

## Van Lanschot Kempfen: net profit €84.3 million, with net AuM inflows at €13.7 billion in 2022

- Net profit €84.3 million (2021: €143.8 million), decline partly related to one-off charge related to the accelerated acquisition of the remaining 30%-stake in Mercier Vanderlinden
- Commission income and interest income both increased by 6%
- Net AuM inflows at Private Clients: €2.0 billion; Wholesale & Institutional Clients: €11.6 billion
- Client assets: €124.2 billion (2021: €131.2 billion) and AuM: €107.8 billion (2021: €115.6 billion)
- Strong capital ratio of 20.6% (2021: 23.7%), decrease attributable to higher capital requirements for residential mortgage loans and a €1.50 per share capital return in December 2022
- 2022 dividend proposed at €1.75 per share (2021: €2.00 per share)
- Intention to return excess capital of €2.00 per share in the second half of 2023, subject to regulatory approval

**Maarten Edixhoven, Chair of the Management Board, said:** “We are looking back on an eventful year in which the war in Ukraine, energy insecurity and inflation left marks on society at large and our clients. Negative market performances in virtually all asset classes left no investor untouched. We nevertheless achieved high net inflows in assets under management (AuM) and increased savings. I’m grateful to our clients for their confidence in us and would also like to thank my colleagues for their personal and entrepreneurial approach in the past year, helping our clients in these turbulent times.

“In 2022, we enhanced our financial and sustainability objectives as well as our capital strategy. Profitable growth, both organically and via acquisitions, remains our focus, while maintaining a capital-light balance sheet. We’re proud to have added two major Dutch clients to our fiduciary management activities and shortly before year-end we announced the acquisition of the remaining 30% stake in Mercier Vanderlinden, a further strengthening of our position in Belgium. As part of this transaction, Mercier Vanderlinden’s managing partners will obtain a significant stake in Van Lanschot Kempfen, anchoring our shareholder base in our second home market.

“What really pleases me is that over 70% of our colleagues now hold shares in Van Lanschot Kempfen, a clear sign of their engagement. I’m also proud that we’ve managed to retain and attract talent in a tight labour market. And on that note, I consider the addition of the Robeco Retail Nederland team to Evi van Lanschot a real boon. On 2 February 2023, we announced that we would enter into a strategic partnership with Robeco and acquire their online investment platform with €4.7 billion in AuM. We look forward to a great partnership and expect to complete the transaction in June 2023.”

### Client assets and AuM

Net AuM inflows amounted to €13.7 billion and negative market performance was €21.5 billion, resulting in a decrease in total AuM of €107.8 billion (2021: €115.6 billion). Client savings rose to €12.7 billion (2021: €11.7 billion) and total client assets were €124.2 billion (2021: €131.2 billion).

### 2022 results

Full-year net profit amounted to €84.3 million (2021: €143.8 million). The decrease can mainly be explained by high results on participating interests in 2021 and one-off charges related to the acquisition of the remaining 30% stake in Mercier Vanderlinden in 2022.

Commission income rose 6% to €407.8 million (2021: €385.5 million) on the back of higher average AuM levels. Interest income was up 6% to €162.7 million (2021: €153.6 million), reflecting the interest rate hikes the European Central Bank (ECB) embarked on in the second half of the year.

In 2022, operating expenses rose to €438.2 million (2021: €409.9 million), fuelled by higher staff costs. The increase mostly reflects an increase in FTE to 1,780 (2021: 1,654), including at the IT and compliance functions and at the teams responsible for investment solutions. Moreover, after the acquisition of the initial 70% stake in July 2021, Mercier Vanderlinden's operating expenses were now recognised for the full calendar year.

2022 saw a release from loan loss provisions of €7.7 million (2021: €11.7 million), related to certain specific client cases. An underlying €3.7 million addition to loan loss provisions was made as a management overlay in light of rising inflation and uncertain economic conditions. The loan portfolio is comprised mainly of residential mortgages in the Netherlands. This residential mortgage portfolio expanded by around €350 million in 2022, with growth decelerating in line with the rest of the market in the final months of the year.

