

Annual results 2021

24 February 2022



A very good 2021 – financial targets achieved

CET 1 ratio

2021: 23.7%

2025 target: 15-17%

Return on CET 1

2021: 15.7%

2025 target: 10-12%

Efficiency ratio

2021: 68.9%

2025 target: 70-72%

- Strong net result at €143.8m
 - Commission income up 30%
 - Book profits on sales from portfolio of participating interests
- AuM growth to €112.1bn (+13%)
- Record net inflow AuM Private Clients of €3.8bn
- Partnership with Mercier Vanderlinden adds €3.8bn AuM
- Dividend proposal of €2.00 per share



Our progress as a leading wealth manager in 2021

- Organic AuM growth:
 - Private Clients: Record inflows
 - Evi: Strong growth
 - Wholesale & Institutional Clients: Stable AuM
- Inorganic growth:
 - Partnership Mercier Vanderlinden
 - Integration of Hof Hoorneman Bankiers
- Growth in less liquid investments, e.g. real assets
- Increased cross-selling between private clients and investment banking clients
- Strong focus on compliance and risk management
- Very strong capital position



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

Delivering on our growth ambitions as an independent, specialist wealth manager in Western Europe

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

We continue our successful journey under one brand:
Van Lanschot Kempen



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

2021 results



**VAN LANSCHOT
KEMPEN**

Our 2021 performance reflects our successful wealth management strategy

- **Net profit at €143.8m**
 - Strong growth in commission income to €385.5m (+30%)
 - Interest income stable, further releases from loan loss provisions
 - Our portfolio of participating interests generated a strong result, including book profits on sales of €19m
 - Operational expenses up due to strong organic and inorganic growth
- **Client assets +14% to €131.1bn and AuM +13% to €112.1bn**
 - Private Clients saw record net inflow of €3.8bn AuM
 - Wholesale & Institutional Clients saw net outflow of €4.0bn AuM
 - Strong market performance helped AuM to grow by €9.5bn
- **Focused growth in Western Europe**
 - Growth in the UK – fiduciary business – with AuM up by €2.0bn (+33%) to €8.0bn
 - Strong organic growth at our Belgian and Swiss private banking franchises
 - Joining forces with Mercier Vanderlinden, combined client assets in Belgium at €10.7bn

2021: Very strong overall performance



Net result €143.8m (2020: €49.8m)
Underlying net result €159.9m
(2020: €51.0m)

Commission income €385.5m (+30%)
Interest income €153.6m (+1%)



Operating expenses
€409.9m (+10%)

Efficiency ratio 68.9%
(2020: 85.7%)



AuM €112.1bn (+13%)

Client assets €131.1bn (+14%)



Strong capital position
CET 1 ratio at 23.7% (2020: 24.3%)

Dividend proposal €2.00 per share
(2020: €0.70)

Overview of net result

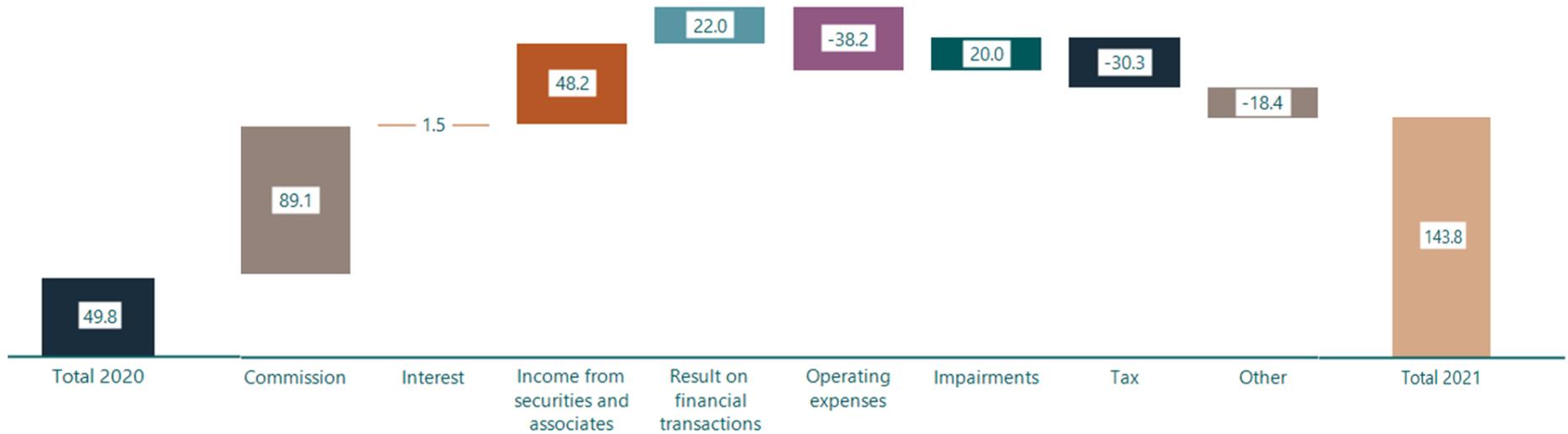
€ m	2021	2020	% change
Commission	385.5	296.4	30%
Interest	153.6	152.1	1%
Other income	55.6	-14.5	
Income from operating activities	594.7	434.0	37%
Operating expenses	-409.9	-371.8	10%
Gross result	184.8	62.2	197%
Loan loss provision	11.7	-1.9	
Other impairments	6.5	-	
Operating profit before tax of non-strategic investments	4.8	1.7	
Operating profit before special items and tax	207.7	62.0	235%
Amortisation of intangible assets arising from acquisitions	-11.3	-6.2	82%
Expenses related to accounting treatment Mercier Vanderlinden	-8.5	-	
Provision for revolving consumer credit	-3.3	-	
Restructuring charges	-3.9	-1.6	
Other one-off items	-2.3	-	
Operating profit before tax	178.5	54.2	229%
Income tax	-34.6	-4.4	
Net profit	143.8	49.8	189%
Underlying net result*	159.9	51.0	213%
Efficiency ratio (%)	68.9%	85.7%	

* 2021 adjusted for expenses related to accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the acquisition of Hof Hoorneman Bankiers and other one-off items; 2020 adjusted for restructuring charges related to the acquisition of Hof Hoorneman Bankiers.

Strong commission income drives net result to €143.8m

Key drivers of net result

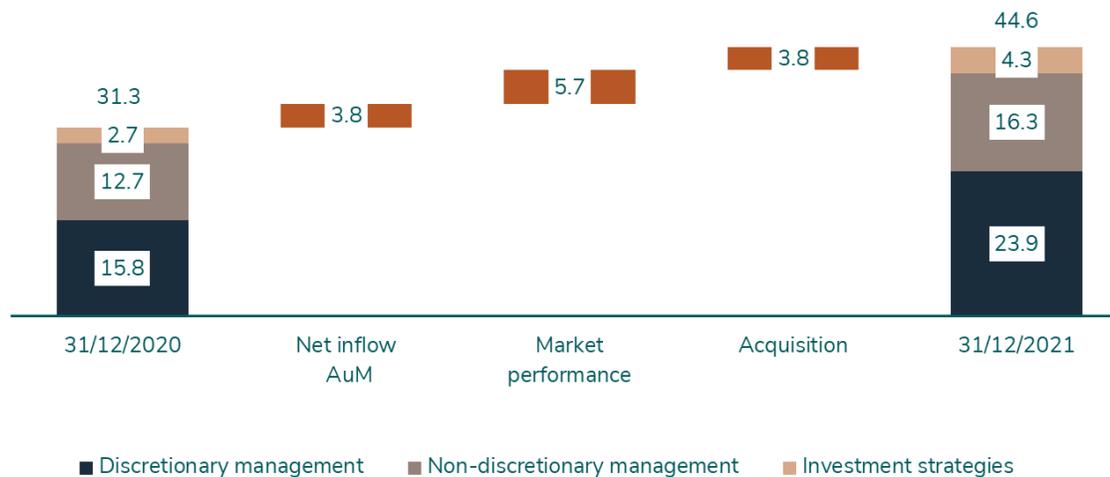
€ m



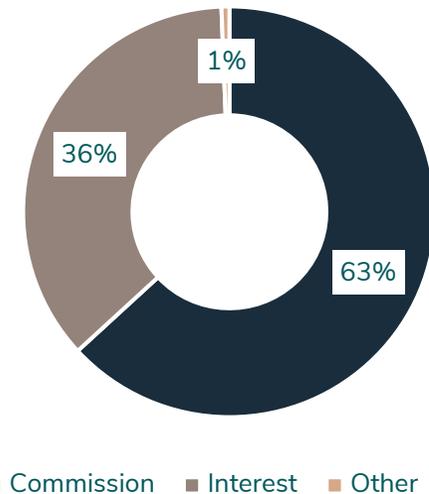
- Other consists of special items and operating profit before tax of non-strategic investments

