

Transforming to a specialist wealth manager



Van Lanschot

November 2014, Investor presentation

Executive summary



Van Lanschot's profile

- Pure-play, independent wealth manager
- Oldest bank in the Netherlands with a history dating back more than 275 years
- Three lines of business – Private Banking, Asset Management and Merchant Banking – combining their strengths to preserve and create wealth for our clients
- Local visibility with 34 offices and client meeting centres in the Netherlands, Belgium and Switzerland

Financial targets 2017

	Target 2017	H1 2014
Common Equity Tier I ratio	> 15%	13.8%
Return on Common Equity Tier I	10-12%	8.1%
Efficiency ratio	60-65%	66.2%

* Fully loaded

Key financials

	H1 2014	H1 2013
Net profit	€ 49.4m	€ 36.3m
	30-06-2014	31-12-2013
Common Equity Tier I ratio	13.8%	13.1%
Funding ratio	87.9%	81.3%
Client assets	€ 56.1bn	€ 53.5bn

Basel III

	30-06-2014	Norm
Common Equity Tier I ratio*	11.6%	9.5%
Leverage ratio	4.9%	3.0%

Dividend

	Policy	2013
Pay-out ratio	40 – 50%	28%

Profile of Van Lanschot and strategic review 2013 - 2017

2014 half-year results

Segment information

Strategy



- We choose to be a pure-play, independent wealth manager



- Our objective is to preserve and create wealth for our clients



Progress

- Solid profit in H1 2014
- Growth in client assets
- Execution of strategic initiatives on track

Private Banking

- Private Bank of choice for high net-worth individuals, entrepreneurs and family businesses
- Specialised services for business professionals and executives, healthcare professionals, and foundations and associations
- Three service concepts: Personal Banking, Private Banking and Private Office

Asset Management

- Specialised EU investment management boutique
- Focus on a limited number of high quality investment strategies in combination with integrated solutions for pension funds, insurance companies and HNWI's

Merchant Banking

- The most relevant boutique firm for corporates and institutional investors based on superior market knowledge in its niches
- Growth through increased share of served market niches based on leading advisory, research and trading knowledge

Van Lanschot has chosen to be an independent wealth management firm



Why wealth management?

Building on our distinctive strengths

We can build on our inherent strengths in private and institutional wealth management by working together for the benefit of new and existing clients

Supported by demographics and economic fundamentals

There is room for a high-quality, high-service, independent wealth manager in the Benelux, leading to an attractive business model supported by demographics and macro economic fundamentals

Our commitment

Mission

Preservation and creation of wealth for our clients

Vision

To be the preferred wealth manager for our domestic and international client base by providing top-quality advice and service, and superior risk-adjusted returns. And in doing so attract, develop and retain the best available talent in the market and provide an exciting, entrepreneurial working environment

We have created a three-pronged strategy to realise our strategic repositioning

Focus



- Reinforced Private Banking offering with specific service concepts
- Specialist services for specific client segments (Entrepreneurs and family businesses, business professionals and executives, healthcare professionals, and foundations and associations)
- Continued focus on Asset Management and Merchant Banking
- Active reduction of activities without a clear link to Private Banking (e.g. Corporate Banking: target 50% reduction of € 4.4 bln in RWA in the coming 5 years)

Simplify



- Transparent and simplified product and service offering
- Efficient organisation, with centralised teams for Private Banking mid-office and investment expertise
- Lean IT and streamlined back office
- Significant reduction of cost base

Grow



- Growth in all core segments:
 - Private Banking: growing assets managed for our clients
 - Asset Management: leveraging strong long-term track record in niche products and integrated solutions and expanding client base geographically
 - Merchant Banking: (selective) broadening of product offering combined with extending geographic footprint

Strategic priorities

Results in H1 2014 and priorities for next 12 months



	Results in H1 2014	Priorities next 12 months
Private Banking turnaround	<ul style="list-style-type: none"> ▪ Evi developing towards € 1 billion ▪ Significant progress on establishing new service offerings 	<ul style="list-style-type: none"> ▪ Marketing campaign for Private Banking ▪ Launch of Savings & Deposit account ▪ Launch of compliant proof investing for Business Professionals & Executives ▪ Enrich online offering
Asset Management growth	<ul style="list-style-type: none"> ▪ New mandates in fiduciary real estate and credits ▪ Global small cap strategy launched ▪ Good results in third party distribution, additional products approved by Dutch banks 	<ul style="list-style-type: none"> ▪ Capitalise on promising pipeline ▪ Introduction global real estate strategy ▪ Roll out of new portfolio management and risk systems
Merchant Banking focus continued	<ul style="list-style-type: none"> ▪ Solid market share in core sectors ▪ Strong performance in Structured Products and Debt Advisory 	<ul style="list-style-type: none"> ▪ Focus on strengthening positions in targeted niches
Corporate Banking portfolio run-off	<ul style="list-style-type: none"> ▪ RWA reduction on track, interest margin improvement above target ▪ Centralisation results in improved knowledge sharing and efficiency gains 	<ul style="list-style-type: none"> ▪ Continued run-off of real estate and corporate lending portfolios ▪ Continued effort to improve margin and reduce RWA
IT / Operations transformation	<ul style="list-style-type: none"> ▪ 80% of clients opted for online bank statements ▪ Rationalisation of payments products ▪ Start of mortgage products rationalisation 	<ul style="list-style-type: none"> ▪ Implementation of new CRM system ▪ Further product rationalisation ▪ Migration of savings products to new platform
Streamlining organisation	<ul style="list-style-type: none"> ▪ Further FTE reduction realised ▪ Transfer of corporate departments to Amsterdam 	<ul style="list-style-type: none"> ▪ Change governance to reflect strategy ▪ Implementation of additional efficiency measures

Van Lanschot is a two-tier board company



Board of Managing Directors



Karl Guha (1964)
Chairman of the Board

Background: CRO at UniCredit Banking Group



Constant Korthout (1962)
CFO / CRO

Background: 18 years at Robeco Group, since 2002 as CFO



Arjan Huisman (1971)
COO

Background: Partner with Boston Consulting Group



Richard Bruens (1967)
Private Banking

Background: Management team ABN AMRO Private Banking International



Ieko Sevinga (1966)
Corporate Banking

Background: Director of Kempen & Co

Supervisory Board

- **Tom de Swaan, Chairman (1946)**
- **Jos Streppel, Deputy Chairman (1949)**
- **Willy Duron (1945)**
- **Godfried van Lanschot (1964)**
- **Heleen Kersten (1965)**
- **Jeanine Helthuis (1962)**