Underlying net profit amounted to €117.8 million (2021: €159.9 million). This figure reflects the net result adjusted for charges relating to the accounting treatment of the Mercier Vanderlinden acquisition, the provision for revolving consumer credit, and restructuring charges related to the Hof Hoorneman integration. Other one-off charges amounted to €6.5 million, mainly related to a settlement of an interest rate derivatives case for which we had taken a provision of €9.9 million in the first quarter of 2022.

### Private Clients

2022 pre-tax profit at Private Clients was €117.1 million (2021: €114.3 million). Underlying pre-tax profit was €151.4 million (2021: €132.3 million). Commission income was up 11% to €270.4 million (2021: €244.4 million), boosted by higher average AuM levels on the back of the Mercier Vanderlinden acquisition and net inflows.

Net AuM inflows in this segment were high: €2.0 billion, with Belgium contributing €0.7 billion. Total AuM was €40.5 billion at end-2022 (2021: €44.8 billion), of which €9.2 billion derived from Belgium (2021: €9.7 billion).

In December 2022, Van Lanschot Kempen announced the accelerated acquisition of the remaining 30% stake in Mercier Vanderlinden. The combination of Van Lanschot Belgium and Mercier Vanderlinden will proceed under the name of Mercier Van Lanschot in Belgium in the course of 2023. The two had been working ever closer together in 2022, for instance in providing Lombard loans and using the custodial services provided by Van Lanschot Belgium.

Van Lanschot Kempen was named "Best Private Bank in the Netherlands 2022" by *Professional Wealth Management* and *The Banker (Financial Times)*. The awards commend private banks that excelled at achieving their business strategies, asset inflows and in their high client satisfaction scores. Client satisfaction remained high, as also demonstrated by the high Relationship NPS (Net Promoter Score) of 36 (2021: 36).

At Evi van Lanschot – part of the Private Clients segment – a negative market performance pushed AuM down to €1.3 billion at year-end 2022 (2021: €1.6 billion)

### Wholesale & Institutional Clients

In 2022, pre-tax profit at Wholesale & Institutional Clients stood at €2.2 million (2021: €9.6 million). The drop reflected lower commission income of €78.4 million, compared with €81.4 million in 2021 – due to a €5.5 million one-time performance fee in 2021 and higher operating expenses of €75.3 million (2021: €71.0 million), driven by IT investment.

The segment's net inflows were high, at €11.6 billion. Total AuM were down to €67.3 billion (2021: €70.9 billion) in the wake of the negative market performance.

Fiduciary management recorded net AuM inflows of €12.0 billion, including two new mandates. BPF Schilders selected Van Lanschot Kempen as fiduciary manager for its nearly €8 billion pension fund serving over 100,000 participants. The other one, of nearly €4 billion in assets, is a fiduciary advisory mandate serving the KLM Cabin Crew pension fund.

Total AuM in the United Kingdom amounted to €4.8 billion (2021: €8.0 billion), reflecting net outflow of €0.1 billion and a negative market performance of €3.2 billion.

AuM from investment strategies declined to €7.5 billion (2021: €8.8 billion) on a combination of negative market performances and a net outflow of €0.2 billion. Credit and real assets saw outflows, while most of the inflows were at small caps.

### Investment Banking Clients

2022 pre-tax profit at Investment Banking Clients came in at €9.7 million (2021: €18.8 million). The fall was the net result of higher commission income at €56.0 million (2021: €55.3 million), lower trading results, higher staff costs and the result from the sale of Global Property Research in 2021.

The Corporate Finance & Equity Capital Markets team had a good year and completed 37 transactions totalling €8.1 billion in value, particularly at M&A advice and debt advisory.

At Equities, Van Lanschot Kempen has launched a Sustainable Opportunities team, offering extensive research into companies and sectors that promote the transition to a sustainable future.

### Other

The result on activities related to the structured products portfolio came in at a negative €6.2 million for 2022 (2021: -€4.6 million) under result on financial transactions. De-risking of the portfolio was completed by the end of 2022.