Private Clients: exceptionally high inflows reflect our unique wealth management position

Private Clients: AuM
€ bn

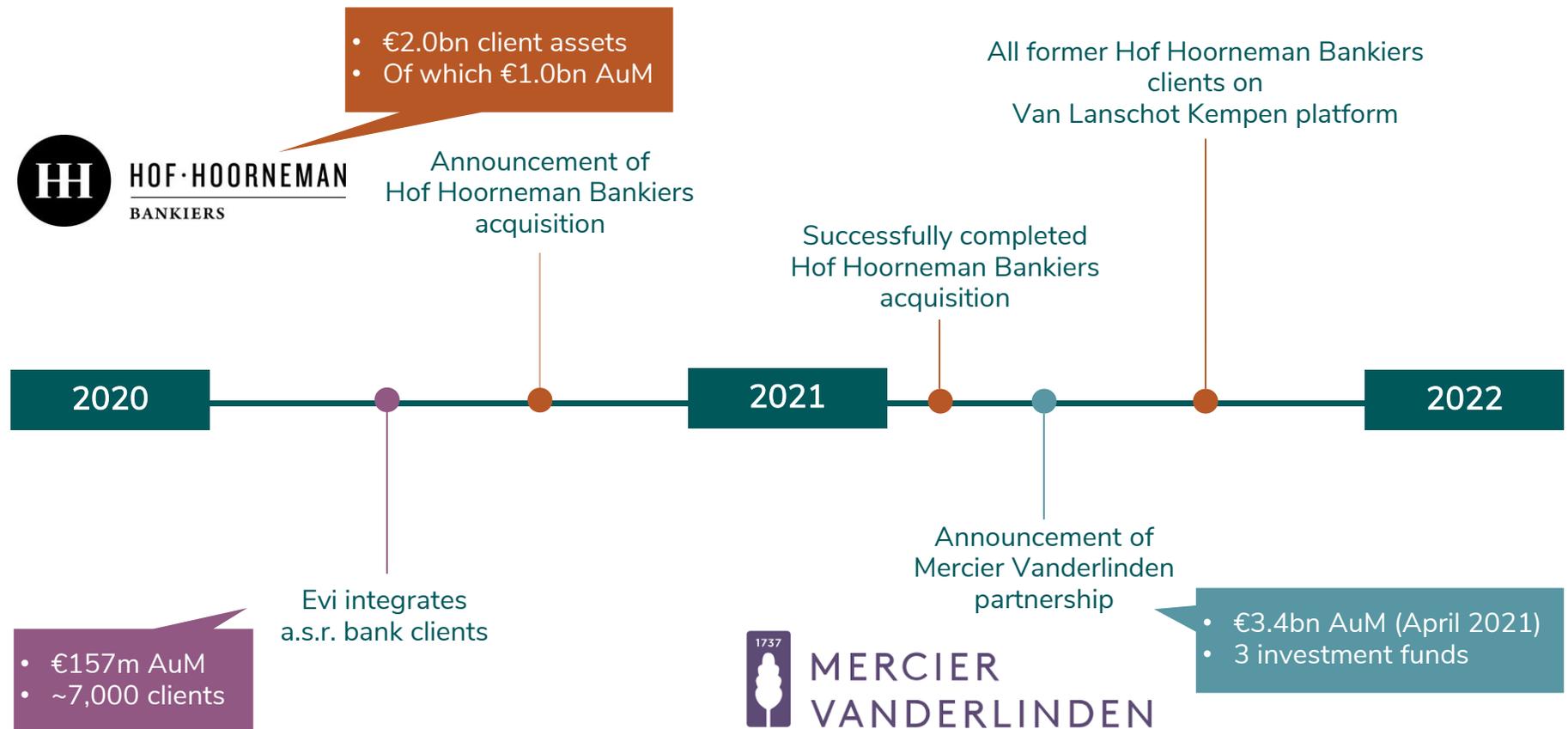


Private Clients: Revenue composition
Total = €387.0m



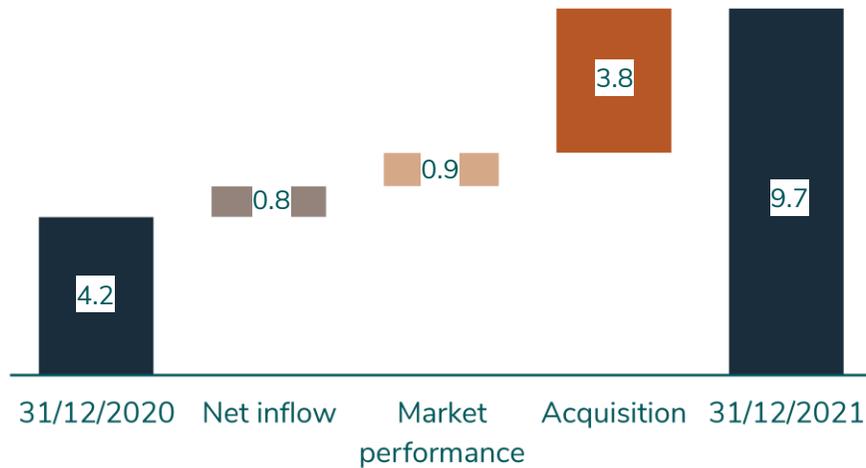
- All the underlying client segments show positive net inflow
- Inflow in discretionary management (€1.8bn) outpacing non-discretionary management (€1.3bn)
- Client assets grew by 37% to €58.6bn (2020: €42.8bn)
- Savings and deposits rose by €1.6bn to €11.3bn
- Operating profit before tax at €114.3m, commission income at €244.4m

