




Van Lanschot

# General Meeting of Shareholders

's-Hertogenbosch, 19 May 2016





Agenda item 2a  
Report of the Supervisory Board



Agenda item 2b  
Report of the Statutory Board for 2015

Annual results 2015

# Highlights 2015

## Private Banking

- Net inflow AuM € 0.3 bln, provisions + 12%, revenues + 3%
- Evi: client assets of € 1.5 billion

## Asset Management

- KCM UK step stone for further growth in fiduciary management
- New mandates from Univé and FRR begin 2016

## Merchant Banking

- Strong year, commission income up 28%
- Coverage expanded in Infrastructure and Food, Feed & Pharma

## Result

- Growth in commission income improves quality of results
- Underlying result of € 60.1 million (+ 11%)

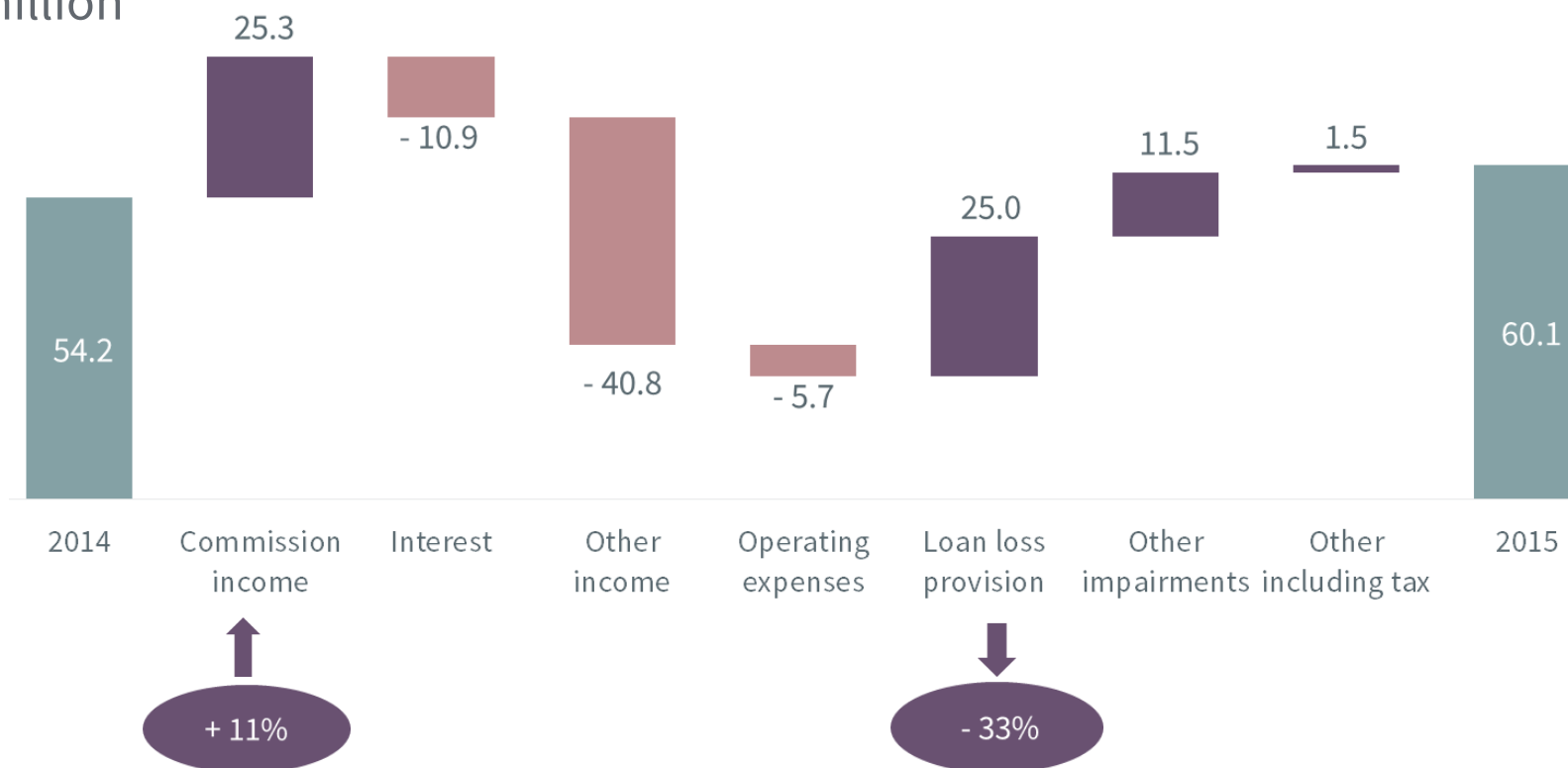
## Balance sheet

- Run-off target 2017 Corporate Banking already achieved
- CET I-ratio at 16.3%, leverage ratio 6.1%