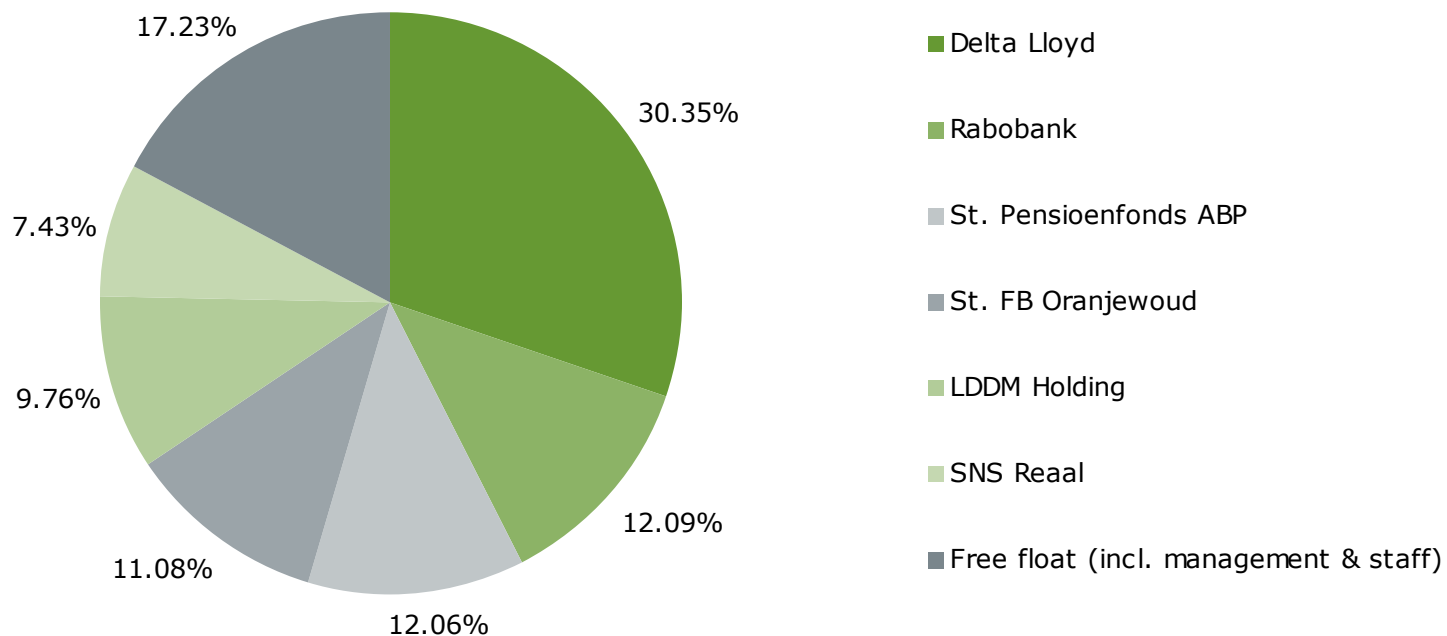
- Former CFO ABN AMRO, former Board member Dutch Central Bank
- Former CFO of Aegon
- Honorary chairman of KBC Group, former CEO KBC Group
- Independent investor
- Chairperson of Stibbe law firm
- Former CEO of Monuta

Van Lanschot is listed on the Amsterdam stock exchange and has a stable shareholder base



Holders of depositary receipts

- Van Lanschot was listed on Euronext Amsterdam in June 1999
- Van Lanschot's issued share capital consists of ordinary shares A
- These shares are held by *Stichting Administratiekantoor van gewone aandelen A Van Lanschot* (the Trust)
- The Trust has issued depositary receipts for these shares, which are listed and traded on Euronext Amsterdam
- In compliance with chapter 5.3 of the Dutch Financial Supervision Act the following holdings of depositary receipts have been included in the Substantial Holdings register of the Netherlands Authority for the Financial Markets



Van Lanschot's solid profile is reflected in its strong creditworthiness



Fitch

- Long-term credit rating: A-
- Outlook long-term credit rating: Negative
- Short-term credit rating: F2
- Latest press release: 30-09-2014
- Rating has been reconfirmed since 2009

Standard & Poor's

- Long-term credit rating: BBB+
- Outlook long-term credit rating: Stable
- Short-term credit rating: A-2
- Latest press release: 04-11-2014
- Outlook revised to Stable from Negative in November 2014

Evolution into an independent Private Bank



1737

2014

1737
Established as
a trading
house in
's-Hertogenbosch

1-7-1991
First branch
opened in
Belgium

29-6-1999
Listed on
Euronext
Amsterdam

30-9-2004
Acquisition
CenE Bankiers

The logo for CenE Bankiers, featuring the text "CENE BANKIERS" in blue with a red building icon between the words.

2-1-2007
Acquisition
Kempen & Co

The logo for Kempen & Co, featuring a sun icon above the text "KEMPEN & CO" and "Merchant Bank" below it.

14-05-2013
Strategic Review:
focus on private
banking, asset
management and
merchant banking

- Our objective is to preserve and create wealth for clients
- We choose to be a pure-play, independent wealth manager
- We strongly believe that wealth management offers attractive growth opportunities and that we have inherent and distinctive strengths

Profile of Van Lanschot and strategic review 2013 - 2017

2014 half-year results

Segment information

2014 half-year results

Highlights



Solid profit H1 2014

Net profit +36% to € 49.4 million (H1 2013: € 36.3 million)

- Underlying net profit € 54.1 million (H1 2013: € 40.3 million)
- Income from operating activities +5%
- Cost reduction on track; personnel costs lower, other administrative expenses higher
- Loan loss provisioning -14%

Growth in client assets

Client assets increase to € 56.1 billion

- Inflow of discretionary mandates and savings and deposits in Private Banking
- Evi developing towards € 1 billion
- Discretionary mandates comprise 41% of Private Banking assets under management
- Asset Management obtained major mandates of two Dutch pension funds

Further strengthening of capital base and funding profile

Common Equity Tier I ratio grows to 13.8%

- Leverage ratio 4.9%
- Fully-loaded Basel III Common Equity Tier I ratio 11.6%
- Well diversified funding profile: funding ratio grows to 87.9%, supplemented by successful wholesale market transactions

Execution of strategy on track

Good progress in execution of strategy

- Private Banking transformation well on track and focussed on growth
- Asset Management & Merchant Banking expanding in their niches
- Corporate Banking on track; capital release and margin improvement in 2014
- Incremental steps taken to simplify products, processes and organisation

