PRESS RELEASE

Van Lanschot Kempen: strong results driven by successful strategy implementation

- **Underlying net result up significantly by over 38% to €112.3 million (2016: €81.3 million). Net profit rises to €94.9 million (2016: €69.8 million)**
- **Client assets add over 20% to €83.6 billion (year-end 2016: €69.4 billion)**
- **AuM up to €69.2 billion (2016: €54.6 billion), driven by €9.3 billion in net inflows among other factors**
- **Solid capital position: fully loaded CET I ratio at 20.3% (2016: 18.6%)**
- **Higher dividend proposed: €1.45 per share (2016: €1.20 per share)**

's-Hertogenbosch, the Netherlands, 22 February 2018

Van Lanschot Kempen today released its 2017 annual results. Karl Guha, Chairman, said: "We look back on a successful year. We have made good progress every year since we started our transformation into a specialist wealth manager five years ago, and provide an increasingly enhanced service to our clients.

"In 2017, our underlying net result[i] rose to €112.3 million. The organic growth (17%) of our assets under management (AuM) was strong. The takeover of the wealth management activities of UBS in the Netherlands was our third successful acquisition in as many years. Our focus on wealth management has increased in 2017 as we have managed to wind down our corporate loan portfolio to €0.9 billion and as we have spun-off or outsourced a range of activities not part of our core business. Van Lanschot Participaties, for one, has been spun off and we have completed the outsourcing of our mortgage administration.

"In 2017, we improved our services to clients by actively leveraging key market trends such as sustainability and digitalisation. We launched our sustainable Duurzaam+ investment offering at Private Banking, while Asset Management introduced its Sustainable Value Creation Fund, both examples of how we respond to our clients´ wishes. Digitalisation is becoming increasingly important in all our core activities and is facilitating a data-driven approach, creating opportunities to enhance our wealth management proposition for both private and institutional clients.

"2017 also saw us take an important step in realising our ambition to return at least € 250 million to our shareholders before the end of 2020. In December, we paid out over €41 million in capital, taking the total amount to over €90 million including the 2016 dividend paid in June. We are proposing to raise our dividend for 2017 to €1.45 from €1.20, adding up to a total of around €60 million.

"We are making good progress on achieving our financial objectives by 2020. Our capital position is very solid, with a CET I ratio[ii] of 20.3% (2016: 18.6%), and we realised a return on equity[iii] of 10.4% (2016: 7.3%). Our efficiency ratio[iv] improved to 76.2% (2016: 79.6%)."

Van Lanschot Private Banking: AuM grow on net inflows and acquisitions

Private Banking's increased focus on wealth management and investments in products, organisation and people are paying off. Commanding net inflows of €0.5 billion[v], Private Banking's growth momentum was robust, particularly in the Netherlands and Belgium. AuM growth in 2017 was further fuelled by favourable stock market conditions. Another milestone was the successful acquisition of the wealth management activities of UBS in the Netherlands (hereafter called UBS Nederland in this release), adding €2.5 billion in AuM. The acquisition will help Van Lanschot Kempen enhance its position and profile at the top end of the market for wealth management. The integration of UBS Nederland was completed in November 2017, following the successful integration of Staalbankiers earlier in the year. Private Banking is proud of its high client retention figures post-acquisition: in both cases, over 90% of AuM was kept. Add in a positive market performance of €1.2 billion, and total assets under management at Private Banking worked out at €22.8 billion (2016: €19.0 billion). Total client assets rose by 11% to €31.4 billion (2016: €28.3 billion).

Private Banking´s fine growth performance reflected the launch of successful new products and services to match our clients´ requirements, a case in point being the launch of the Duurzaam+ investment proposition. A range of impact investing solutions helped to round out its investment offering, while the Van Lanschot Participaties spin-off under the name Bolster Investment Partners meets an oft-heard wish from clients to invest in private equity through and with Van Lanschot Private Banking.

During the year, good progress was made with the strategic investment programme, including the launch of an investment app and the expansion of the discretionary management app. Both the on-boarding process and client communication channels were improved, while everything was put in place for a new online client environment to be launched in 2018. The outsourcing of the mortgage administration to Stater was completed on schedule in September. Collaboration with fintech player Fidor is proceeding apace and should result in an improved payments offering by the end of the year. The strategic investment programme will run until the end of 2019, with a total €28.7 million of the earmarked €60 million invested in 2016 and 2017.