Strong organic growth supported by inorganic growth



Private Clients: Transformational step in Belgium

Private Clients Belgium: AuM
€ bn

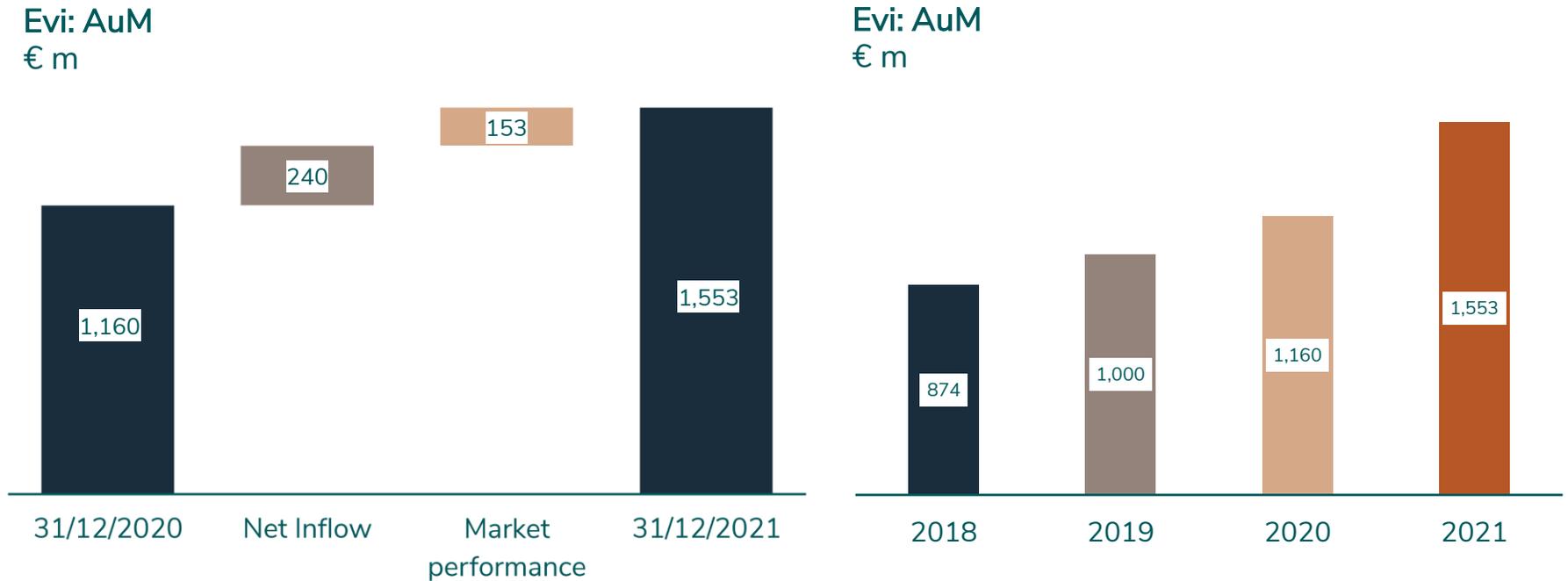


Private Clients Belgium: AuM
€ bn



- Strong net AuM inflow at €0.8bn in 2021
- Partnership with Mercier Vanderlinden added €3.8bn in AuM (at closing date, July 2021)
- Client assets grew to €10.7bn (2020: €5.1bn)

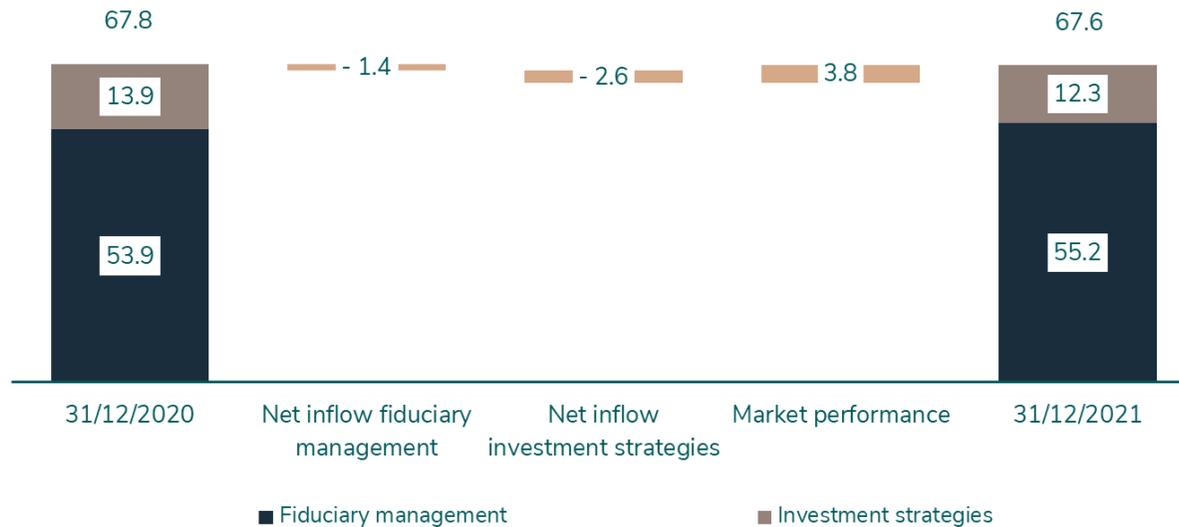
Evi: AuM grows 34% to €1.6bn; positive contribution to result



- Total Evi client assets at €1.7bn (2020: €1.5bn)

Wholesale & Institutional Clients: AuM stable

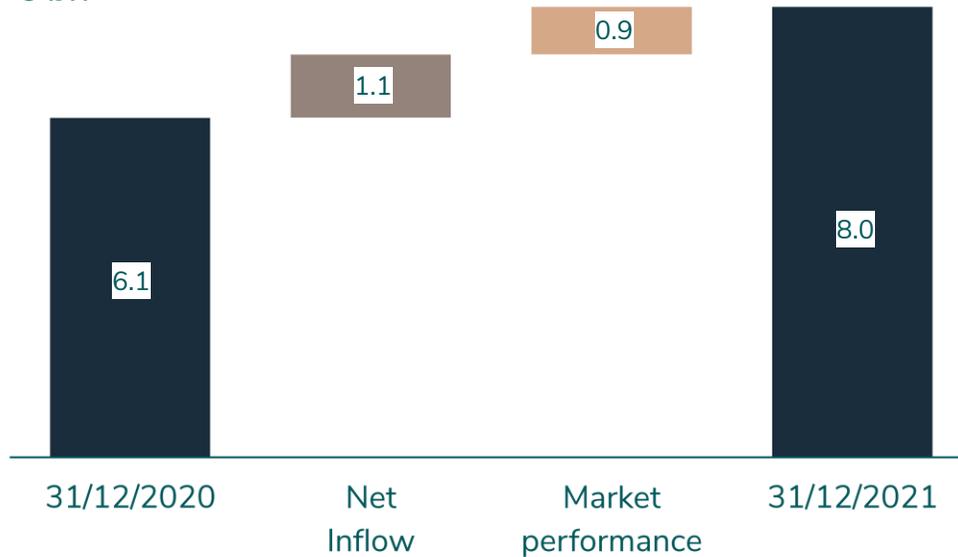
Wholesale & Institutional Clients: AuM € bn



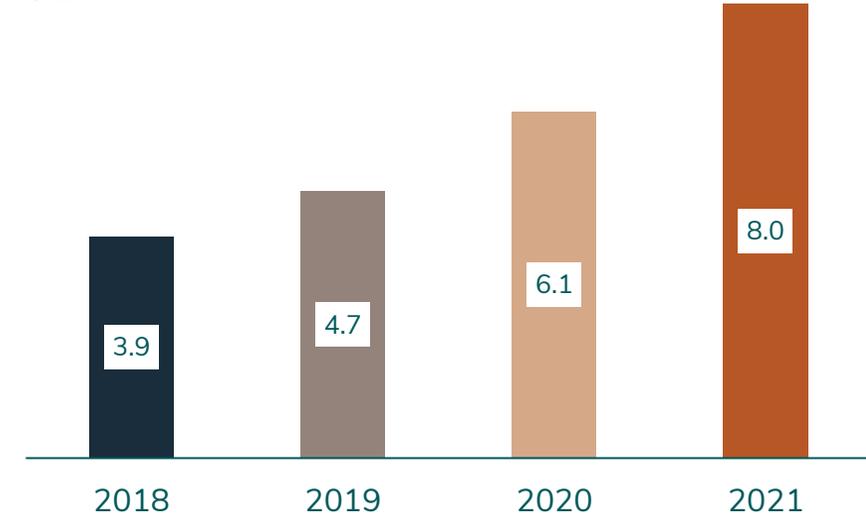
- Fiduciary management outflow due to the loss of two clients – both because of a merger with other parties – partially offset by growth within our UK fiduciary management franchise
- Investment strategies' flows consist of:
 - Inflow in high-margin strategies such as global small-cap strategies and real assets strategies
 - Outflow in lower-margin strategies such as government bond strategies and credit strategies
- Operating profit before tax at €9.6m and commission income at €81.4m

Wholesale & Institutional Clients: AuM growth +€2.0bn in the UK

Wholesale & Institutional Clients UK: AuM
€ bn



Wholesale & Institutional Clients UK: AuM
€ bn



- Our UK franchise offers fiduciary management services to pension funds and insurance companies in the UK and provides sales activities for our investment strategies products to UK-based clients
- Growing number of UK mandates drives AuM growth