2014 half-year results

Key figures



<i>€ million</i>	H1 2014	H2 2013	H1 2013	H1-14 vs H1-13
Commission	113.8	115.3	119.5	-5%
Interest	106.6	106.0	107.9	-1%
Other income	74.0	27.6	53.5	38%
Income from operating activities	294.4	248.9	280.9	5%
Operating expenses	195.0	187.7	187.2	4%
Non-recurring charges	6.2	1.9	6.1	2%
Gross result after non-recurring charges	93.2	59.3	87.6	6%
Addition to loan loss provision	35.5	62.2	41.5	-14%
Other impairments	4.7	-2.6	5.0	-6%
Operating profit before tax	53.0	-0.3	41.1	29%
Operating profit before tax of non-strategic investments	1.6	-3.6	0.2	-
Income tax	5.2	-1.1	5.0	4%
Net profit	49.4	-2.8	36.3	36%
Underlying net profit excluding non-recurring charges	54.1	-1.4	40.3	34%
Efficiency ratio (%)	66.2%			

Solid profit in H1 2014

Thanks to higher other income and lower loan losses

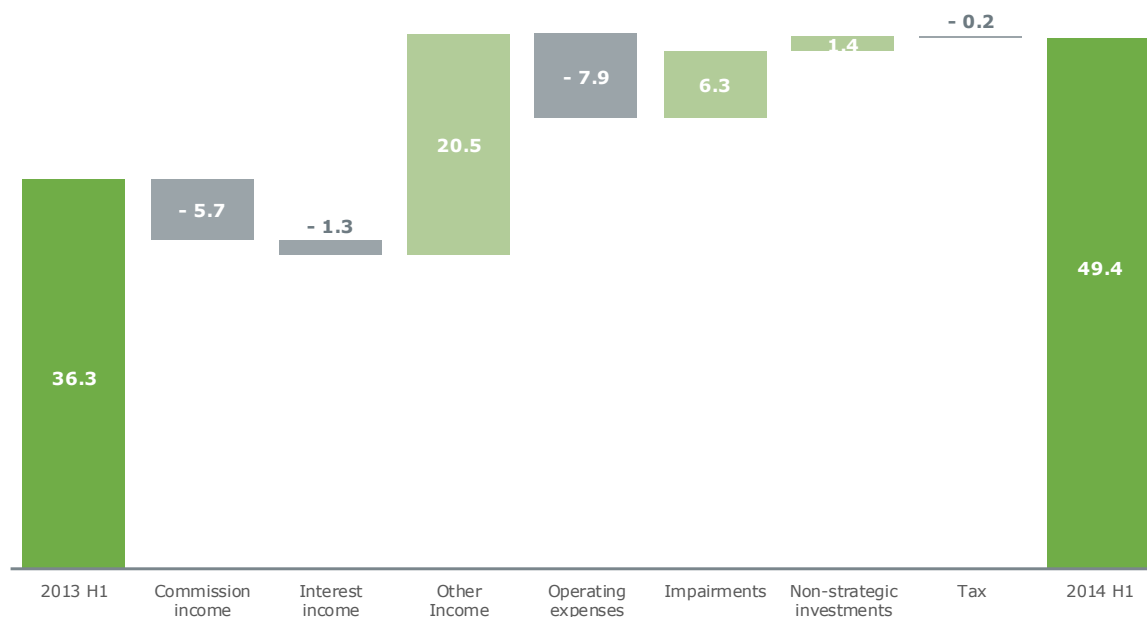


H1 2014 net profit € 49.4 million

- Lower commission income due to lower income Merchant Banking; stable securities commission income
- Pressure on interest income following from loan book reduction, partly compensated by repricing
- Increase in other income due to gain on sale of a participation and financial transactions
- Cost reduction on track
- Lower addition to loan loss provision

Underlying net profit € 54.1 million

Key drivers of profit in H1 2014 (€ million)



Securities commission stable at € 94.9 million

Total commission income decreases 5% to € 113.8 million



Lower commission income due to lower other commission; stable securities commission.

Securities commission:

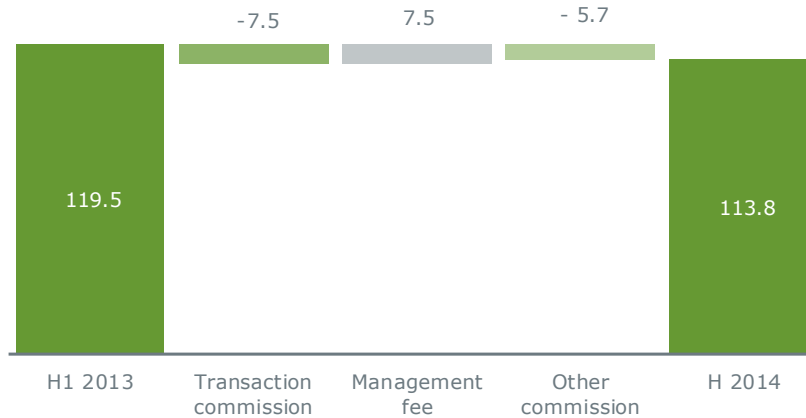
- Introduction of new fee structure leads to shift from non-recurring transaction fees to recurring management fees*. Only 16% is related to transactions (24% in H1 2013)
- Recurring management fee increases in line with growth in assets under discretionary management

Other commission:

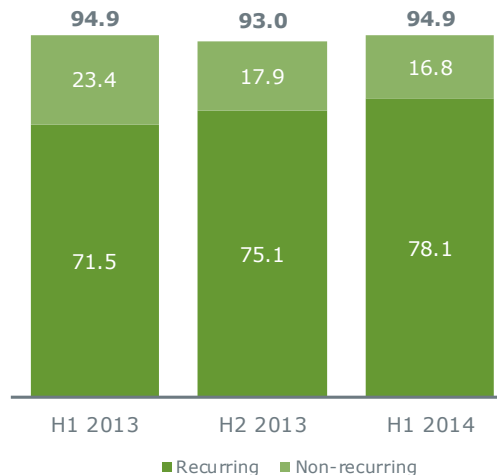
- Merchant Banking: lower compared to strong H1 2013

* Management fees include performance fees, advisory fees and service fees

Commission income (€ million)



Securities commission (€ million)



Interest income stable, despite reduction of loan book

Higher clean interest margin* offset by lower hedge results

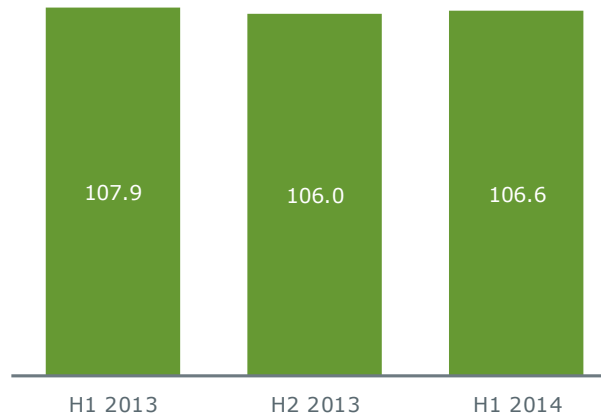


Interest income down 1% at € 106.6 million, interest margin H1 2014 1.21% (H1 2013: 1.23%)