Exposures in own funds brought in a positive pre-tax result of €2.9 million (2021: €13.2 million before tax), including hedge results.

The result on participating interests in private equity portfolios was €16.3 million in 2022, including a book gain of €7.1 million on the sale of participations held by private equity fund Newion I, in which Van Lanschot Kempen invests. In 2021, the result on participating interests was €40.3 million on the back of multiple sales and valuations and revaluations.

### Sustainability targets

In 2022, 20.6% of total AuM was invested in products classified as sustainable or impact investing. The aim is to increase the AuM percentage invested in sustainable and/or impact-classified products every year. Meanwhile, requirements for classifying as sustainable or impact are expected to increase, in keeping with developments in the market.

Van Lanschot Kempen aims to be climate neutral – i.e. net zero emissions – by 2050. In order to get there, short-term targets were set to reduce the carbon footprint. In 2022, 88% (target: 80%) of own investment funds and private banking clients' discretionary portfolios met the objective of a 7% annual reduction in carbon intensity.

### Solvency

The CET 1 ratio remains strong at 20.6% (2021: 23.7%). The decline reflects the introduction of higher capital requirements for residential mortgages imposed by De Nederlandsche Bank (DNB) effective from 1 January 2022, coupled with the capital return of €1.50 per share in December 2022 (a total €61 million).

The CET 1 ratio according to the 'Basel IV fully loaded' definition stood at around 21%.

### **Dividend**

Our good results and strong capital position enable us to propose a 2022 dividend of €1.75 per share (2021: €2.00), taking the total proposed dividend payable to €74.2 million. This figure also includes the planned issue of 1,678,270 shares related to the acquisition of the remaining 30% stake in Mercier Vanderlinden.

### **Capital return**

At the Capital Markets Day in May 2022, Van Lanschot Kempenn announced a new target for the CET 1 ratio: 15% plus an M&A add-on of 2.5%, as well as the intention to return capital in excess of a 17.5% CET 1 ratio. At the time of the announcement, excess capital stood at €145 million, €61 million of which has since been returned. Van Lanschot Kempenn plans to return €2.00 per share to shareholders (around €85 million) in the second half of 2023, subject to regulatory approval.

If the CET 1 ratio exceeds its target of 15% plus an M&A add-on of 2.5% by the end of 2023, the intention remains to continue returning to our shareholders any capital exceeding a CET 1 ratio of 17.5%, subject to regulatory approval.

### **External auditors**

At the 2023 annual general meeting (AGM) PwC will be proposed for reappointment for the 2024 financial year.

In anticipation of the compulsory change in external auditors in 2026, at the 25 May 2023 AGM, Van Lanschot Kempenn will propose the appointment of KPMG Accountants NV with effect from the 2025 financial year.

**Key data**

| <i>€ million</i>   | 2022       | 2021       |      |
|--|------------|------------|------|
| <b>Statement of income</b>                                       |            |            |      |
| Net result   | 84.3       | 143.8      | -41% |
| Underlying net result  | 117.8      | 159.9      | -26% |
| Efficiency ratio (%)   | 73.1       | 68.9       |      |
| <i>€ billion</i>   | 31/12/2022 | 31/12/2021 |      |
| <b>Client assets</b>   |            |            |      |
| - Assets under management <sup>i</sup>                           | 107.8      | 115.6      | -7%  |
| - Assets under administration                                    | 3.7        | 3.8        | -3%  |
| - Savings and deposits   | 12.7       | 11.7       | 8%   |
| <i>€ million</i>   | 31/12/2022 | 31/12/2021 |      |
| <b>Statement of financial position and capital management</b>    |            |            |      |
| Equity attributable to shareholders                              | 1,281      | 1,308      | -2%  |
| Equity attributable to AT 1 capital securities                   | 102        | 102        | 0%   |
| Equity attributable to non-controlling interests                 | 0          | 0          |      |
| Savings and deposits   | 12,726     | 11,730     | 8%   |
| Loans and advances to clients                                    | 9,364      | 8,876      | 6%   |
| Total assets   | 17,018     | 16,307     | 4%   |
| Loan-to-deposit ratio (%)  | 73.6       | 75.7       |      |
| Risk-weighted assets   | 4,272      | 3,921      | 9%   |
| Common Equity Tier 1 ratio (%)                                   | 20.6       | 23.7       |      |
| Tier 1 ratio (%)   | 22.9       | 26.3       |      |
| Total capital ratio (%)  | 26.4       | 30.1       |      |
|  | 2022       | 2021       |      |
| <b>Key figures</b>   |            |            |      |
| Weighted average of outstanding ordinary shares (x 1,000)        | 40,706     | 40,910     | -0%  |
| Underlying earnings per share (€)                                | 2.72       | 3.74       | -27% |
| Return on average Common Equity Tier 1 capital (%) <sup>ii</sup> | 12.3       | 15.7       |      |
| Number of staff (FTEs at period end)                             | 1,780      | 1,654      | 8%   |