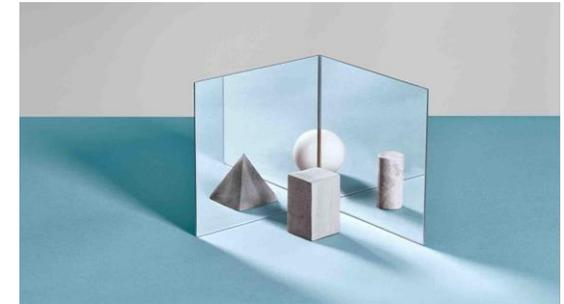
Stronger focus on less liquid solutions



Kempen SDG Farmland Fund
€381m committed



Kempen European Private Equity Fund II
€173m committed at first close



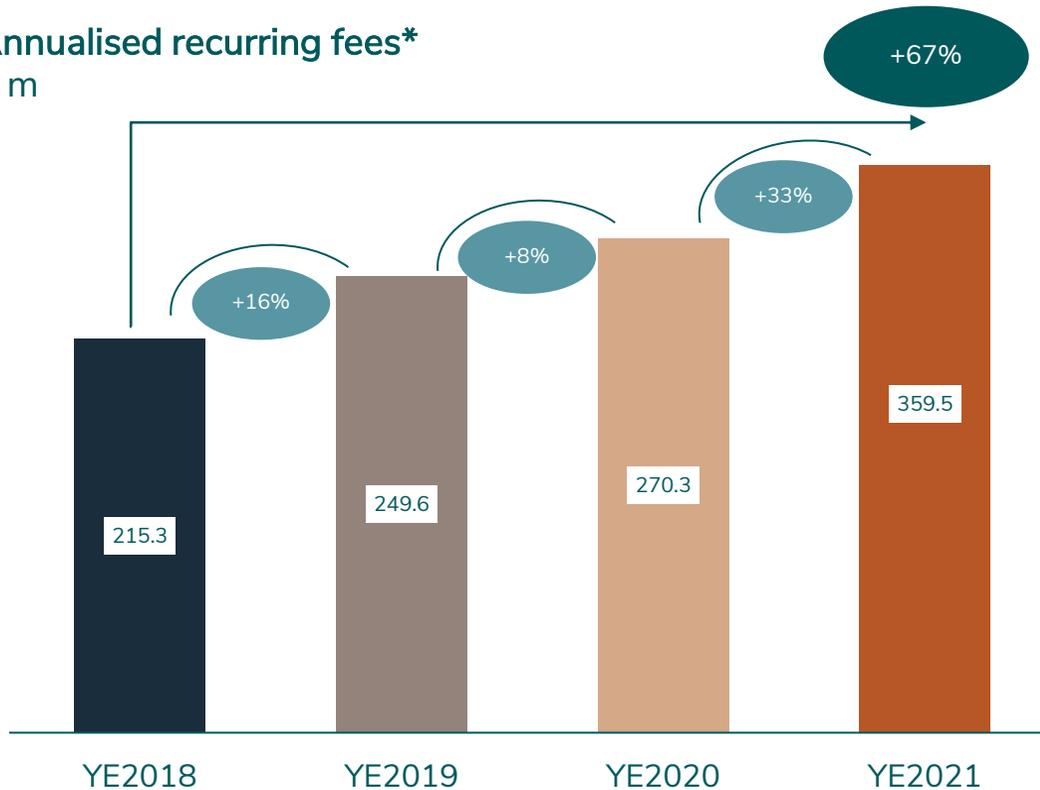
Diversified distressed debt pool
€237m AuM

Long/short Equity pool
€58m AuM

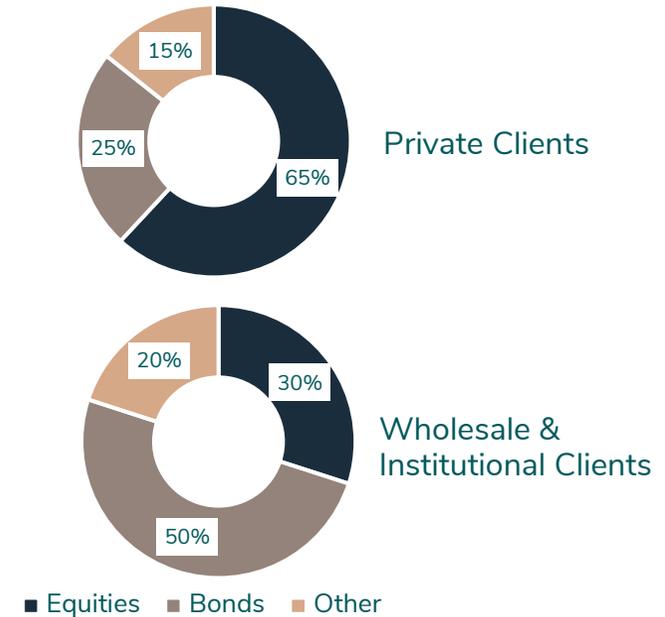
- Four new less liquid funds launched in 2021
- Total AuM and committed capital in less liquid investments solutions more than €2bn
- Attractive margin in less liquid investment solutions
- We launched the Kempen European Private Equity fund II to meet growing demand from our private clients for sustainable and less liquid investments
- In collaboration with one of our institutional clients, we launched the Kempen SDG Farmland fund; the fund contributes to achieving our SDGs

Sharp increase in annualised recurring management fees

Annualised recurring fees*
€ m



AuM breakdown
~%

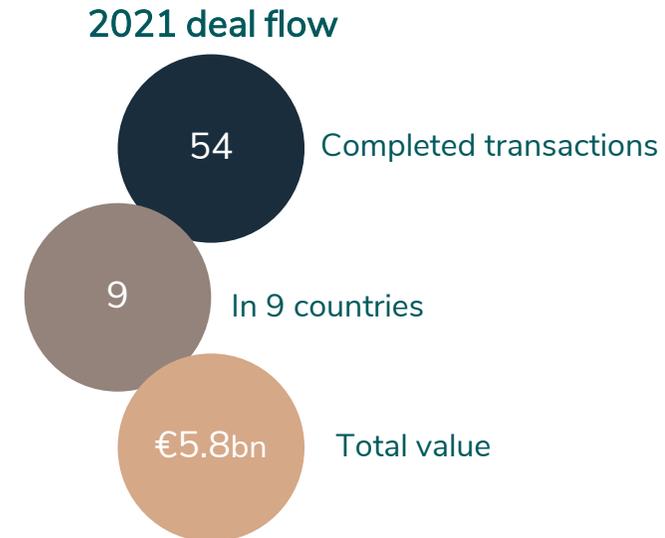
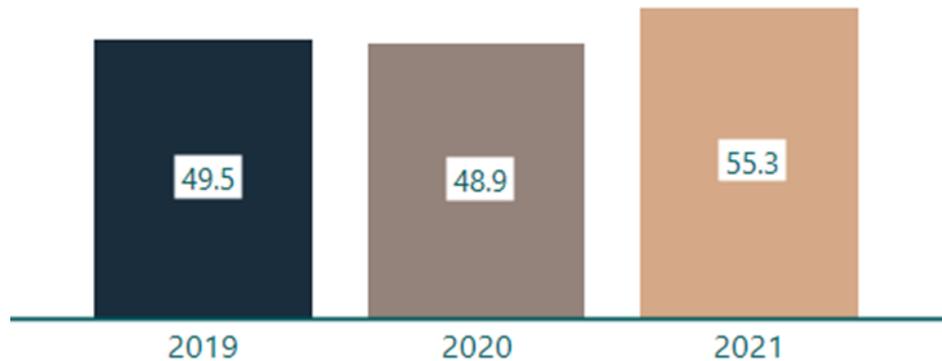


