



Additions to loan loss provision  
€ m



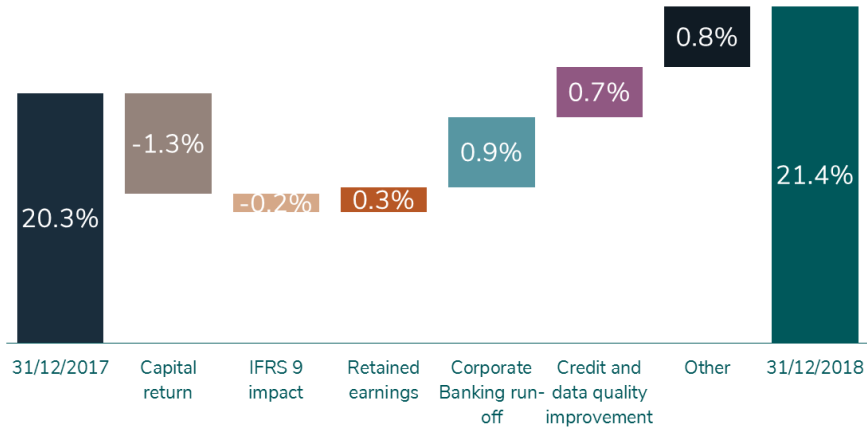
\* Loan loss provision / Average total RWA