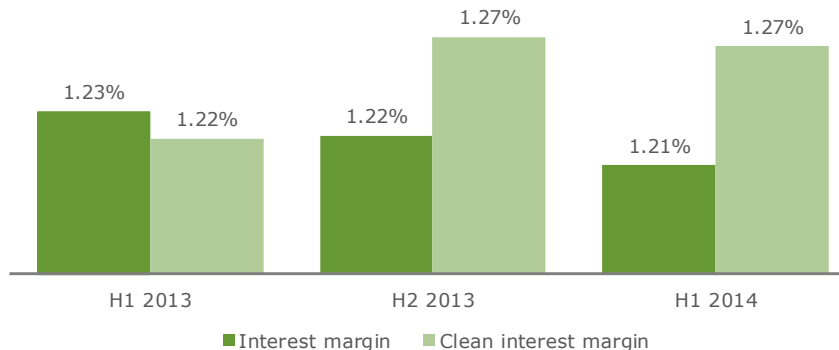
- Interest income positively influenced by repricing of the private and corporate loan portfolio, growth of investment portfolio and lower savings and deposit rates
- Interest income negatively influenced by low interest rate environment impacting variable rate loans, focus on loan book reduction and higher level of savings and deposits

Clean interest margin* increases to 1.27% (H1 2013: 1.22%)

Interest income (€ million)



Interest margin (%)



* Clean interest margin = interest margin adjusted for initial loan commission, penalty interest, etc.

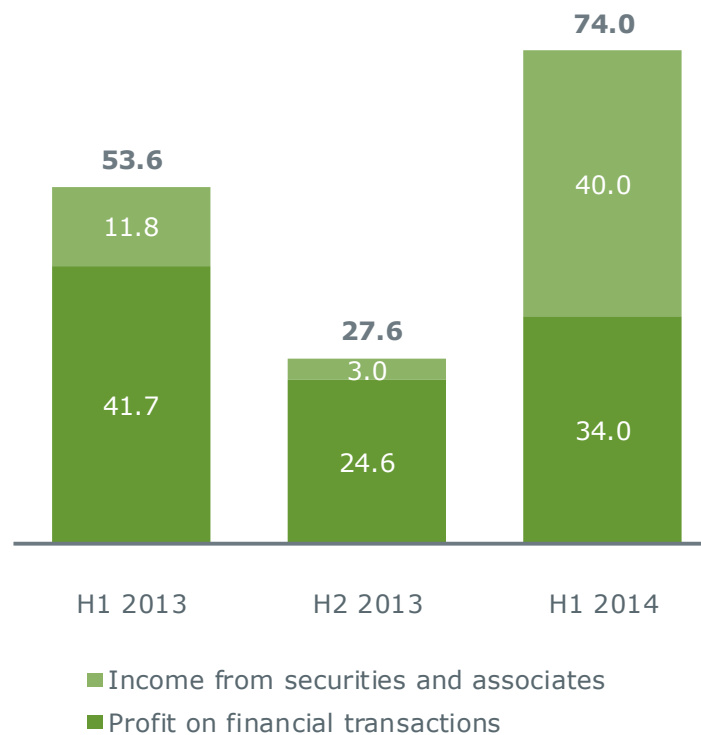
Other income increases to € 74.0 million

Gain on sale of a participation and financial transactions



- Sale of the 21% stake of Van Lanschot Participaties in DORC Holding BV resulted in a material gain
- Van Lanschot Participaties is part of the regular activities of Van Lanschot and invests in stable, medium-sized enterprises in the Netherlands with strong management

Other income (€ million)



Cost reduction on track

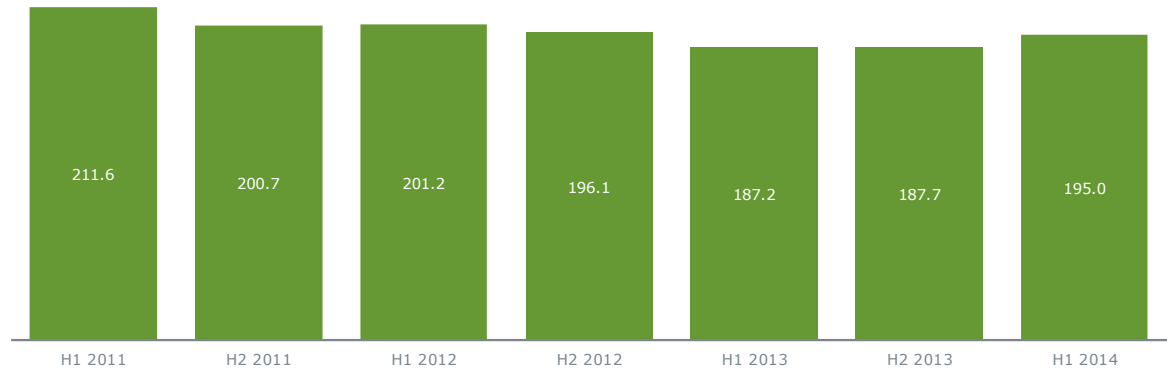
Personnel costs lower, other administrative expenses higher



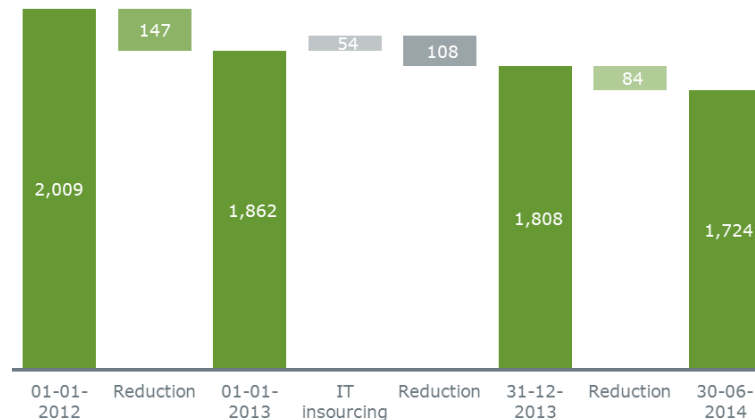
Operating expenses up 4% to € 195.0 million

- After a total cost reduction of 9% in 2012 and 2013 costs will stabilize this year
- Personnel costs down 7% mainly due to FTE reduction
- Other administrative expenses up 24%
 - Higher other operating expenses because of resolution levy related to nationalisation of SNS Reaal (H1 2014: € 5.6 million)
 - Lower marketing and IT costs in H1 2013 pending results of strategic review

Operating expenses (€ million)