- AuM margin Private Clients: 62 bps; Wholesale & Institutional Clients: 12 bps

*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 to this number

Investment Banking Clients: Focused strategy leads to strong deal flow

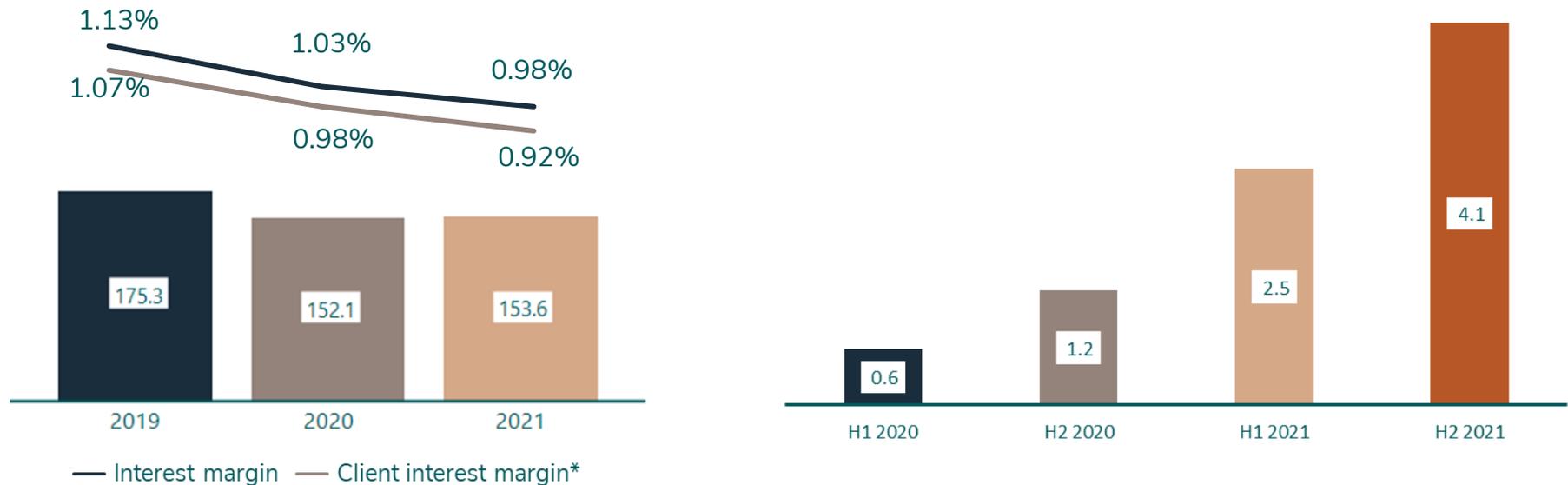
Investment Banking Clients: Commission
€ m



- Focus on our selected niches: real estate, life sciences & healthcare, tech & fintech, renewables and infrastructure
- Gross result at €18.8m and commission income at €55.3m (+13%)
- Collaboration between Investment Banking Clients and Private Clients is paying off: significant increase in referrals between these two segments, both ways
- For the past 10 years positive results with relatively low volatility

Stable interest income in 2021

Interest income and margin (12-mth moving average)* € m Average volume charged negative interest rates € bn



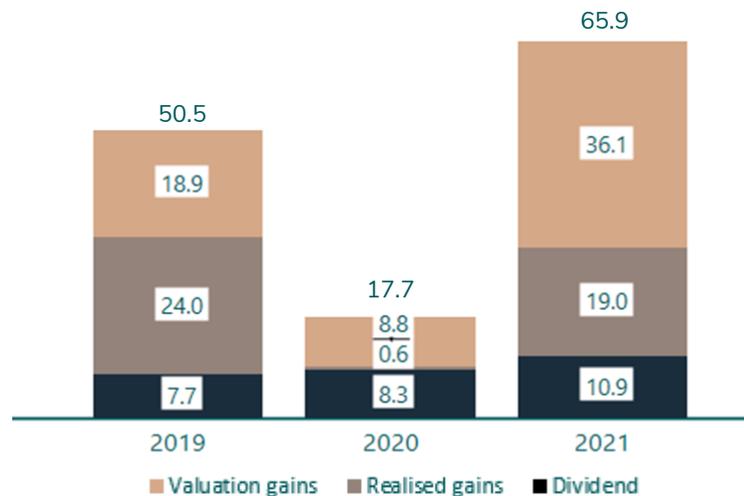
- Stable interest income driven by loan portfolio growth and our ability to charge negative interest rates
- As of July 2021, negative interest rates are charged on balances from €100k (previously: €250k)
- The introduction of our wealth management arrangement enables clients to keep a certain percentage of their assets invested with us in cash, without paying negative interest rates

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

Increased level of income from securities and associates

Income from securities and associates

€ m



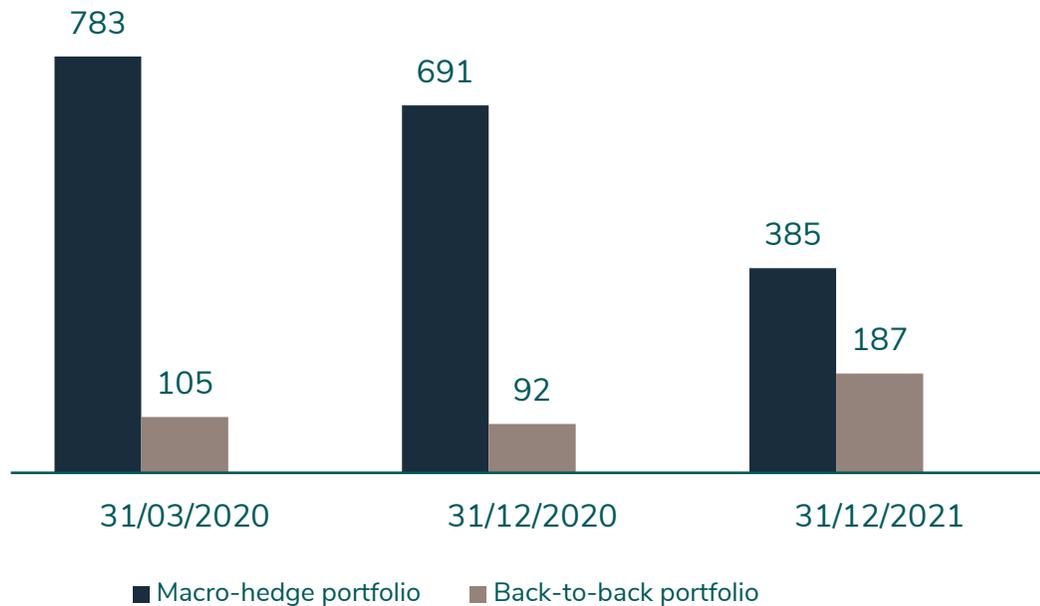
€ m	Book value YE2020	Book value YE2021	Income 2020	Income 2021
VLP (minority interests)	47.4	52.2	14.2	36.5
Bolster Investments Coöperatief UA	37.0	51.3	4.1	3.9
Co-investments in own products	146.3	202.3	-0.9	23.0
Other equity investments	1.7	1.7	0.3	2.6
Total	232.4	307.5	17.7	65.9

- Results on own investment funds improved to €23.0m (2020: -€0.9m), partially offset by futures included in the result on financial transactions (-€9.8m, 2020: €0.3m)
- Successful sale of participating interests led to a realised book profit of €19m, these include the sale of Fire Safety Holding (~€10m), Quint Holding (~€5m) and Global Property Research BV (€2.7m). Supplemented by high unrealised valuation gains from remaining investments.