## Result

| € million   | 2022         | 2021         |             |
|---|--------------|--------------|-------------|
| Commission  | 407.8        | 385.5        | 6%          |
| - Of which securities commissions                                 | 350.4        | 330.1        | 6%          |
| - Of which other commissions                                      | 57.4         | 55.4         | 4%          |
| Interest  | 162.7        | 153.6        | 6%          |
| Income from securities and associates                             | 7.8          | 65.9         | -88%        |
| Result on financial transactions                                  | 21.3         | -10.3        |             |
| <b>Income from operating activities</b>                           | <b>599.7</b> | <b>594.7</b> | <b>1%</b>   |
| Staff costs   | 298.3        | 273.0        | 9%          |
| Other administrative expenses                                     | 123.5        | 119.7        | 3%          |
| - Of which regulatory levies and charges                          | 12.1         | 13.9         | -13%        |
| Depreciation and amortisation                                     | 16.3         | 17.3         | -6%         |
| <b>Operating expenses</b>   | <b>438.2</b> | <b>409.9</b> | <b>7%</b>   |
| <b>Gross result</b>   | <b>161.5</b> | <b>184.8</b> | <b>-13%</b> |
| Addition to loan loss provision                                   | -7.7         | -11.7        | 34%         |
| Other impairments   | 1.1          | -6.5         |             |
| <b>Impairments</b>  | <b>-6.6</b>  | <b>-18.1</b> | <b>63%</b>  |
| Operating profit before tax of non-strategic investments          | 0.6          | 4.8          | -87%        |
| <b>Operating profit before special items and tax</b>              | <b>168.7</b> | <b>207.7</b> | <b>-19%</b> |
| Amortisation of intangible assets arising from acquisitions       | 14.9         | 11.3         | 31%         |
| Expenses related to accounting treatment Mercier Vanderlinden     | 29.6         | 8.5          |             |
| Provision revolving consumer credit                               | -2.0         | 3.3          |             |
| Restructuring charges related to the acquisition of Hof Hoorneman | 0.7          | 3.9          | -82%        |
| Other one-off items   | 6.5          | 2.3          |             |
| <b>Operating profit before tax</b>                                | <b>119.0</b> | <b>178.5</b> | <b>-33%</b> |
| Income tax  | 34.7         | 34.6         | 0%          |
| <b>Net result</b>   | <b>84.3</b>  | <b>143.8</b> | <b>-41%</b> |
| <b>Underlying net result</b>                                      | <b>117.8</b> | <b>159.9</b> | <b>-26%</b> |