In 2017, Private Banking's underlying net result increased to €51.3 million (2016: €31.8 million), with commission income 20% higher on increased AuM and more investment transactions by clients. Higher staff costs, due to factors including acquisitions, caused a minor uptick in expenses. Good economic conditions contributed to the €3.3 million release of Private Banking provisions. At €7.8 billion, its loan portfolio was a notch below last year's €7.9 billion. Savings declined in keeping with expectations, to €8.1 billion from €8.4 billion in 2016.

Evi van Lanschot: steeply higher client numbers underpin potential for further AuM growth

In 2017, Evi saw the number of AuM clients surge by 45% to around 13,000, creating an excellent springboard for further AuM growth. Assets under management rose to €0.9 billion on the back of net inflows of €83 million, achieved in both the Netherlands and Belgium. The net inflow figure breaks down into gross inflows of some €210 million and around €130 million in gross outflows caused by clients withdrawing money for consumption purposes. In line with expectations, savings at Evi declined by 13% to €596 million. Assets entrusted to Evi in 2017 were stable at €1.5 billion.

2017 saw the successful launch of the *Iedereen verdient Evi* campaign ("Everyone deserves Evi"), while Evi also invested in its online visibility, in easing the process of becoming an Evi client and in improvements to its various products: Evi Beheer, Evi Pensioen, Evi Doelbeleggen and Evi4kids. Steeply higher client numbers and scooping the *Gouden Stier* (Golden Bull) for best online asset manager in 2017 show that these efforts have not gone unnoticed.

Due to its capital spend charged directly to profit and loss, Evi did not yet record a positive net result in 2017. Underlying net result worked out at a negative €9.6 million (2016: - €8.2 million). Evi's securities commissions rose by €0.9 million to €4.5 million in 2017 (2016: €3.6 million) on the back of higher assets under management. In 2018, Evi will focus on scalability to increase its client reach and AuM.

Kempen Asset Management: net inflows at investment strategies and various new fiduciary mandates

In 2017, Asset Management recorded strong growth, winning seven fiduciary mandates and launching four new strategies. This has taken AuM up by over 30% to €45.5 billion (year-end 2016: €34.8 billion), breaking down into €9.0 billion in net inflows and a positive market performance of €1.7 billion. Asset Management's total client assets amounted to €49.0 billion. Meanwhile, it has broadened its international scope by opening a sales office in Paris and expanding its activities in London.

Organisations that selected Kempen Asset Management as their fiduciary manager included the Banden- & Wielenbranche pension fund, Stichting Pensioenfonds UWV, Donatus and Mencap Pension Plan in the United Kingdom. Collaboration with Het nederlandse pensioenfonds won Asset Management the Arcadis mandate, which will start in the first half of 2018. In 2018, Asset Management and Private Banking will continue to work on a joint proposition for family offices, foundations and associations and high net-worth individuals, already strengthened by the acquisition of UBS Nederland in 2017.

In 2017 the Structured Credit Fund, Income Fund, European High Yield Fund and Sustainable Value Creation Fund were launched, In addition, Asset Management also spent 2017 working on impact investing solutions and investment options in less liquid markets – resulting in its Global Impact Pool launched at the start of 2018. Meanwhile, a private markets fund is under construction and will become available to clients in the second quarter of 2018.

The underlying net result was up 31% to €13.2 million (2016: €10.0 million) and mainly reflects higher commission income of €92.5 million (2016: €86.2 million).

Kempen Merchant Banking: lots of activity in its niches

Merchant Banking's niches for real estate and life sciences were particular beneficiaries of high levels of activity in their markets in 2017. Its Real Estate team was involved in Carmila´s IPO (France), the public offers by Germany's Vonovia for conwert (Austria) and BUWOG (Germany and Austria), and by capital markets transactions initiated by Kungsleden (Sweden) and COIMA (Italy). The Life Sciences team advised argenx (Belgium) in New York, Wilson Therapeutics (Sweden) and Biocartis (Belgium) on their capital markets transactions. In addition, the Benelux Corporates team assisted VolkerWessels in the run-up to its IPO, and Financial Institutions & FinTech served as advisers to BlackFin Capital Partners in their acquisition of Buckaroo.