Structured products activities develop according to plan

Outstanding volume structured products portfolio

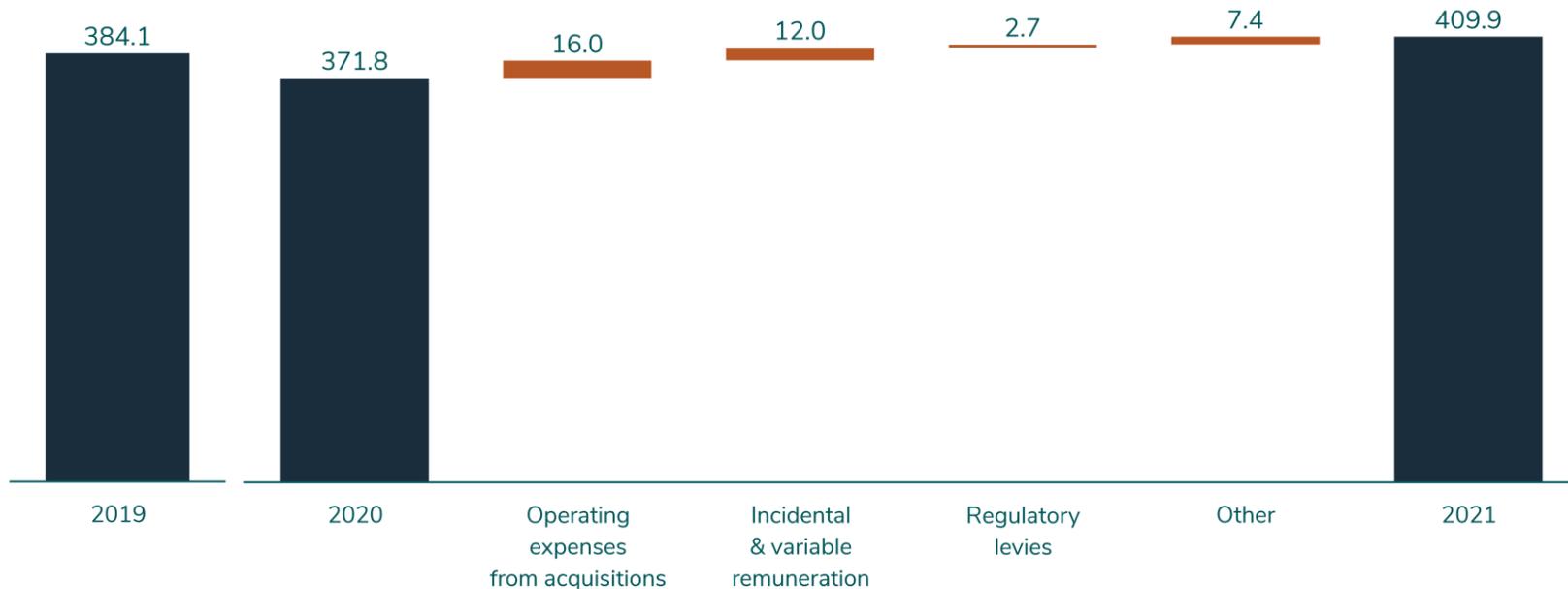
€ m



- Result on structured products activities stabilised at -€1.3m (2020: -€33.2m)
- Significant progress has been made on the run-off of the structured products macro-hedge portfolio
- In 2021 we successfully continued to issue new structured products. For these new issuances we moved to an almost exclusively back-to-back hedging strategy

Increased operating expenses driven by organic and inorganic growth

Operating expenses € m



- Operating expenses increased by €38.1m to €409.9m
- Our two acquisitions led to an increase of operating expenses of c. €16m
- Higher variable remuneration driven by significantly higher net profit
- In the coming years we will continue to invest in people and IT – e.g. IT Investment Management – for future growth

Growth in loan portfolio +5%, decrease in impaired loans

€ m	Loan portfolio 31/12/2021	Loan portfolio 31/12/2020	% change	Impaired loans	Provision	Impaired ratio	Coverage ratio
Mortgages	6,337	6,039	5%	30	2	0.5%	5%
Other loans	2,199	1,997	10%	121	40	5.5%	33%
Loan portfolio	8,536	8,036	6%	152	42	1.8%	28%
Mortgages distributed by third parties	389	476	-18%	1	0	0.2%	0%
Total loan portfolio	8,925	8,512	5%	153	42	1.7%	28%
ECL stages 1 and 2					10		
Total	8,925	8,512	5%		52		

- Mortgages increased by c. €300m
- Increase in other loans is driven by growing Lombard loans in Belgium and Switzerland
- Other loans include corporate banking loans of €132m (2020: €195m)
- Total impaired loans decreased to €153m from €186m
- Total impaired ratio improved to 1.7% from 2.2%, due to improved credit quality

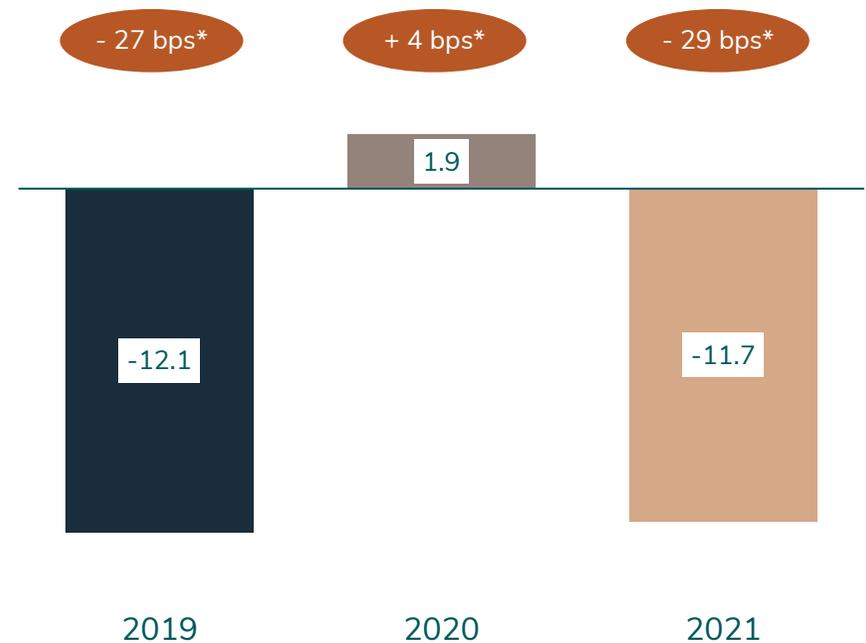
Improvement in credit quality leads to decrease in loan loss provisions

Loan loss provision per stage

€ m	31/12/2020	31/12/2021	% change
Stage 1	3.4	3.6	6%
Stage 2	8.7	3.5	-60%
Stage 3	51.9	42.4	-18%
Total	64.1	49.5	-23%

- Stage 2 decrease mainly due to adjustment in management overlay
- Management overlay on loan loss provisions decreased to €1.6m (from €4.9m)
- Stage 3 significant decline due to release of loan losses and write-offs
- Very limited exposure to coronavirus-impacted sectors such as leisure, travel, retail and energy