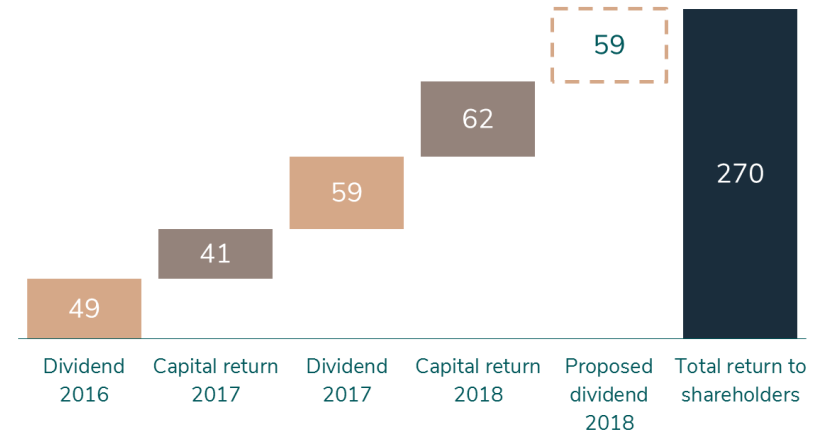


# Strong capital position

Common Equity Tier 1 ratio (fully loaded)  
%



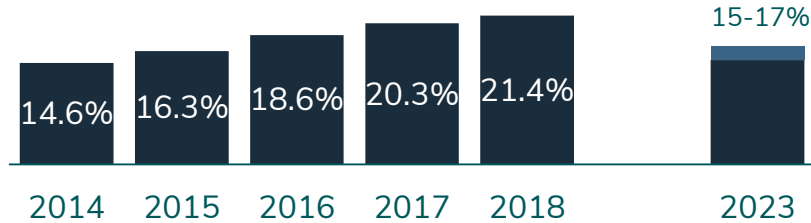
Capital return and dividend  
€ m



# Overview of 2023 financial group targets

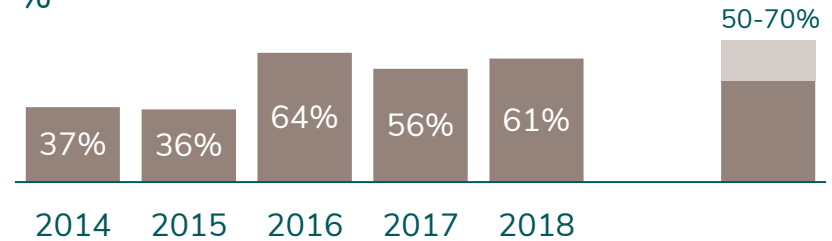
## Common Equity Tier 1 ratio\*

%



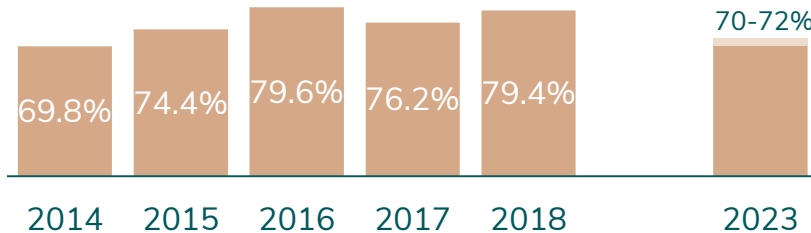
## Dividend pay-out ratio\*\*

%



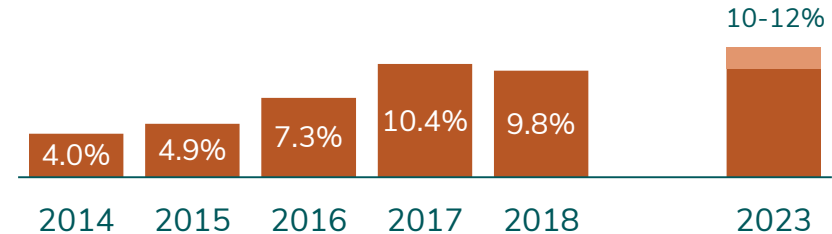
## Efficiency ratio

%



## Return on Common Equity Tier 1\*\*

%



1737

\* As of 2016 fully loaded; other years phase-in

\*\* Based on underlying net result attributable to shareholders

# 2019 Events

## **Sale of stake in AIO II**

- In December 2018, we have reached agreement with funds under management of Bencis to sell our stake in non-strategic investment AIO II (Medsen)
- This transaction was completed in February and generated a book profit of over €35 million (net) in the first quarter of 2019

## **Agreement on sale of stake in VLC & Partners**

- On 19 February we have reached agreement on the sale of our stake in VLC & Partners<sup>1</sup> to De Goudse Verzekeringen
- The transaction was completed in March and generated a book profit of over €15m in the first quarter, with possibly a limited earn-out in the first half of 2020

Both transactions fit into Van Lanschot Kempen's strategic focus on wealth management



# Highlights trading update Q1 2019

## Results

- Net result significantly up on first quarter 2018 on the back of book profits from sale of stake in AIO II (Medsen) and that in VLC & Partners
- First-quarter results excl. these book profits are in line with year-earlier figures

## Client assets

- Positive price movements push client assets up by 6% to €86.0bn and AuM by 7% to €71.8bn
- Total net outflow of €0.3bn, most of which was at Asset Management
- Private Banking and Evi clients showed some reluctance to invest due to the adverse stock market climate in the fourth quarter 2018 and a number of clients took profits

## Capital

- Further optimised capital base through successful placement of €100m additional Tier 1 bond
- Fully loaded CET1 ratio (excl. retained earnings) stands at 22.6%
- The higher CET1 ratio is partly the result of one-off factors



# 2018: stable results in challenging market



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# 2c. Elaboration on strategy implementation

*Discussion item*



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# Our wealth management strategy 2023



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# Our purpose is the preservation and creation of wealth, in a responsible way

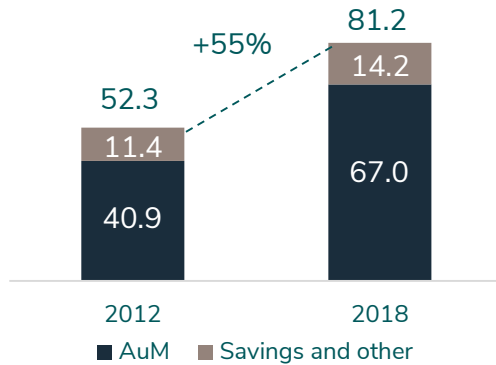
## Wealth is about all things we value in life

- Although our primary objective is to help our clients with the financial aspects of wealth, we aim to serve their broader objectives as well
- As a company, we serve clients in several segments – private, institutional and corporate clients
- With a singular mission: to be a trusted partner, and to assist our clients in preserving and creating wealth responsibly