FTE development



Growth in client assets

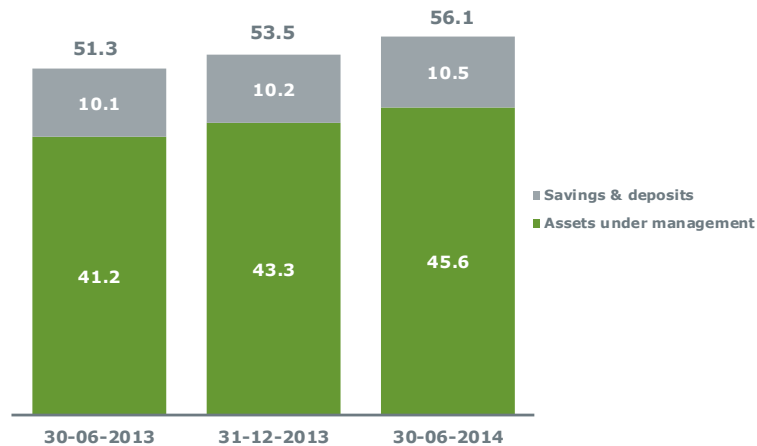
Strong market performance and inflow of assets under discretionary management



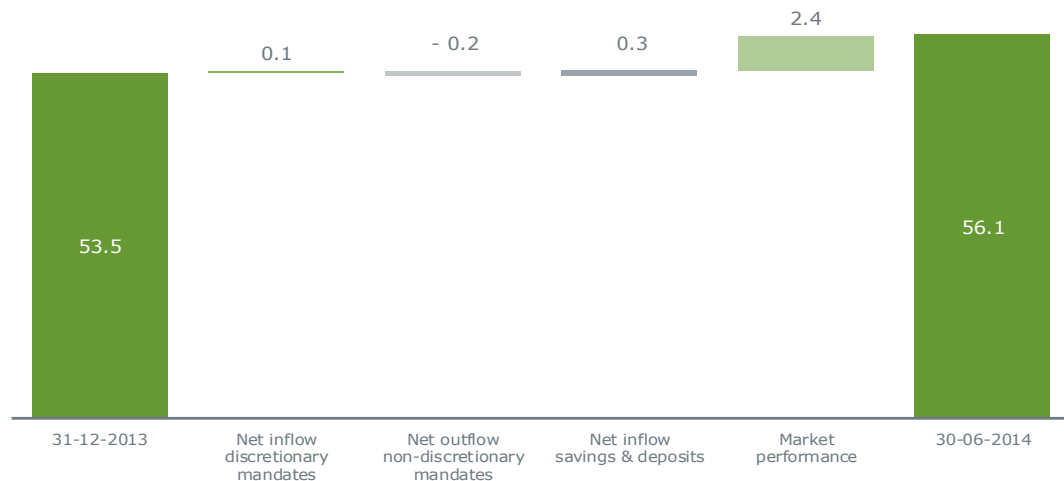
Client assets grow 5% to € 56.1 billion

- Savings and deposits up 3% to € 10.5 billion
- Assets under management up 5% to € 45.6 billion
- Outflow of non-discretionary mandates, related to the introduction of a new proposition and pricing, offset by inflow of discretionary mandates and strong market performance
- Share of discretionary mandates in total Private Banking assets under management increased to 41% (2013: 40%)
- Evi van Lanschot, our online savings and investment proposition, is developing towards € 1 billion

Client assets (€ billion)



Growth in client assets H1 2014 (€ billion)



Deleveraging continues

Steady reduction in loan book in line with strategy



**Total loan book € 11.9 billion;
4% reduction in H1 2014**

Mortgages

- 51% of the loan book is made up of mortgages to wealthy individuals
- Accelerated repayment of mortgages continues and new business remains limited
- Mortgage book down by 3% in H1 2014

Other private banking loans

- This includes loans to healthcare professionals, business professionals & executives, security-backed loans and foreign mortgages

Corporate loans

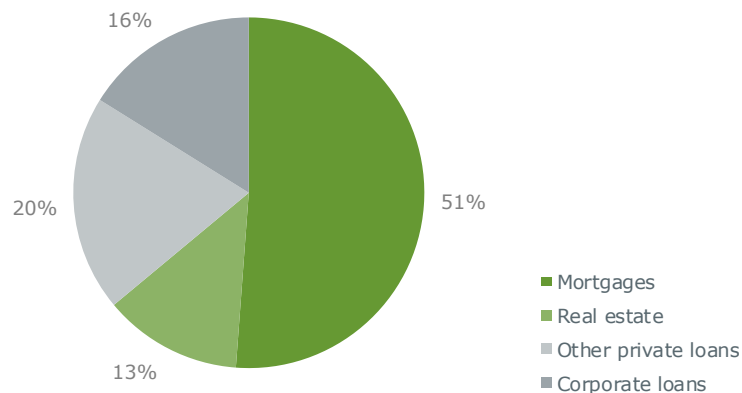
- Corporate loans down in line with focus on wealth management

Real estate

- Focus by specialist CRE team leads to reduction in real estate loans of 3%

€ million	30-06-2014	31-12-2013	Δ
Mortgages	6,269	6,483	-3%
Other private banking loans	1,565	1,695	-8%
Corporate loans	2,441	2,610	-6%
Real estate	1,975	2,036	-3%
Provision	-321	-333	-4%
Total	11,929	12,491	-4%

Loan book at 30-06-2014 (€ 11.9 billion)



Loan impairment charges

Loan loss provisioning continues to trend down



Addition to loan loss provisions down 14% on H1 2013

Mortgages: -18%

- Loan losses on mortgage book traditionally very low: addition to loan loss provisions in H1 2014 only 17% of total, while the mortgage book represents 51% of the total loan book
- NPLs remain low at 1.8%