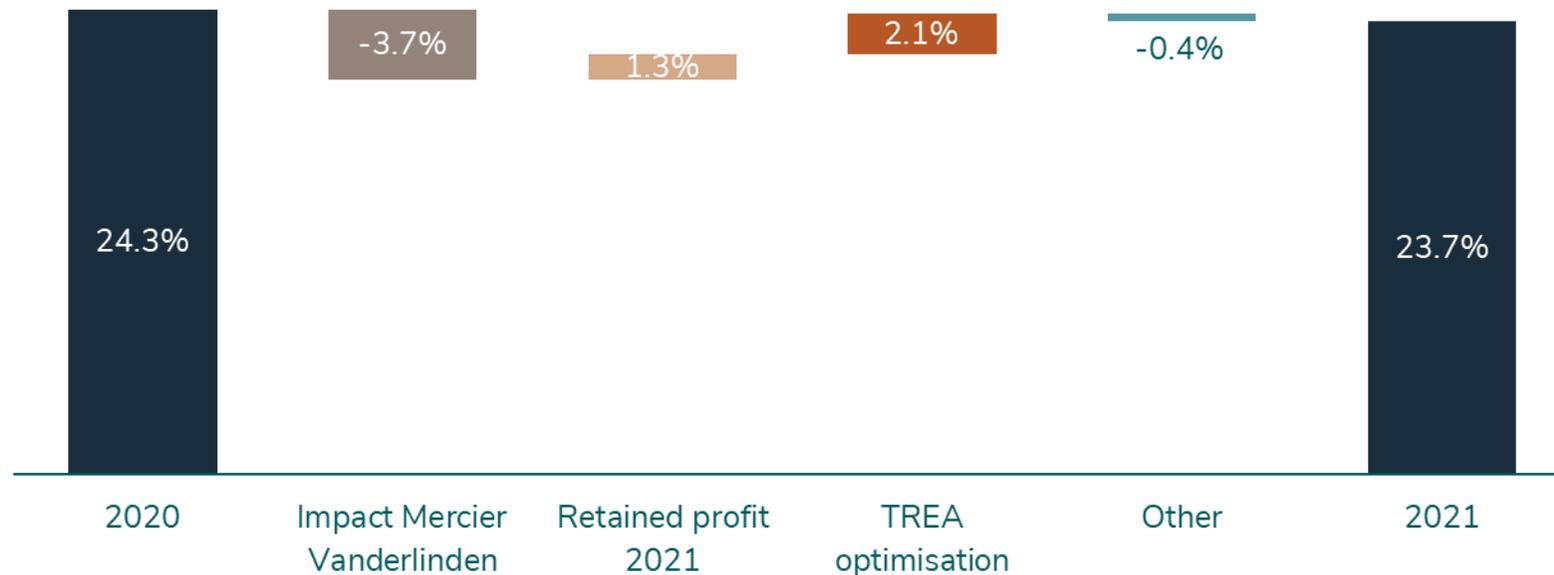
Additions to loan loss provisions € m



* Loan loss provision / average total TREA

Strong capital position, CET 1 ratio to 23.7%

Common Equity Tier 1 ratio %



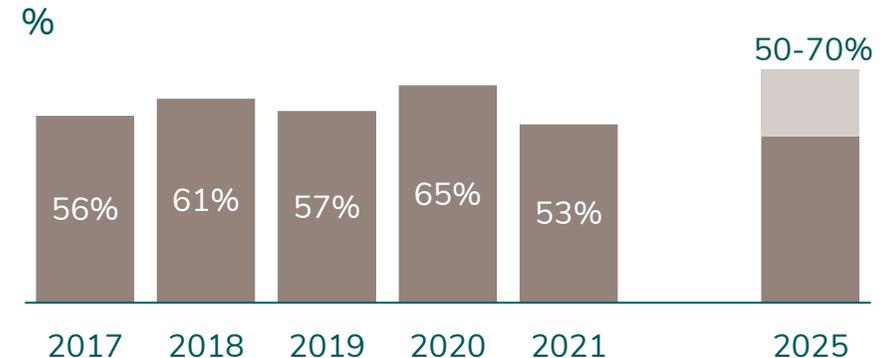
- As of 1 January 2022, the DNB-floor is introduced impacting our CET-ratio by 3.2%-points, we expect this impact will largely disappear when Basel IV is implemented in 2025
- Including this DNB-floor, our capital position is still ample, and we will continue to optimise our capital base, retaining scope for any bolt-on acquisitions. Whenever possible, we will also continue to pay out excess capital to shareholders, subject to regulatory approval

Overview of our financial targets

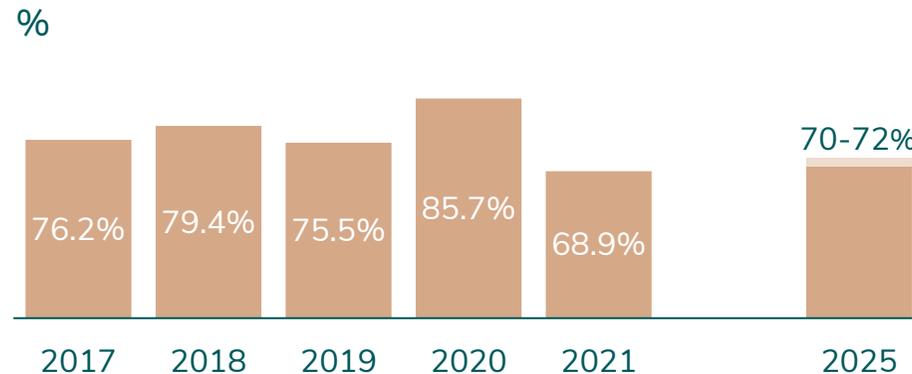
Common Equity Tier 1 ratio



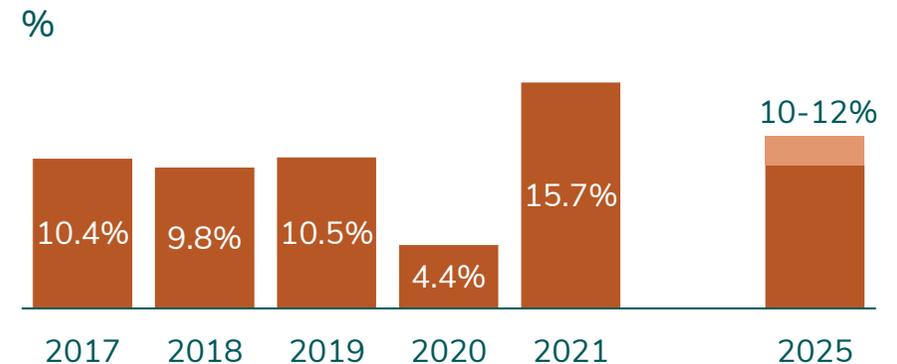
Dividend pay-out ratio*



Efficiency ratio



Return on Common Equity Tier 1*



* Based on annualised underlying net result attributable to shareholders

2021: Very good overall performance



Net result €143.8m (2020: €49.8m)
Underlying net result €159.9m
(2020: €51.0m)

Commission income €385.5m (+30%)
Interest income €153.6m (+1%)



Operating expenses
€409.9m (+10%)

Efficiency ratio 68.9%
(2020: 85.7%)



AuM €112.1bn (+13%)

Client assets €131.1bn (+14%)



Strong capital position
CET 1 ratio at 23.7% (2020: 24.3%)

Dividend proposal €2.00 per share
(2020: €0.70)

Appendix



**VAN LANSCHOT
KEMPEN**

Key figures 2021 by segment

€ m	Private Clients	Wholesale & Institutional Clients	Investment Banking Clients	Other	Total
Commission income	244.4	81.4	55.3	4.5	385.5
Interest income	140.2	-	0.0	13.4	153.6
Other income	2.4	-	4.8	48.4	55.6
Income from operating activities	387.0	81.4	60.1	66.2	594.7
Operating expenses	-255.9	-71.0	-41.4	-41.6	-409.9
Gross result	131.1	10.4	18.8	24.6	184.8
Impairments	10.9	-	-	7.2	18.1
Operating profit before tax of non-strategic investments	-	-	-	4.8	4.8
Operating profit before special items and tax	142.1	10.4	18.8	36.5	207.7
Amortisation of intangible assets arising from acquisitions	-9.8	-0.8	-	-0.8	-11.3
Expenses related to accounting treatment Mercier Vanderliir	-8.5	-	-	-	-8.5
Provision for revolving consumer credit	-3.3	-	-	-	-3.3
Restructuring charges	-3.9	-	-	-	-3.9
Other one-off items	-2.3	-	-	-	-2.3
Operating profit before tax	114.3	9.6	18.8	35.8	178.5
Underlying profit before tax*	132.3	9.6	18.8	35.8	196.4
Efficiency ratio	66.1%	87.3%	68.8%	62.9%	68.9%

* 2021 adjusted for expenses related to accounting treatment of Mercier Vanderlinden, provision for revolving consumer credit, restructuring charges related to the acquisition of Hof Hoorneman Bankiers and other one-off items; 2020 adjusted for restructuring charges related to the acquisition of Hof Hoorneman Bankiers.

Our achievements as a sustainable wealth manager in 2021

- Based on our net-zero commitment we reduced our carbon footprint further:
 - AuM: footprint per euro AuM down by 44%
 - Mortgage portfolio: footprint per euro invested down by 6.1%
 - Own organisation: by 6.2% per FTE
- In 2018 we started scoring our internal and external fund managers on sustainability criteria and categorised them in keeping with market practice. In 2021 we screened 387 funds (2020: 147 funds), representing 57% of our AuM. The scores were 2% impact, 25% sustainable and 64% responsible
- As long-term active owners our internal fund managers engaged directly with 132 companies (35% of all holdings) on ESG themes to create positive change
- In 2021, we launched the Kempen SDG Farmland fund – together with a fiduciary client. The fund invests in land for sustainable agriculture across the globe and delivers attractive long-term returns. At year-end 2021, around €380m had been committed to the fund

Progress on our non-financial KPIs

- To monitor whether we're on track to deliver on our ambitions, we define KPIs and targets
- The KPIs are focused on value creation, both financial and non-financial, financial KPI's are referred to on slide 2