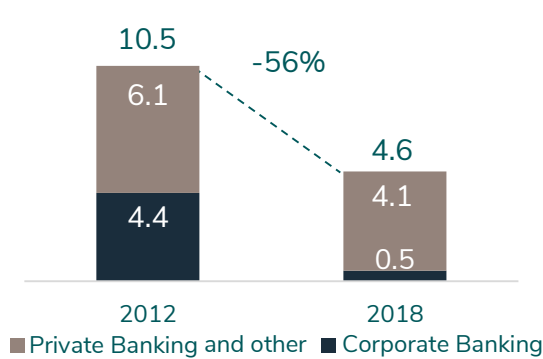


# Strong performance resulting from our transformation to a specialised wealth manager

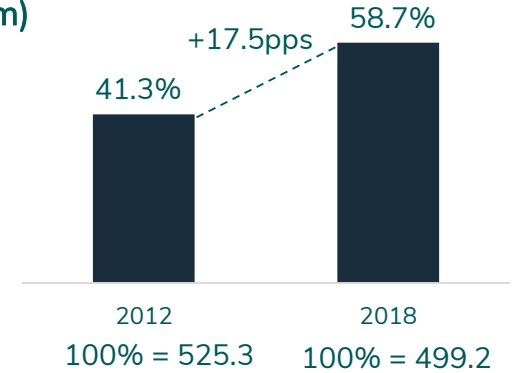
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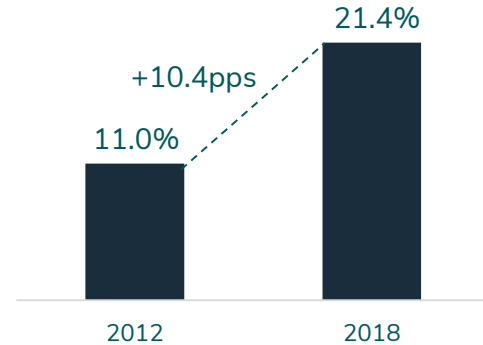
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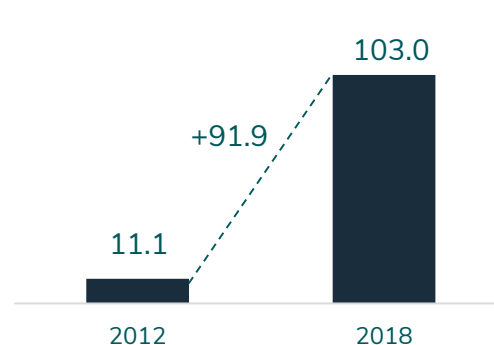
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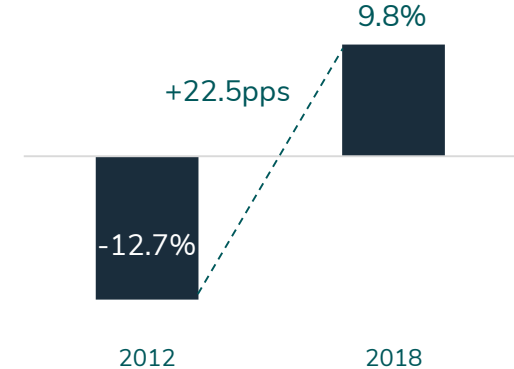
## CET 1 ratio



## Underlying net result (€m)



## Return on CET 1



# New trends, technologies and services are drastically reshaping our operating environment



## Societal change

- Importance of self-reliance
- Shift to doing good
- Increased regulatory scrutiny

## Advanced technology

- Digitalisation to improve client experience
- Increasing availability of data
- Security of information

## Changing client needs

- Provide relevant information 24-7
- Demand for tailored services and products
- Passing down wealth to the next generation

## Increased competition

- Competitive landscape and continued margin pressure
- Development of sophisticated, specialised solutions



# We continue our strategy to be a leading wealth manager in our markets

## Our ambition

- A leading wealth manager in the Benelux region
- A prominent, active investment manager that delivers alpha in illiquidity, income and ESG across Europe
- The leading fiduciary manager in the Netherlands, challenger in UK fiduciary market
- The preferred trusted adviser in selected niches in merchant banking across Europe
- The number one online wealth management alternative for the mass affluent in selected markets