Other private banking loans: -59%

- NPLs influenced by a few larger items

Corporate loans: -6%

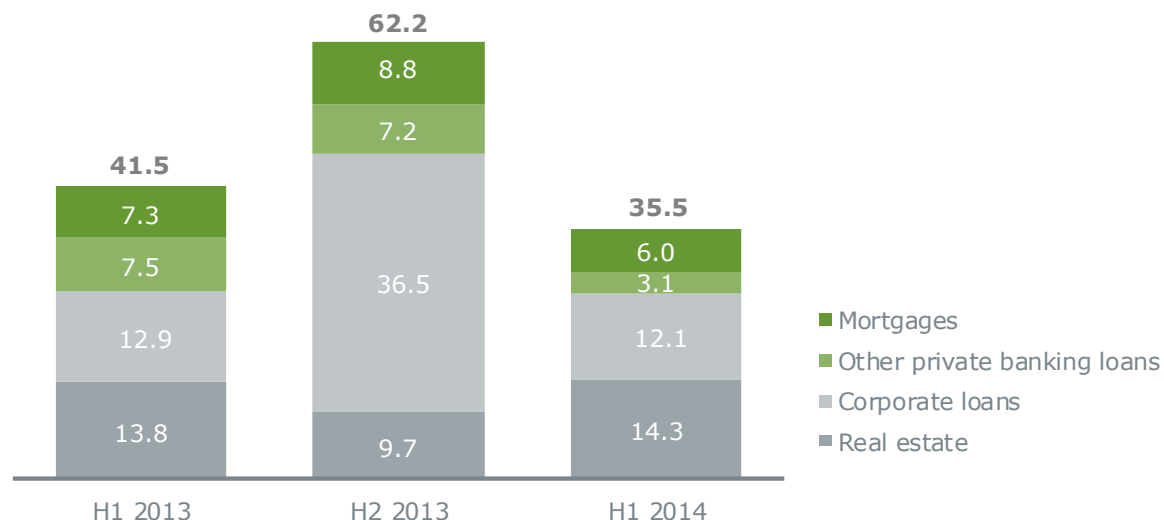
- Despite difficult economic conditions in the Netherlands, NPLs relatively low at 7.3%

Real estate: +4%

- Addition to loan loss provisions 4% higher than in H1 2013

High coverage ratios reflect Van Lanschot's prudent provisioning policy

Addition to loan loss provisions by type of loan



€ million	Impaired loans	Provision	NPL	Coverage ratio
Mortgages	115	64	1.8%	56%
Other private banking loans	125	62	8.0%	50%
Corporate loans	178	97	7.3%	54%
Real estate	208	88	10.5%	42%
IBNR		10		
Total	626	321	5.2%	51%

Asset Quality Review on CRE and SME loan book

Confirmation of comfortable capital buffers



SCOPE

- In consultation with DNB and with the assistance of KPMG and CBRE, an analysis of the SME and CRE loan books was performed under a base case and stress scenario
- The scope of the loan book review and stress test covered € 2.9 billion of SME loans and € 2.2 billion of CRE loans as at mid 2013
- The analysis comprised:
 - A review of the risk profile of the portfolios including an independent analysis of underlying collateral by CBRE
 - An assessment of the expected losses for both performing and non-performing loan books
 - Capital projections in the coming 5 years, taking account of expected loss on performing loan books, provisioning on non-performing loan books and portfolio income

FINDINGS

- “When compared to what CBRE considers to be a regular Dutch property lender portfolio, VLB’s collateral compares **favourably** due to a lower representation in offices, relatively more residential property and smaller higher quality (and thus more liquid) properties.” (CBRE)

CONCLUSIONS

- The analysis confirmed that there was **no need to increase** the level of provisions on the loan books reviewed
- The independent comprehensive analysis confirms that projected capital attributable to this part of the loan book in the coming 5 years will be **well above** required capital in both macroeconomic scenarios

Robust balance sheet

Strong capital and funding position



Significant capital buffer

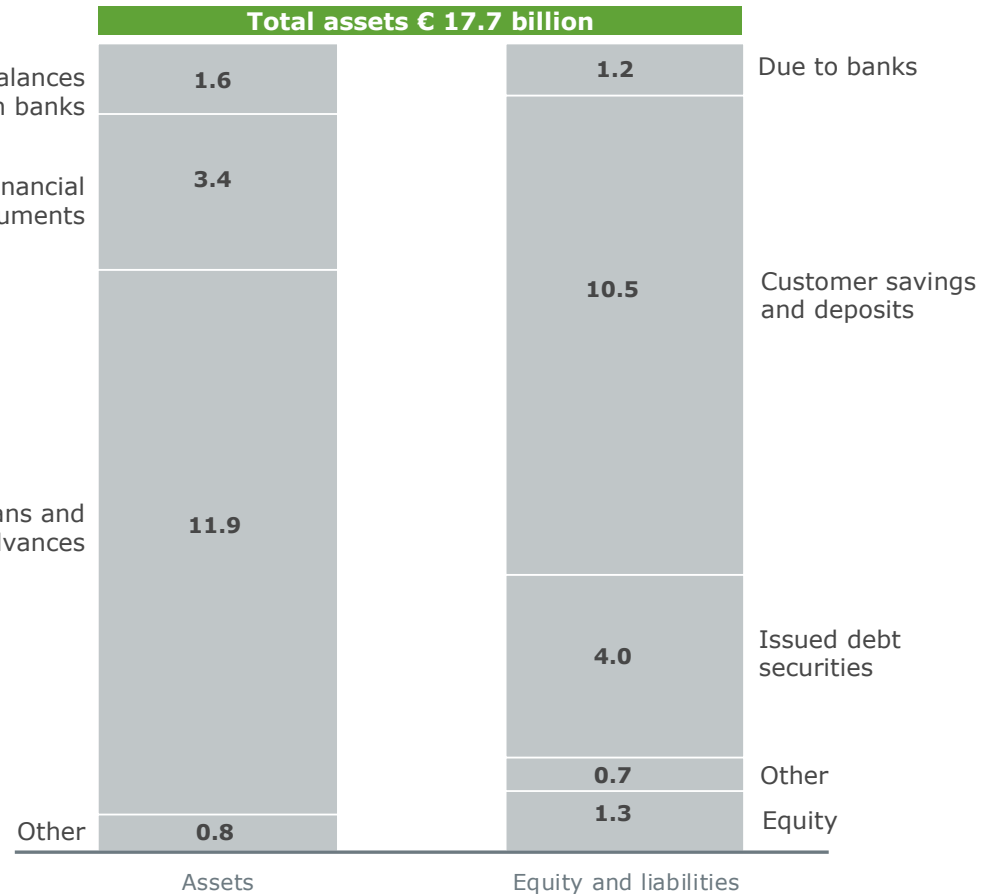
- Total equity of € 1.3 billion
- Common Equity Tier I ratio 13.8%*
- Leverage ratio (fully loaded) 4.9%

The balance sheet is for our clients

- Loan book decreased € 0.5 billion to € 11.9 billion in line with focus on wealth management but comprises still 67% of the balance sheet
- Investment portfolio extended with low risk European government bonds and bonds issued by financial institutions

Solid funding position

- Funding profile further diversified – in terms of instrument, source and maturity
- Loan-to-deposit ratio 113.8% (funding ratio 87.9%)



* Taking into account the net profit of the current year this ratio would be 14.2%

Increase of Common Equity Tier I Ratio

RWA reduction continued

Risk-weighted assets

- Corporate Banking run-off successfully; corporate loan book exposure reduced by over € 300 million in H1 2014
- Total RWA at 30-06-2014 € 8.1 billion (-10%)
- Common Equity Tier I ratio 13.8%*