Kempen Securities put considerable effort into preparing for MiFID II in 2017, as the new rules are having a major impact on the markets. We are pleased with its expertise and strong focus on selected niches, and clients are expected to continue to appreciate these qualities going forward. The recruitment of a number of new analysts in 2017 and its new offices in Antwerp and London contribute to its solid position. The Structured Products team achieved much higher income than in 2016, thanks to strong demand for structured products in an environment of low interest rates.

Merchant Banking's underlying net result worked out at €3.9 million (€6.2 million). Lower commission income was partly offset by a higher result on financial transactions.

Other activities

As in previous years, Other activities recorded solid results. The 2017 underlying net result amounted to €35.9 million (2016: €24.1 million) and the disposal in the first half of Van Lanschot Kempen's minority private equity stake in TechAccess chipped in €11.1 million to income from securities and associates. The sale of a stake in one of Van Lanschot Kempen's investment funds and an increase in regular dividend flows from minority interests also made significant contributions to this latter line item. Similarly, the result on financial transactions was much higher than in 2016, fuelled by improved market conditions. Van Lanschot Kempen's private equity portfolio also includes a number of non-strategic investments[vi]. Its aim is to dispose of such stakes over time; in 2018 it will investigate opportunities to do so for its holding in Medsen (AIO II BV).

Corporate Banking: portfolio run off to €0.9 billion and credit quality improved

Van Lanschot Kempen's remaining portfolio of SME and real estate loans was reduced by nearly €0.5 billion to €0.9 billion, taking Corporate Banking's risk-weighted assets down to €0.7 billion (2016: €1.2 billion). Underlying net result rose to €17.6 million from €17.3 million. This was mainly attributable to the €6.0 million release from loan loss provisions on the back of improved credit quality. As the loan portfolio has shrunk, so have the division's interest income and operating expenses. Interest margins are lower across the company, and the same is true at Corporate Banking.

At the end of 2017, Corporate Banking took an additional €1.7 million provision for the SME derivatives recovery framework, in view of increased implementation costs. This takes the total provision to €11.5 million. Van Lanschot Kempen has now put a proposal to all qualifying SME clients. Almost all have agreed to the proposed compensation; of those, the vast majority have already received payment.

Slightly higher costs on acquisitions and rise in IT project costs

In 2017, operating expenses added a minor 2% to €392.1 million, from €383.6 million in 2016. The main factor was higher staff costs with the incorporation of Staalbankiers and UBS Nederland. Also, administrative expenses were slightly higher in 2017, as Van Lanschot Kempen engaged in various IT projects related to the implementation of new rules and regulations, including MiFID II and IFRS 9. The efficiency ratio improved to 76.2% (2016: 79.6%).

Robust capital position

Van Lanschot Kempen's capital base has grown even stronger in the past year, as shown by the high CET I ratio of 20.3% (2016: 18.6%). Key drivers were Corporate Banking's portfolio run-off and improved credit quality. The total capital ratio[vii] also rose, from 19.5% to 22.1%, with an adjustment to the conditions of existing Tier II bonds helping to improve this ratio. The leverage ratio worked out at 6.7% (year-end 2016: 6.9%).

In December, the long-awaited package of new Basel IV rules was released and their impact would appear to be more limited than initially expected. On the basis of Van Lanschot Kempen's current balance sheet and credit models, provisional calculations suggest that risk-weighted assets should increase by no more than 10% on the implementation of Basel IV. These provisional calculations are based on assumptions about the ultimate implementation of the Basel IV proposals in legislation.

IFRS 9 came into force in January 2018. When the new standard is applied to its loan loss provisions, Van Lanschot Kempen is looking at a reduction in its CET I ratio of around five basis points. IFRS 9 also requires a change in the recognition of the Tier II bonds adjustment as implemented at the end of 2017, lowering the CET I ratio by around 15 basis points.