# Improved quality of results

## Key drivers of underlying results in 2015

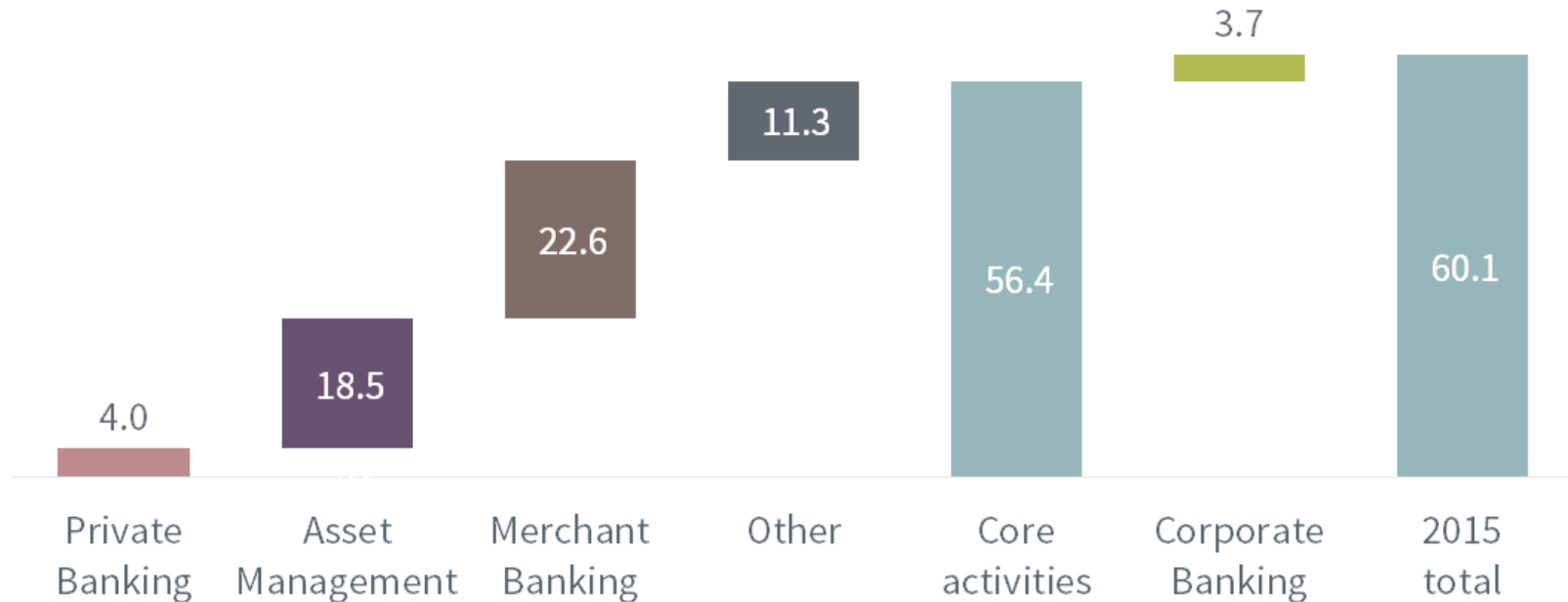
€ million



# All activities contribute to our underlying result

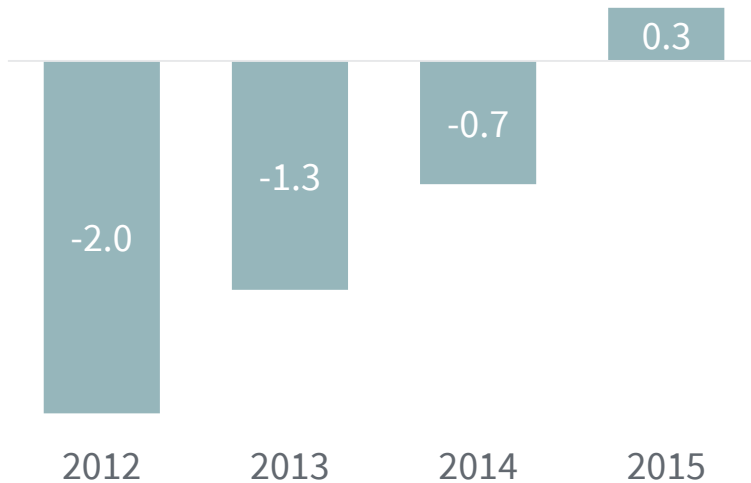
## Underlying result

€ million

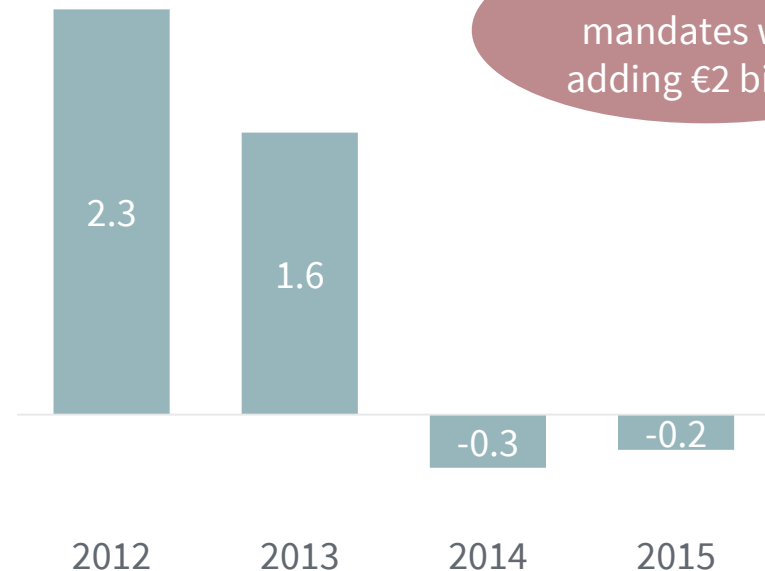


# Private Banking and Asset Management realise net inflow

## Net inflow Private Banking € billion



## Netto inflow Asset Management € billion



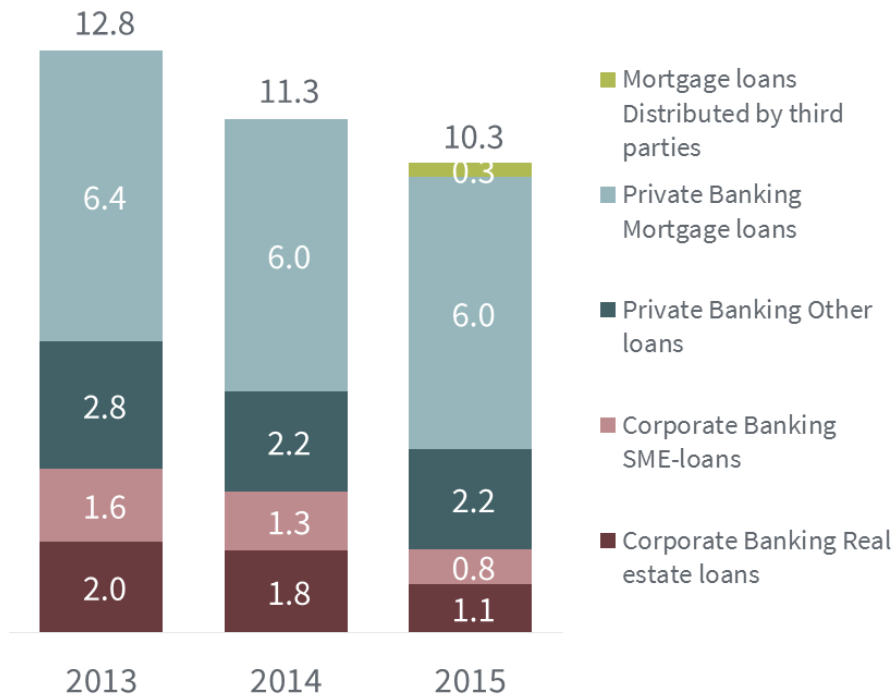
AuM grow 14% to € 50.2 billion in 2015



# Transparent loan portfolio, run-off Corporate Banking ahead of schedule, loan loss provisioning decreases

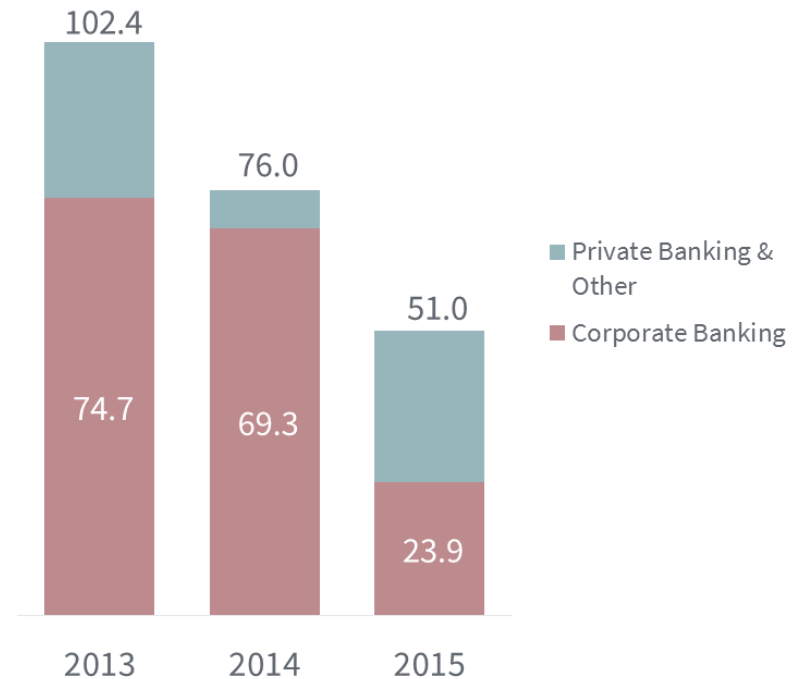
## Loan portfolio

€ billion, excluding provisions



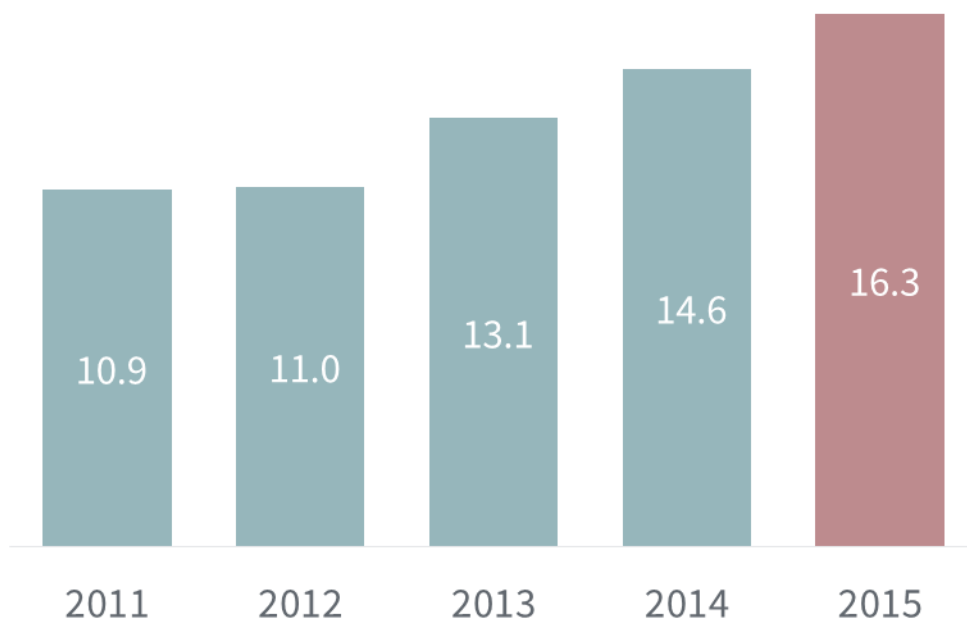
## Addition to loan loss provision

€ million