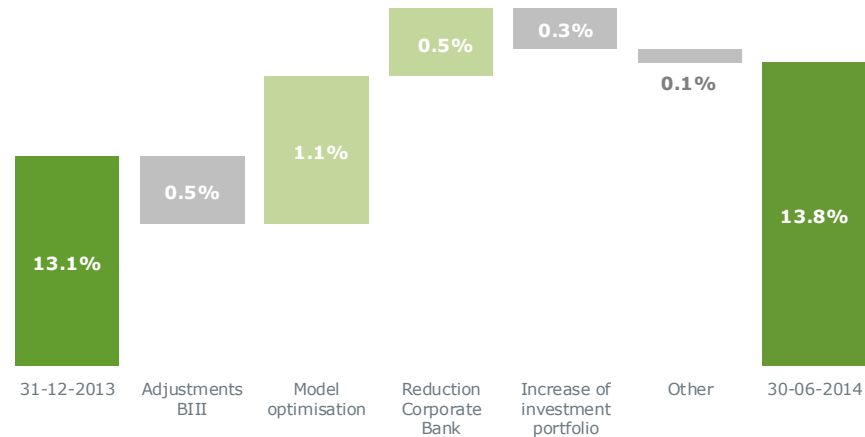
Van Lanschot already meets the Basel III capital requirements

- Fully loaded Common Equity Tier I ratio 11.6%
- Leverage ratio 4.9%

Risk-weighted assets (€ billion)



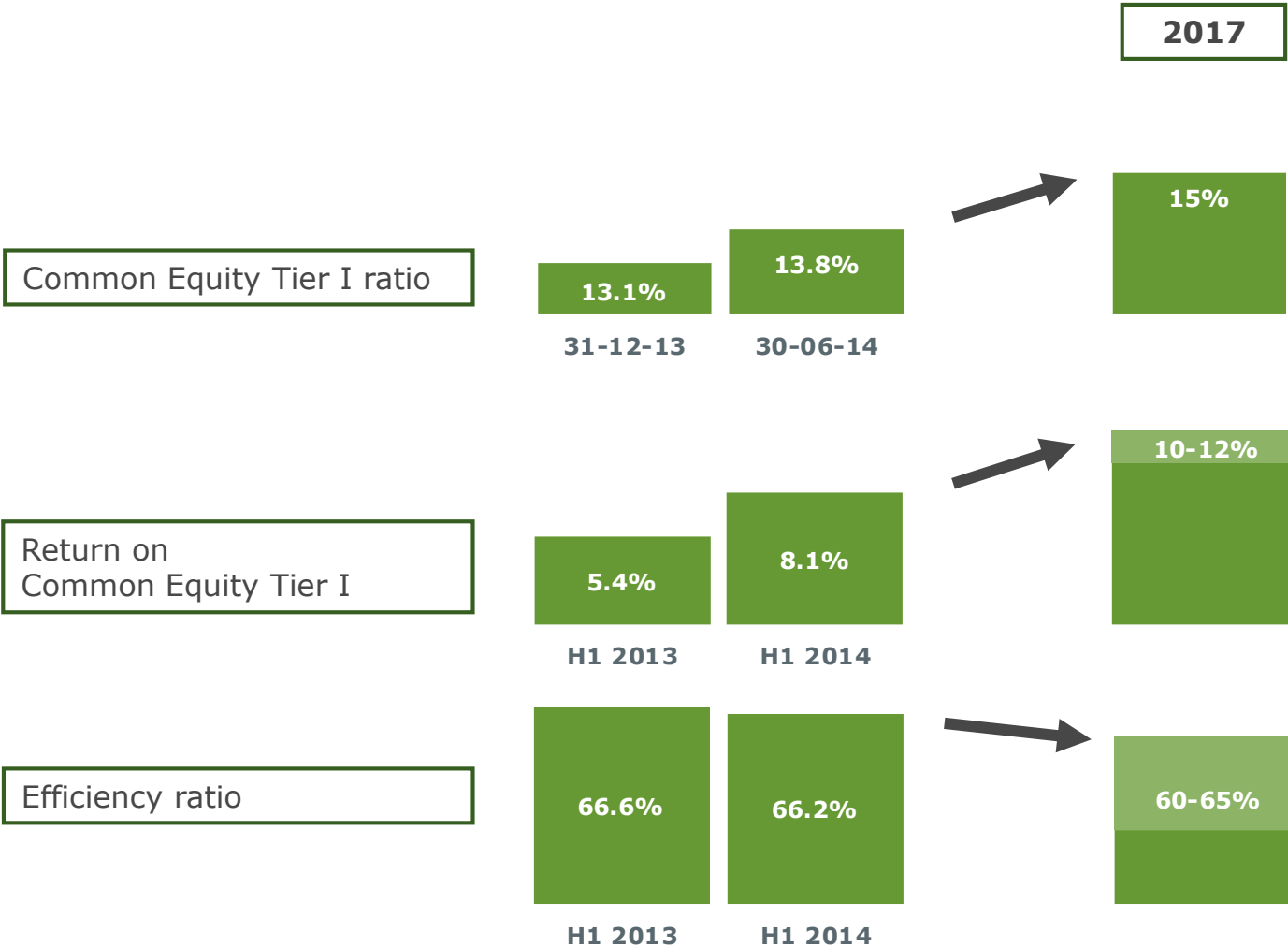
Development of Common Equity Tier I ratio (phase in)



* Taking into account the net profit of the current year this ratio would be 14.2%

Financial targets Van Lanschot for 2017

On track to achieve financial targets



Profile of Van Lanschot and strategic review 2013 - 2017

2014 half-year results

Segment information

Private Banking

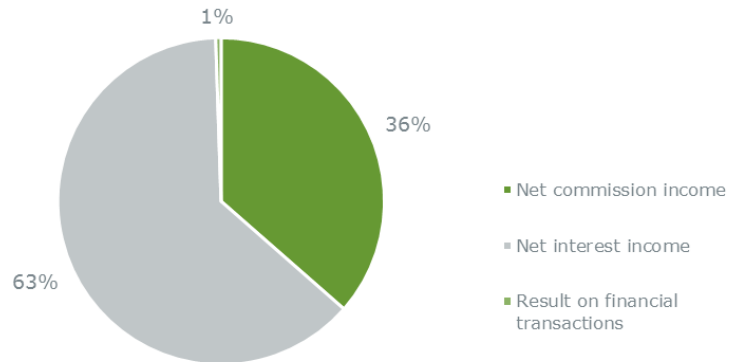
Key products: investments, mortgages, savings & deposits