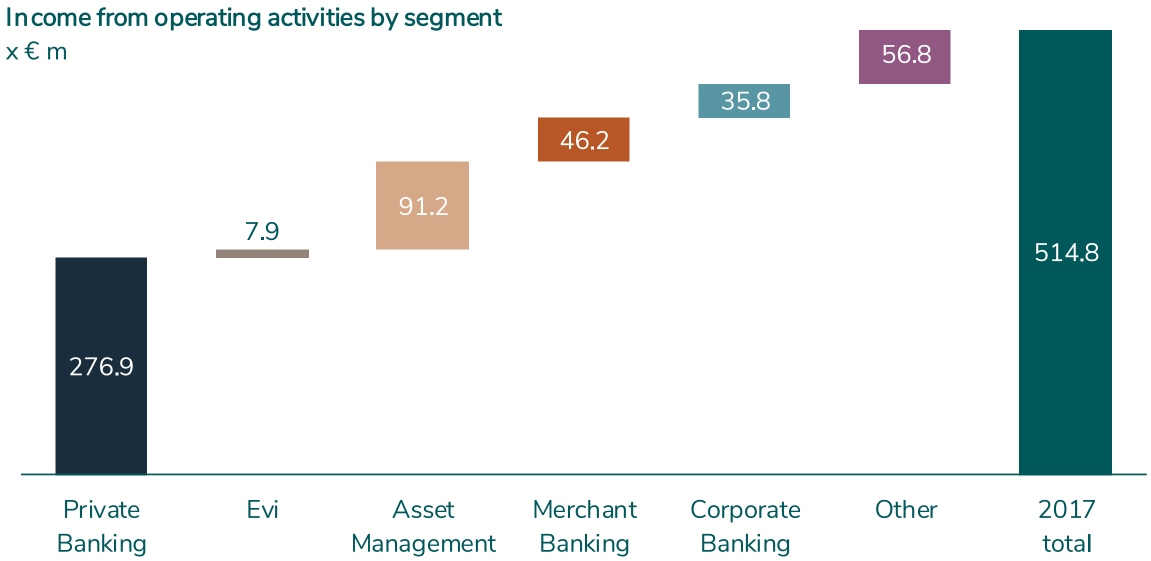
Van Lanschot Kempen continues to aim for a CET I ratio of 15-17%.

In December 2017, Van Lanschot Kempen initiated a €1 per share capital return to its shareholders, and it is reiterating its aim to return at least €250 million by 2020, subject to the approval of its regulators. December's capital return worked out at a total of over €41 million. Including the 2016 dividend, this added up to over €90 million paid out in 2017, an amount about to be boosted by some €60 million with the €1.45 per share dividend proposal made today.

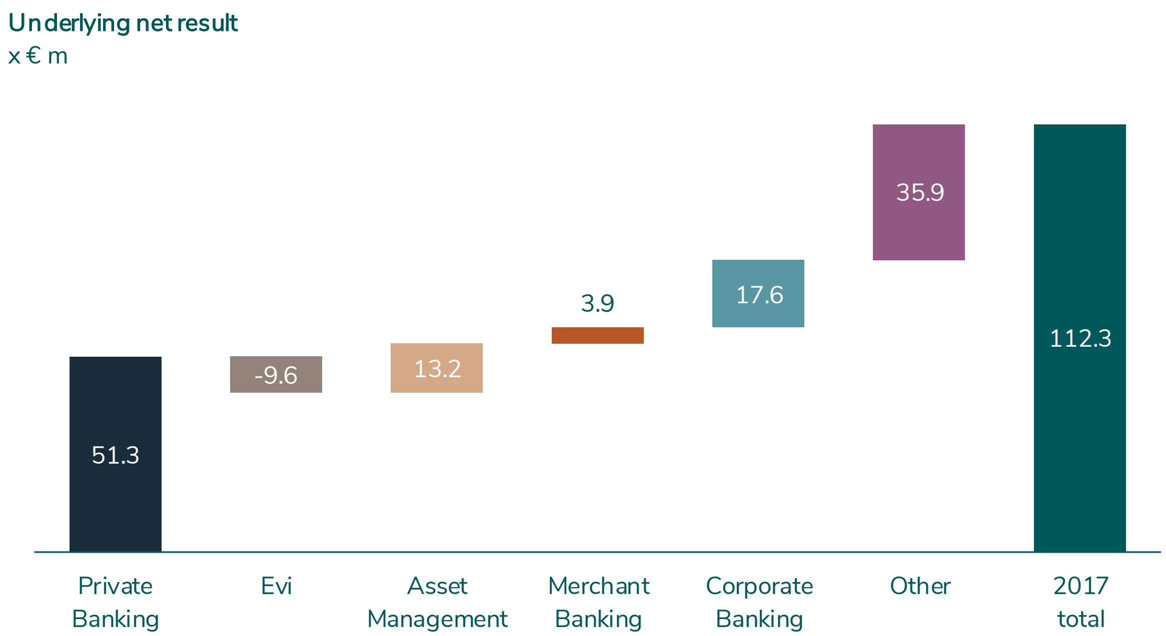
[i] The 2017 underlying net result comprises the net result excluding the one-off charge for the derivatives recovery framework and costs incurred for the Strategy 2020 investment programme.
[ii] Fully loaded, including retained earnings.
[iii] Return on average Common Equity Tier I based on underlying net result attributable to shareholders.
[iv] Operating expenses (and hence the efficiency ratio) in 2017 and 2016 exclude costs incurred for the Strategy 2020 investment programme, a one-off charge for the derivatives recovery framework, and the amortisation of intangible assets arising from acquisitions.
[v] Excluding AuM outflows from former Staalbankiers and UBS Nederland clients who opted not to transfer to Van Lanschot Private Banking.
[vi] Results from non-strategic investments are recognised under Operating profit before tax of non-strategic investments.
[vii] Including the impact of the European Banking Authority's interpretation of the treatment of minority interests, as published by EBA on 3 November 2017.