Theme	KPI	Target	2021	Score 2021	Score 2020
Clients 	NPS Private Clients	10	●	36	26
	NPS Evi	10	●	15	5
	NPS W&I Clients	20	●	38	n/a
	MBC: number of successful transactions with repeat CF clients (5 yr)	60-70%	●	46%	43%
	MBC: bundled commission paid by repeat Securities clients	> 80%	●	94%	95%
	W&I Clients: average Morningstar rating of investment strategies	> 3.5	●	3.6	3.6
	Three-year relative performance of discretionary management mandates - Private Clients	> benchmark	●	-0.8%	-1.8%
Three-year relative performance of discretionary management mandates - Evi	> benchmark	●	-0.6%	-2.2%	
Ethics and integrity 	% of employees who positively evaluate our culture regarding ethical behaviour and integrity	> industry average (85%)	●	90%	89%
Sustainability 	Private Clients AuM invested in sustainable and/or impact solutions	last year + 10%	●	€4,367m +€1,304m	€3,063m +€1,017m
	Percentage of internal and external fund managers on the approved list that meet the sustainability criteria	> last year	●	76%	70%
	Engagement cases with companies that our funds invest in per year	80-100 cases	●	132	116
	Engagements for change for which at least one milestone has been reached in the past	10-15 trajectories	●	55	54
	Decrease in direct carbon emissions of our own organisation	- 2.5%/FTE per year	●	-6.2%	-51.1%
	Decrease in indirect carbon emissions in our mortgage portfolio	CO ₂ /EUR < last year	●	-6.1%	-6.6%
Employees 	Employee engagement score	> 80%	●	88%	n/a
	Employer Net Promoter Score (eNPS)	> 10	●	13	6
	Gender balance in management positions	> 30% female and > 30% male	●	22% female 78% male	21% female 79% male
	% of training courses followed to develop new skills in order to adapt the workforce	> 25%	●	53%	57%

High scores on external ESG ratings

MSCI



AA rating
on resilience to ESG risks



SUSTAINALYTICS

1st
in our peer group of
medium-sized banks

Transparantiebenchmark

8th
place in league table of
486 entrants



4th
in group of 97 peers rated on
sustainability

TAX
TRANSPARENCY
BENCHMARK 2021



18th
Place 18 in a league table of 77
multinationals



PRI Principles for
Responsible
Investment

A+ score
for Kempen's responsible
investment policy and process

ISS ESG

C+ rating

**FORUM
ETHIBEL**



Certificated
Sustainability certificate on
responsible investment policy

Moving from a business line-driven organisation to an integrated model

Former business line-driven organisation



New integrated model

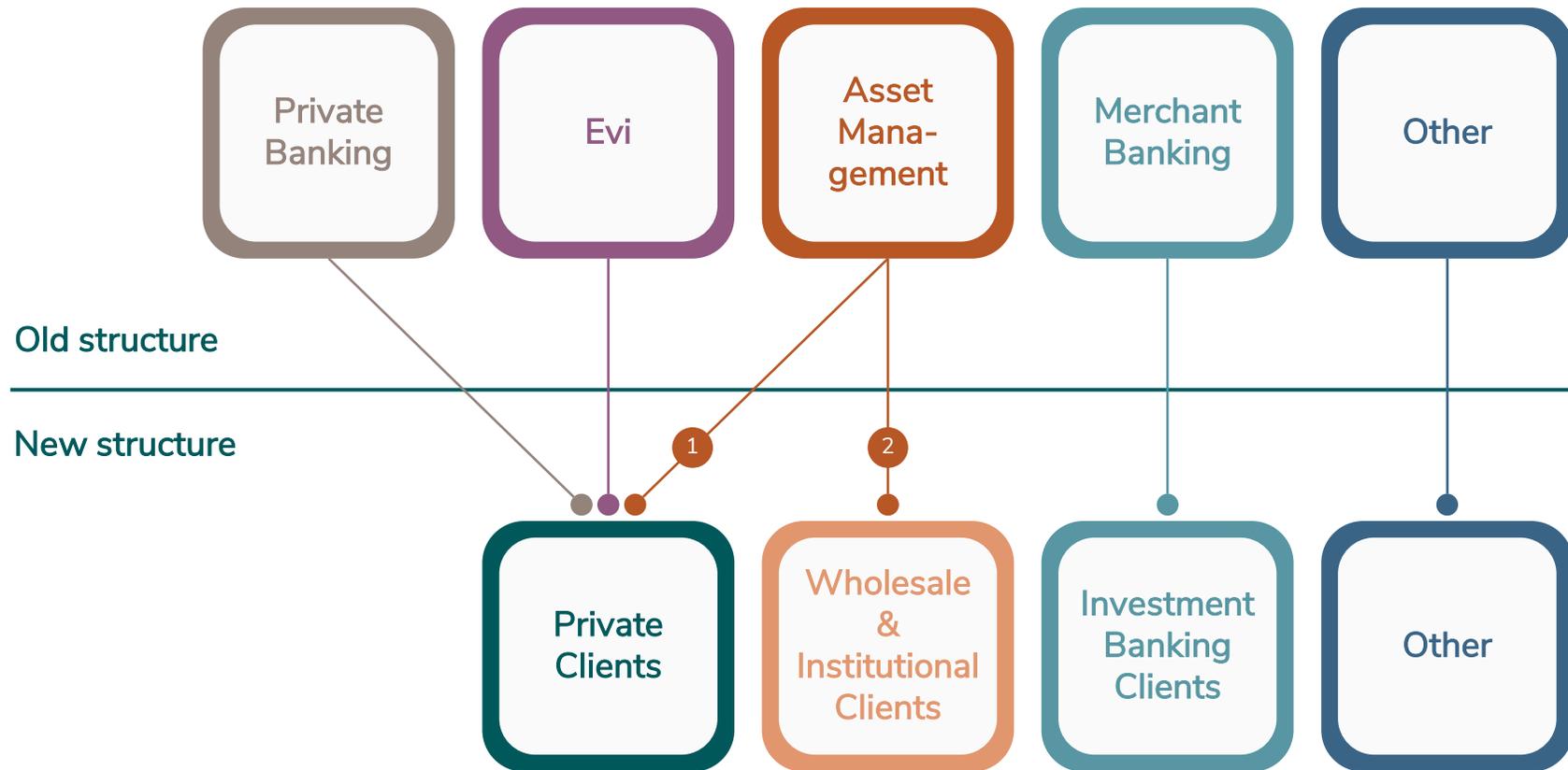


We have adjusted our organisational structure by shifting from a business line-driven organisation to a integrated model - reflecting our integrated wealth management profile. This means that our reporting is also by client group from 2021, these being Private Clients (this includes Evi), Wholesale & Institutional Clients, Investment Banking Clients, and Other.

- **Client Management & Origination:** integrates all sales and related disciplines that work closely together to ensure optimum service and client experience for all clients
- **Investment Strategies & Solutions:** creates and maintains investment solutions that optimally fit our client needs
- **Digital, Advanced Analytics & Technology:** streamlines and synchronises expertise to accelerate our IT change agenda and achieve maximum efficiency
- **Operations:** unites all operational support departments to ensure optimum service for clients, maximum efficiency and high client satisfaction
- **Corporate Centre:** houses our support and control functions

Our new reporting structure

Simplified view



① Income and expenses related to funds for Private Clients

② Income and expenses related to funds and fiduciary management for Wholesale & Institutional Clients

Disclaimer

Disclaimer and cautionary note on forward-looking statements

This document may contain forward-looking statements on future events and developments. These forward-looking statements are based on the current insights, information and assumptions of Van Lanschot Kempen's management about known and unknown risks, developments and uncertainties. Forward-looking statements do not relate strictly to historical or current facts and are subject to such risks, developments and uncertainties which by their very nature fall outside the control of Van Lanschot Kempen and its management.

Actual results, performances and circumstances may differ considerably from these forward-looking statements as a result of risks, developments and uncertainties relating to, but not limited to, (a) estimates of income growth, (b) costs, (c) the macroeconomic and business climate, (d) political and market trends, (e) interest rates and currency exchange rates, (f) behaviour of clients, competitors, investors and counterparties, (g) the implementation of Van Lanschot Kempen's strategy, (h) actions taken by supervisory and regulatory authorities and private entities, (i) changes in law and taxation, (j) changes in ownership that could affect the future availability of capital, (k) changes in credit ratings and (l) evolution and economic and societal impact of the Covid-19 pandemic.

Van Lanschot Kempen cautions that forward-looking statements are only valid on the specific dates on which they are expressed and accepts no responsibility or obligation to revise or update any information, whether as a result of new information or for any other reason.

Van Lanschot Kempen's annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2021 Van Lanschot Kempen consolidated annual accounts.

The financial data in this document have not been audited. Small differences in tables may be the result of rounding. Percentages are calculated based on unrounded figures.

This document 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 a recommendation to perform or refrain from performing any action.