# Strengthening capital position continued

## Common Equity Tier I ratio\* (%)



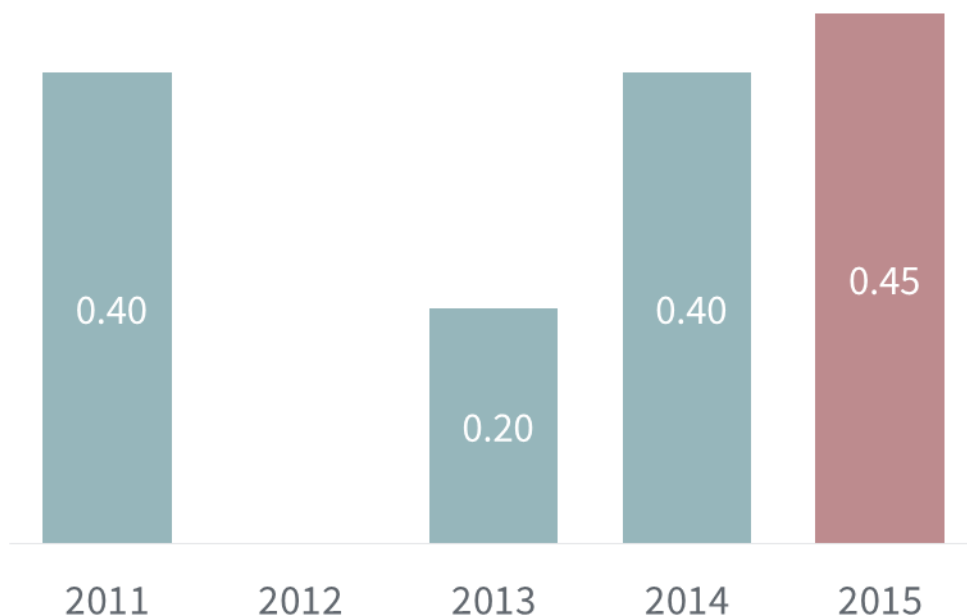
**At year-end 2015  
leverage ratio  
(fully loaded)  
amounts to 6.1%**

\* As from 2014 in compliance with the Basel III regulatory framework, phase-in, including retained earnings.  
Figures for previous years are based on compliance with Basel II.

# Proposal to raise dividend

## Dividend

€ per share



**Pay-out ratio\* 2015  
amounts to 36%  
(2014: 37%)**

\* Excluding one-off charge from sale of non-performing real estate loans

# Highlights Q1 2016

## Results

### **Positive on quality of income, net result of €14.0 million**

- Overall lower income compared to Q1 2015, mainly as result of volatile market circumstances and lower results from our investment portfolio
- Sizeable drop in loan loss provisioning to €3.4 million (Q1 2015: €15.3 million)