Segment information

Private Banking, Evi, Asset Management and Merchant Banking generated 82% of total income, with Van Lanschot Kempen's core activities accounting for 99% of commission income (the same as 2016) and 83% of interest income (2016: 79%).



All operating activities made positive contributions to the net result, except for Evi. The strong net result at Other was mainly driven by income from securities and associates of €38.3 million. The underlying net result reflects the 2017 net result adjusted for the one-off charge related to the derivatives recovery framework (€1.7 million gross) and for the costs related to the Strategy 2020 investment programme (€21.4 million gross).



KEY DATA[1]

(x € m)	2017	2016		H2 2017	H1 2017
Statement of income					
Net result	94.9	69.8	36%	32.7	62.3
Underlying net result	112.3	81.3	38%	42.7	69.6
Efficiency ratio excluding one-off charges (%)	76.2	79.6		81.8	71.1

(x € m)	31/12/2017	31/12/2016		30/06/2017	
Statement of financial position and capital management					
Equity attributable to shareholders	1,333	1,340	-1%	1,350	-1%
Equity attributable to non-controlling interests	16	13	21%	15	7%
Savings and deposits	9,145	9,680	-6%	9,387	-3%
Loans and advances to clients	9,103	9,624	-5%	9,470	-4%
Total assets	14,659	14,877	-1%	14,952	-2%
Funding ratio (%)	100.5	100.6		99.1	
Risk-weighted assets	4,979	5,623	-11%	5,359	-7%
Common Equity Tier I ratio (fully loaded) (%)[2]	20.3	18.6		19.6	
Common Equity Tier I ratio (phase in) (%)[2]	20.5	19.0		19.9	
Tier I ratio (fully loaded) (%)[2]	20.3	18.6		19.7	
Total capital ratio (fully loaded) (%)[2]	22.1	19.5		20.6	
Basel III					
Liquidity coverage ratio (%)	163.6	156.6		177.0	
Net stable funding ratio (%)	129.2	130.6		129.3	
Leverage ratio (fully loaded) (%)[2]	6.7			7.0	

(x € bn)	31/12/2017	31/12/2016		30/06/2017	
Client assets	83.6	69.4	21%	72.0	16%
- Assets under management	69.2	54.6	27%	57.1	21%
- Assets under monitoring and guidance	3.5	3.0	16%	3.0	16%
- Assets under administration	1.8	2.1	-14%	2.5	-28%
- Savings and deposits	9.1	9.7	-5%	9.4	-3%

	2017	2016		H1 2017
Key figures				
Weighted average of outstanding ordinary shares (x 1,000)	40,960	40,908		40,976
Underlying earnings per share (€)	2.61	1.89	38%	1.63
Return on average Common Equity Tier I capital (%)[3]	10.4	7.3		12.5
Number of staff (FTEs at period end)	1,658	1,670	-1%	1,647

[1] This press release uses unrounded figures and total amounts may deviate from the sum of the parts. Percentage changes are based on these unrounded figures.
[2] At 31 December and 2017 and 2016 including retained earnings. At 30 June 2017 excluding retained earnings.
[3] Based on underlying net result.