## Result per segment - 2022

| € million   | Private<br>Clients | Wholesale &<br>Institutional<br>Clients | Investment<br>Banking<br>Clients | Other        | Total        |
|---|--------------------|---|----------------------------------|--------------|--------------|
| Commission  | 270.4              | 78.4                                    | 56.0                             | 2.9          | 407.8        |
| Interest  | 155.8              | -0.0                                    | -0.0                             | 7.0          | 162.7        |
| Other income  | 2.2                | -0.2                                    | -1.0                             | 28.1         | 29.2         |
| <b>Income from operating activities</b>                       | <b>428.3</b>       | <b>78.2</b>                             | <b>55.0</b>                      | <b>38.1</b>  | <b>599.7</b> |
| Staff costs   | 93.6               | 10.5                                    | 26.0                             | 168.2        | 298.3        |
| Other administrative expenses                                 | 58.0               | 8.8                                     | 8.4                              | 48.3         | 123.5        |
| Allocated expenses  | 118.0              | 56.0                                    | 10.5                             | -184.5       | -            |
| Depreciation and amortisation                                 | 1.4                | 0.0                                     | 0.3                              | 14.5         | 16.3         |
| <b>Operating expenses</b>                                     | <b>271.0</b>       | <b>75.3</b>                             | <b>45.3</b>                      | <b>46.5</b>  | <b>438.2</b> |
| <b>Gross result</b>   | <b>157.3</b>       | <b>2.9</b>                              | <b>9.7</b>                       | <b>-8.4</b>  | <b>161.5</b> |
| Impairments   | -7.6               | -                                       | -                                | 0.9          | -6.6         |
| Operating profit before tax of non-strategic investments      | -                  | -                                       | -                                | 0.6          | 0.6          |
| <b>Operating profit before special items and tax</b>          | <b>164.9</b>       | <b>2.9</b>                              | <b>9.7</b>                       | <b>-8.8</b>  | <b>168.7</b> |
| Amortisation of intangible assets arising from acquisitions   | 13.4               | 0.7                                     | -                                | 0.8          | 14.9         |
| Expenses related to accounting treatment Mercier Vanderlinden | 29.6               | -                                       | -                                | -            | 29.6         |
| Provision revolving consumer credit                           | -2.0               | -                                       | -                                | -            | -2.0         |
| Restructuring charges: Hof Hoorneman                          | 0.2                | -                                       | -                                | 0.5          | 0.7          |
| Other one-off items   | 6.5                | -                                       | -                                | -            | 6.5          |
| <b>Operating profit before tax</b>                            | <b>117.1</b>       | <b>2.2</b>                              | <b>9.7</b>                       | <b>-10.0</b> | <b>119.0</b> |
| <b>Underlying profit before tax</b>                           | <b>151.4</b>       | <b>2.2</b>                              | <b>9.7</b>                       | <b>-9.5</b>  | <b>153.8</b> |

**Result per segment - 2021**

| € million   | Private Clients | Wholesale & Institutional Clients | Investment Banking Clients | Other       | Total        |
|---|-----------------|-----------------------------------|----------------------------|-------------|--------------|
| Commission  | 244.4           | 81.4                              | 55.3                       | 4.5         | 385.5        |
| Interest  | 140.2           | -0.0                              | -0.0                       | 13.4        | 153.6        |
| Other income  | 2.4             | 0.0                               | 4.8                        | 48.4        | 55.6         |
| <b>Income from operating activities</b>                       | <b>387.0</b>    | <b>81.4</b>                       | <b>60.1</b>                | <b>66.2</b> | <b>594.7</b> |
| Staff costs   | 89.3            | 10.1                              | 24.0                       | 149.6       | 273.0        |
| Other administrative expenses                                 | 59.0            | 6.7                               | 7.8                        | 46.2        | 119.7        |
| Allocated expenses  | 106.2           | 54.2                              | 9.3                        | -169.7      | -            |
| Depreciation and amortisation                                 | 1.4             | 0.0                               | 0.3                        | 15.6        | 17.3         |
| <b>Operating expenses</b>                                     | <b>255.9</b>    | <b>71.0</b>                       | <b>41.4</b>                | <b>41.6</b> | <b>409.9</b> |
| <b>Gross result</b>   | <b>131.1</b>    | <b>10.4</b>                       | <b>18.8</b>                | <b>24.6</b> | <b>184.8</b> |
| Impairments   | -10.9           | -                                 | -                          | -7.2        | -18.1        |
| Operating profit before tax of NSIs                           | -               | -                                 | -                          | 4.8         | 4.8          |
| <b>Operating profit before special items and tax</b>          | <b>142.1</b>    | <b>10.4</b>                       | <b>18.8</b>                | <b>36.5</b> | <b>207.7</b> |
| Amortisation of intangible assets arising from acquisitions   | 9.8             | 0.8                               | -                          | 0.8         | 11.3         |
| Expenses related to accounting treatment Mercier Vanderlinden | 8.5             | -                                 | -                          | -           | 8.5          |
| Provision revolving consumer credit                           | 3.3             | -                                 | -                          | -           | 3.3          |
| Restructuring charges: Hof Hoorneman                          | 3.9             | -                                 | -                          | -           | 3.9          |
| Other one-off items   | 2.3             | -                                 | -                          | -           | 2.3          |
| <b>Operating profit before tax</b>                            | <b>114.3</b>    | <b>9.6</b>                        | <b>18.8</b>                | <b>35.8</b> | <b>178.5</b> |
| <b>Underlying profit before tax</b>                           | <b>132.3</b>    | <b>9.6</b>                        | <b>18.8</b>                | <b>35.8</b> | <b>196.4</b> |