## Assets under Management

### **AuM increases with 5% to €52.7 billion (YE 2015: €50.2 billion)**

- €2.3 billion of inflow at Asset Management, mainly from winning two large mandates
- Despite stock market jitters, limited outflow in Private Banking of less than €0.1 billion

## Capital position

### **Solid balance sheet**

- CET I ratio (phase-in) reaches 16.9% (FY 2015: 16.3%)
- CET I ratio (fully loaded) reaches 16.4% (FY 2015: 15.4%)
- Fully loaded leverage ratio reaches 6.3% (FY 2015: 6.1%)

Strategy update

# Since 2013, we have made considerable progress in transforming to specialist wealth manager

Key achievements 2013 - 2015

## Focus



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

## Simplify



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

## Grow



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

# We did a strategic update to respond to a changing world

## *For our clients*

## *For our industry*

Low yield environment

Increasing individual responsibilities

Pensions

Regulation

Technological changes  
&  
digitalisation

## **Opportunity for Van Lanschot**

Appetite for investment products

Increased client needs for advice and wealth planning

Attractiveness of Evi online offering

Development of omni-channel private banking

Growth in fiduciary asset management

# We continue our wealth management strategy and have defined the next steps for the coming period

Key themes for core activities:

## Private Banking

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

## Asset Management

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

## Evi

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

## Merchant Banking

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

Supported by:

Continued run-off of  
Corporate Bank

Rightsizing support  
functions and  
streamline operations

Finalise transformation  
of IT platform

Outsourcing  
standardised 'universal'  
banking services



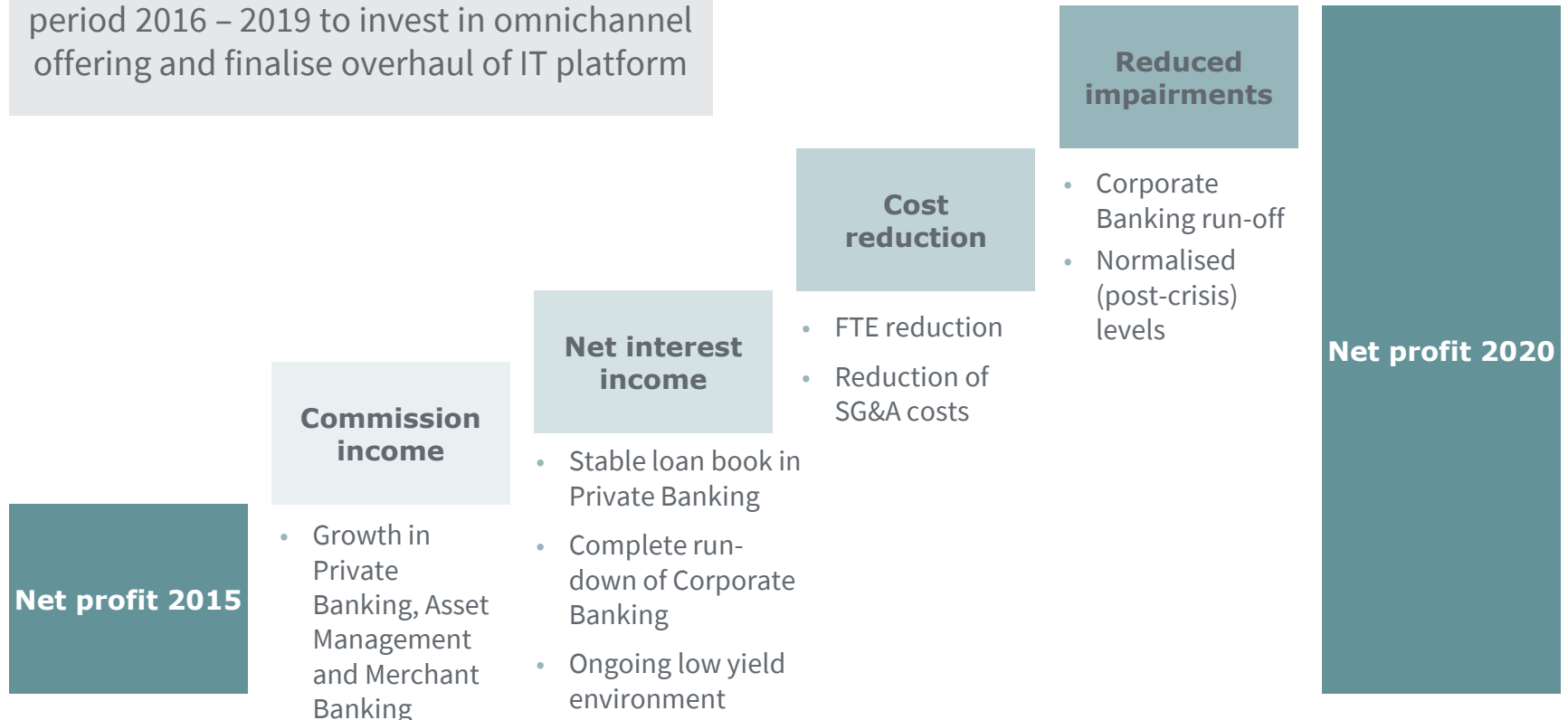
# Continue to develop our human capital

*People and culture are critical to our ongoing success*

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

# Key drivers of result development

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



FOR ILLUSTRATIVE PURPOSES ONLY, NOT DRAWN TO SCALE

# Capital strategy 2016 - 2020

## Higher capital target

- With a further shift away from credit risk (Pillar I), the regulatory framework is expected to require a higher CET1-ratio in the coming years in order to cover Pillar II risks (e.g. interest rate risk and concentration risk) as well
- Based on the current regulatory framework and business mix, we expect a CET I ratio in the range of 15-17% to be adequate