## From responsible to sustainable

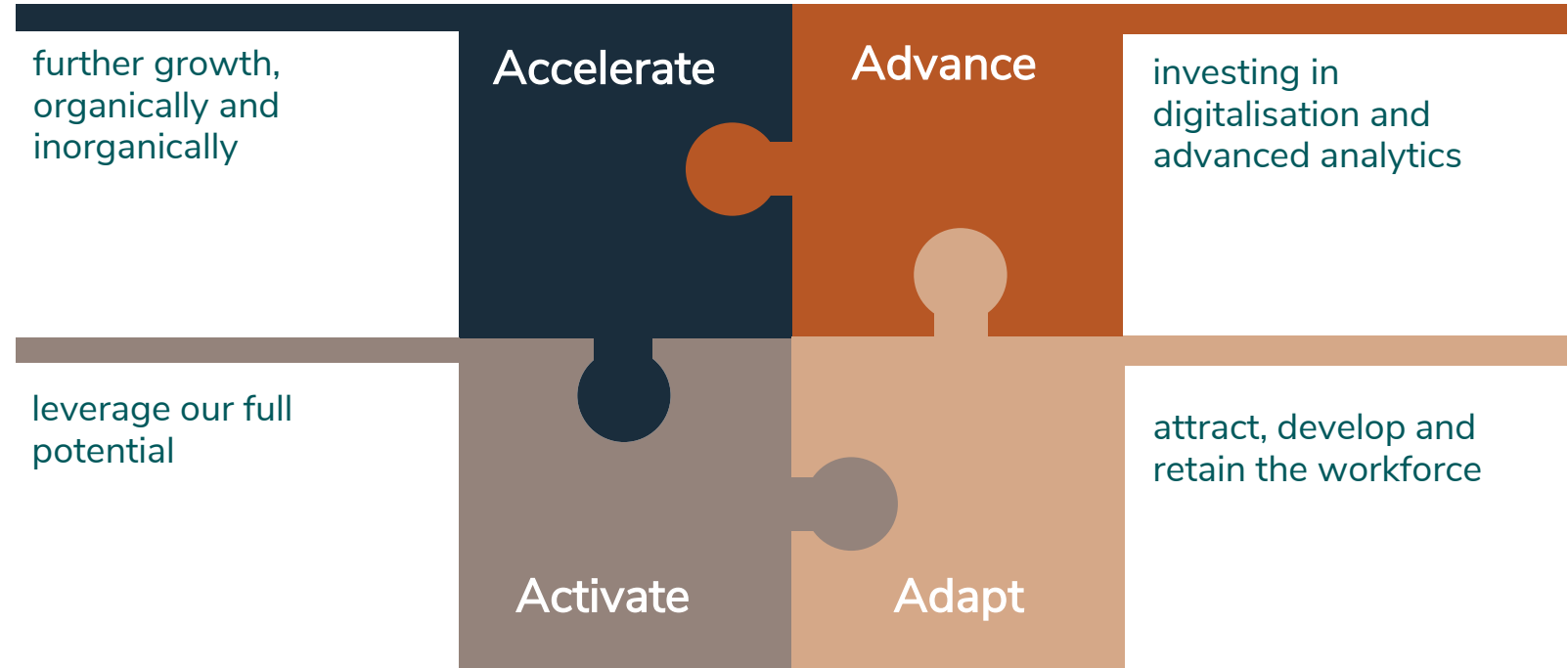
- We are a conviction-based, active investor, focusing on the long term
- We can achieve the most significant social and environmental impact via our clients' assets
- We aim to increase our positive contribution and visibility



We have revisited our financial objectives and set new targets for 2023

	Targets 2023
Common Equity Tier 1 ratio	15-17%
Return on CET 1	10-12%
Efficiency ratio	70-72%
Dividend pay-out ratio	50-70%

# In order to realise our targets the next phase of our strategy has four strategic pillars





# 3a. Implementation of Statutory Board remuneration policy in 2018

*Discussion item*



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# 3b. Adoption of 2018 financial statement

*Voting item*



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3c. Payment of a cash dividend of  
€1.45 per Class A ordinary share

*Voting item*



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4a. Discharge of the members of the  
Statutory Board from liability for their  
conduct of Van Lanschot Kempen's  
affairs in the 2018 financial year

*Voting item*



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4b. Discharge of the members of the Supervisory Board from liability for their supervision of Van Lanschot Kempen's affairs in the 2018 financial year

*Voting item*



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# 5. Appointment of the auditors

*Voting item*



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6a. Notification of vacancies and profiles;  
opportunity to make a recommendation

*Voting item in the event of such  
recommendation*



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## 6b. Reappointment of Willy Duron as a member of the Supervisory Board

*Voting item*



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# 6c. Reappointment of Bernadette Langius as a member of the Supervisory Board

*Voting item*



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# 7. Grant of authority to repurchase own shares and/or depositary receipts for such shares

*Voting item*



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# 8a. Authorisation of the Statutory Board to issue ordinary shares

*Voting item*



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# 8b. Authorisation of the Statutory Board to limit or exclude pre-emption rights when ordinary shares are issued

*Voting item*



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# 9. Any other business and closure of meeting



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# Annual general meeting

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