**PERFORMANCE REPORT/PRESENTATION/WEBCAST**

For a detailed discussion of Van Lanschot Kempen's results and balance sheet, please refer to our performance report and presentation on the 2022 full-year results at [vanlanschotkempen.com/results](https://vanlanschotkempen.com/results). In a conference call on 23 February at 9.00 am CET, we will discuss our 2022 full-year results in greater detail. This may be viewed live at [vanlanschotkempen.com/results](https://vanlanschotkempen.com/results) and played back at a later date.

**ADDITIONAL INFORMATION**

For additional information, go to [vanlanschotkempen.com/financial](https://vanlanschotkempen.com/financial).

**FINANCIAL CALENDAR**

|                 |  |
|-----------------|--|
| 4 May 2023      | Publication of 2023 first-quarter trading update |
| 25 May 2023     | Annual General Meeting                           |
| 29 May 2023     | Ex-dividend date                                 |
| 6 June 2023     | 2022 dividend pay date                           |
| 24 August 2023  | Publication of 2023 half-year results            |
| 2 November 2023 | Publication of 2023 third-quarter trading update |

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**About Van Lanschot Kempen**

Van Lanschot Kempen is a wealth manager active in Private Banking, Investment Management and Investment Banking, with the aim of preserving and creating wealth, in a sustainable way, for both its clients and the society of



which it is part. As a sustainable wealth manager with a long-term focus, Van Lanschot Kempen proactively seeks to prevent negative impact for all stakeholders and to create positive long-term financial and non-financial value. Listed at Euronext Amsterdam, Van Lanschot Kempen is the Netherlands' oldest independent financial services company, with a history dating back to 1737. To fully leverage the potential of the Van Lanschot Kempen organisation for its clients, it provides solutions that build on the knowledge and expertise across its entire group and on its open architecture platform. Van Lanschot Kempen is able to meet the needs of its clients by offering them access to the full range of its products and services across all its businesses.

For more information, please visit [vanlanschotkempen.com](https://vanlanschotkempen.com)

#### **Important legal information and cautionary note on forward-looking statements**

This press release may contain forward-looking statements and targets on future events and developments. These forward-looking statements and targets 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 and targets 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 and targets.

Van Lanschot Kempen cautions that forward-looking statements and targets in this press release 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 press release, except as described otherwise, the same accounting principles are applied as in the 2022 Van Lanschot Kempen consolidated annual accounts. The figures in this press release have not been audited. Small differences are possible in the tables due to rounding. Percentages are calculated based on unrounded figures.

This press release 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.

Elements of this press release contain information about Van Lanschot Kempen NV within the meaning of Article 7(1) to (4) of EU Regulation No. 596/2014.

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<sup>i</sup> Including assets under monitoring & guidance.

<sup>ii</sup> Based on underlying net result attributable to shareholders.