## Excess capital

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

## Increased pay-out ratio

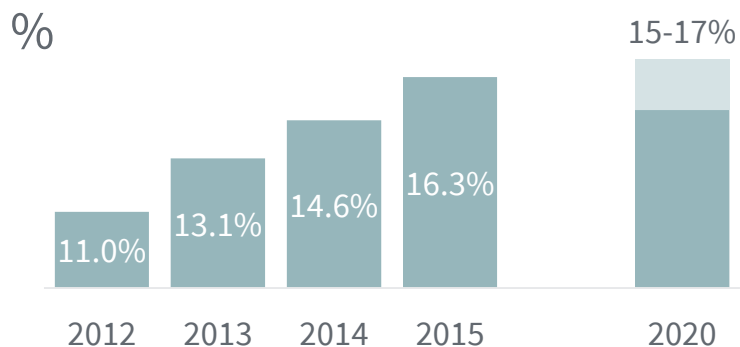
- Part of this excess capital will be distributed in the form of ordinary dividends; for this purpose we are raising our target pay-out ratio from 40-50% to 50-70% as of 2016

## Commitment to return capital

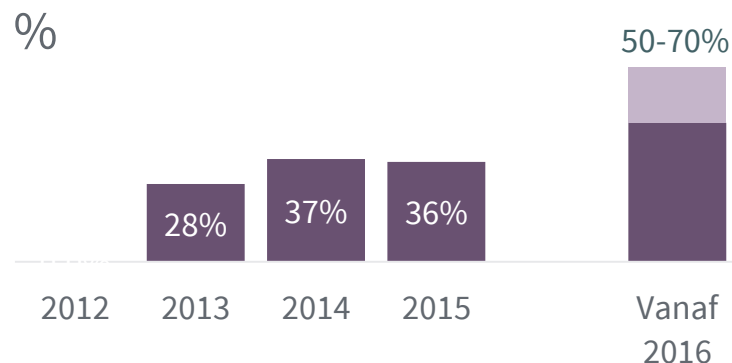
- In addition, management is committed to return any further excess capital to its shareholders, subject to regulatory approval

# Financial targets 2020

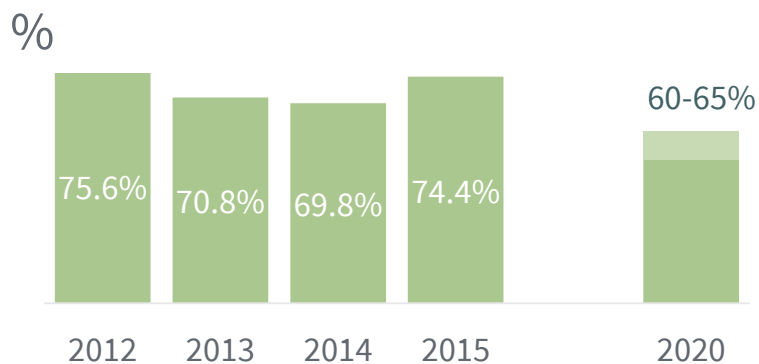
## Common Equity Tier I ratio (phase-in)



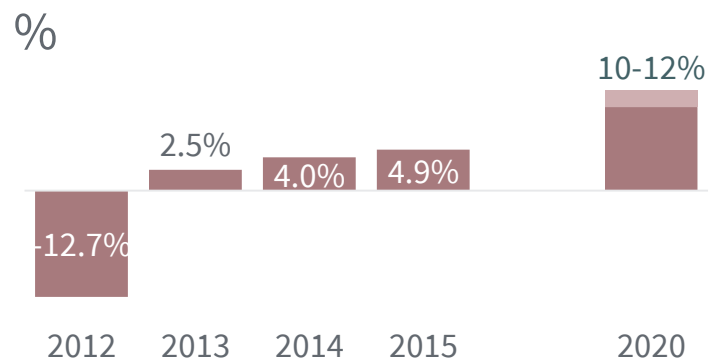
## Dividend payout ratio <sup>1</sup>



## Efficiency ratio




## Return on Common Equity Tier I



<sup>1</sup> based on underlying result

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a light brown or tan color with some blue accents. On the lens barrel, the text "ASPH." and "φ62" is visible. The lens is reflecting a scene from a road at night, showing several bright headlights and taillights of cars in the distance. The background is a soft, out-of-focus green and yellow gradient.