RESULTS

(x € m)	2017	2016		H2 2017	H1 2017
Commission	267.0	243.7	10%	134.7	132.3
- Of which securities commissions	*230.6*	*200.5*	*15%*	*118.3*	*112.3*
- Of which other commissions	*36.3*	*43.2*	*-16%*	*16.4*	*19.9*
Interest	196.6	212.9	-8%	93.0	103.6
Income from securities and associates	37.0	29.2	27%	7.4	29.7
Result on financial transactions	14.1	-3.9		6.9	7.2
Income from operating activities	**514.8**	**481.8**	**7%**	**242.0**	**272.7**
Staff costs[4]	236.0	227.4	4%	120.7	115.4
Other administrative expenses[4]	150.2	146.5	3%	74.9	75.3
Depreciation and amortisation[5]	5.8	9.8	-41%	2.4	3.3
Operating expenses	**392.1**	**383.6**	**2%**	**198.0**	**194.0**
Gross result	**122.7**	**98.2**	**25%**	**44.0**	**78.7**
Addition to loan loss provision	-11.9	-6.9	73%	-9.9	-1.9
Other impairments	-2.6	1.1		-3.0	0.5
Impairments	**-14.4**	**-5.8**		**-13.0**	**-1.5**
Operating profit before tax of non-strategic investments	12.6	7.4	70%	5.6	7.0
Operating profit before one-off items and tax	**149.8**	**111.4**	**34%**	**62.6**	**87.2**
Strategy 2020 investment programme	21.4	7.3		11.7	9.7
Derivatives recovery framework	1.7	8.0	-78%	1.7	-
Amortisation of intangible assets arising from acquisitions[5]	6.1	3.1	93%	3.4	2.7
Other one-off charges	-	7.2	-100%	-	-
Operating profit before tax	**120.5**	**85.8**	**40%**	**45.8**	**74.7**
Income tax	25.6	16.0	60%	13.1	12.4
Net result	**94.9**	**69.8**	**36%**	**32.7**	**62.3**
Underlying net result	**112.3**	**81.3**	**38%**	**42.7**	**69.6**

[4] From 2017, the presentation of travelling expenses for staff travelling to their place of work is included in Staff costs instead of Other administrative expenses. The comparative figures for 2016 have been adjusted accordingly.
[5] From 2017, amortisation of intangible assets arising from acquisitions are recognised under special items instead of under Depreciation and amortisation. Comparative figures have been adjusted accordingly.

UNDERLYING NET RESULT

(x € m)	2017	2016		H2 2017	H1 2017
Net result	94.9	**69.8**	**36%**	**32.7**	**62.3**
Costs of Strategy 2020 investment programme	21.4	7.3		11.7	9.7
Cost of derivatives recovery framework	1.7	8.0		1.7	-
Tax effect	-5.8	-3.8		-3.4	-2.4
Underlying net result	112.3	**81.3**	**38%**	**42.7**	**69.6**

FINANCIAL REPORT/ PRESENTATION/WEBCAST

For a detailed discussion of Van Lanschot Kempen's results and balance sheet, please refer to our financial report and presentation on the 2017 annual results at vanlanschotkempen.com/results.

In a conference call for analysts on 22 February at 11.00 am CET, we will discuss our 2017 annual figures in greater detail. This may be viewed live at vanlanschotkempen.com/results and played back at any later date.

ADDITIONAL INFORMATION

For additional information, go to vanlanschotkempen.com/financial

2018 FINANCIAL CALENDAR

28 February	Publication of 2017 annual report
25 April	Publication of 2018 Q1 trading update
25 April	Annual General Meeting of Shareholders
22 August	Publication of 2018 half-year results
2 November	Publication of 2018 Q3 trading update

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About Van Lanschot Kempen

Van Lanschot Kempen, a wealth manager operating under the Van Lanschot, Evi and Kempen brand names, is active in Private Banking, Asset Management and Merchant Banking, with the aim of preserving and creating wealth for its clients. Van Lanschot Kempen, listed at Euronext Amsterdam, is the Netherlands' oldest independent financial services company with a history dating back to 1737.

vanlanschotkempen.com

Disclaimer and cautionary note on forward-looking statements

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The financial data related to forecasts of future events have not been audited.

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