Agenda item 3a  
Implementation of remuneration policy for 2015

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a warm, golden-brown color. On the inner ring of the lens, the text "ASPH." and "φ62" is visible. The lens is reflecting a scene of a road at night, with several bright headlights from an approaching car. The background is a soft, out-of-focus green and yellow gradient.

Agenda item 3b  
Adoption of 2015 financial statements

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a light brown or tan color with some blue accents. On the lens barrel, the text "ASPH." and "φ62" is visible. The lens is reflecting a scene of a road at night, with several bright lights from cars or street lamps creating a bokeh effect. The background is a soft, out-of-focus green and yellow gradient.

Agenda item 3c

Proposal to pay a cash dividend of €0.45 per Class A ordinary share

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate elements and a reflection of a road at night with several bright lights. The lens is set against a blurred green background. The lens barrel has some text on it, including 'ASPH.' and 'φ62'.

Agenda item 4a

Proposal to discharge the members of the Statutory Board from liability for their conduct of Van Lanschot's affairs in the 2015 financial year



A close-up photograph of a camera lens. The lens is the central focus, showing its intricate elements and a reflection of a road at night with several bright lights. The lens barrel has some text on it, including "ASPH." and "φ62". The background is a soft, out-of-focus green and yellow gradient.

Agenda item 4b

Proposal to discharge the members of the Supervisory Board for their supervision of Van Lanschot's affairs in the 2015 financial year

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a mix of dark blue and light brown/gold tones. On the gold-colored ring, the text "ASPH." and "φ62" is visible. The lens is reflecting a scene from a road at night, with several bright headlights and taillights creating a bokeh effect. The background behind the lens is a soft, out-of-focus green and yellow gradient.

Agenda item 5

Proposal to adjust the remuneration of the members of the Supervisory Board

# Adjustment remuneration Supervisory Board

## Supervisory Board membership

Position	Current	Proposed
Chairman	€60,000	€75,000
Deputy Chairman	€50,000	€60,000
Member	€45,000	€50,000

## Audit and Compliance Committee

Position	Current	Proposed
Chairman	€10,000	€15,000
Member	€7,500	€10,000

## Risk Committee

Position	Current	Proposed
Chairman	€10,000	€12,000
Member	€7,500	€8,000

# Adjustment remuneration Supervisory Board

## Remuneration Committee

Position	Current	Proposed
Chairman	€3,000	€6,000
Member	€2,000	€4,000

## Selectie- en Benoemingscommissie

Position	Current	Proposed
Chairman	€3,000	€6,000
Member	€2,000	€4,000



Agenda item 6a

Announcement of vacancies which will arise on the day of the Annual General Meeting of Shareholders in 2017

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate elements and a reflection of a road at night with several bright lights. The lens is set against a blurred green background. The lens barrel has some text on it, including "ASPH." and "φ62".

Agenda item 7

Grant of authority to repurchase own Class A ordinary shares and/or depositary receipts for such shares

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a light brown or tan color with some text. The lens is reflecting a scene from a road at night, showing several bright headlights and taillights of cars in the distance. The background behind the lens is a soft, out-of-focus green and yellow gradient.

Agenda item 8a

Extension of the power of the Statutory Board to issue Class A ordinary shares

A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a light brown or tan color with some text. The lens is reflecting a scene from a road at night, showing several bright headlights and taillights of cars in the distance. The background behind the lens is a soft, out-of-focus green and yellow gradient.

Agenda item 8b

Extension of the powers of the Statutory Board to limit or exclude pre-emption rights when Class A ordinary shares are issued



A close-up photograph of a camera lens. The lens is the central focus, showing its intricate internal elements and the outer barrel. The barrel is a mix of dark blue and metallic gold colors. On the gold ring, the text "ASPH." and "φ62" is visible. The lens is reflecting a scene of a road at night, with several bright headlights from an approaching car. The background is a soft, out-of-focus green field.

Agenda item 9

Any other business and closure of meeting



Van Lanschot

# General Meeting of Shareholders

's-Hertogenbosch, 19 May 2016