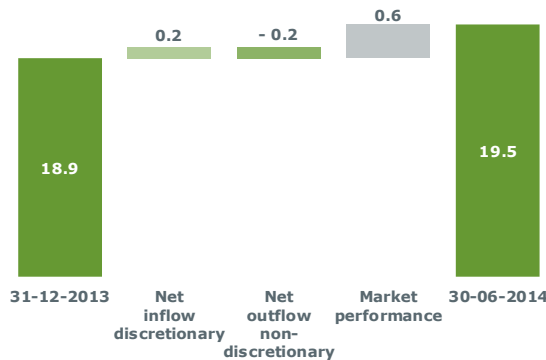
- Private Banking income consists of commission income and interest income
- In 2014 the introduction of new fee structure for investment advice leads to shift from non-recurring transaction fees to recurring management fees*.
- Interest income was effected by:
 - Decline in savings rates in H1 2014, in line with the market
 - Continued repricing of the loan book
 - Increase in savings, partly thanks to the growth of the Evi savings module in the Netherlands and Belgium
 - Reduction of the Private Banking loan book as clients use available funds to make redemptions

* Management fees include performance fees, advisory fees and service fees

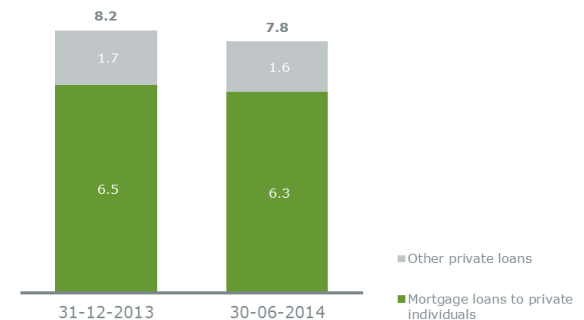
Income H1 2014 (€ 132.8 million)



Development assets under management (€ billion)



Development loan book (€ billion)



Private Banking

Differentiated service offering



Service level

Personal Banking

Private Banking

Private Office

- Mortgages
- Insurance

- Financial planning

- Evi van Lanschot (online service for savings and investments)
- Online banking

- Structuring
- Investment advice
- Mortgages and loans
- Pension advice
- Insurance

- Discretionary management
- Financial planning
- Estate planning

- Evi van Lanschot (online service for savings and investments)
- Online banking

- Private equity, SRI
- Tailored discretionary and fiduciary management
- Family office offering

- International structuring
- Investment advice
- Mortgages and loans
- Pension advice
- Insurance

- Discretionary management
- Financial planning
- Estate planning

- Evi van Lanschot (online service for savings and investments)
- Online banking

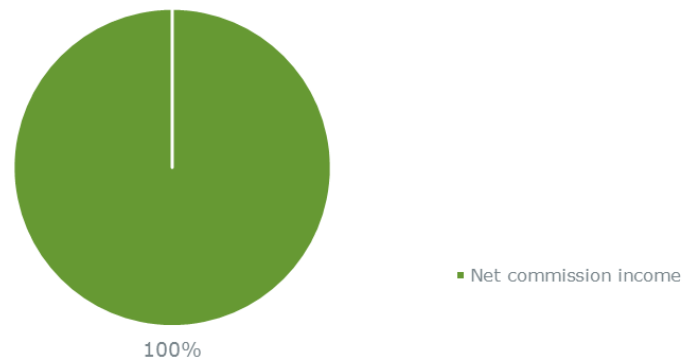
Asset Management

Focus on selected investment strategies

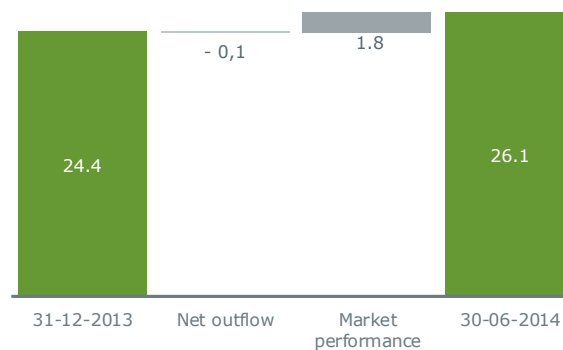


- Asset Management has a select group of investment strategies focusing on small caps, real estate, high-yield stocks, fixed income and funds of hedge funds
- In these strategies Asset Management offers funds and client solutions
- Asset Management is successfully expanding internationally in these strategies
- Asset Management provides asset management services to Private Banking; approximately € 7 million of commission income per half year is related to these services

Income H1 2014 (€ 41.0 million)



Development assets under management (€ billion)



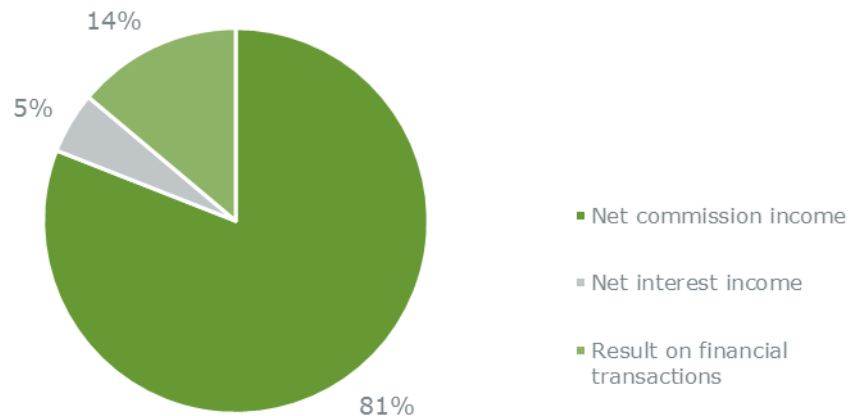
Merchant Banking

Advising on transactions in selected niches



- Merchant Banking is building on its leading positions in corporate finance and brokerage in the Benelux
- Merchant Banking focusses on selected niches and is expanding internationally
- Commission income is deal driven. H1 2014 commission income was lower compared to a strong H1 2013
- Result on financial transactions is mainly related to structured products
- In H2 2014 Merchant Banking's focus on selected niches is rewarded by several appealing transactions

Income H1 2014 (€ 25.2 million)



Merchant Banking

Broad spectrum of Corporate Finance and Securities services



		Kempen & Co Corporate Finance			Kempen & Co Securities		
		Mergers & Acquisitions	Debt Advisory	Equity Capital Markets ("ECM")	Sales & Trading	Research	Structured Products
Sector focus		Benelux Corporates					No specific sector focus
		European Real estate					
		European Life Sciences & Healthcare					
		European Cleantech					
		Construction, Maritime and Offshore					
Activities		<ul style="list-style-type: none"> ■ Mergers, acquisitions and delistings ■ Valuations ■ Fairness opinions ■ Capital structuring 	<ul style="list-style-type: none"> ■ Structuring of financial instruments ■ Debt capital market advisory 	<ul style="list-style-type: none"> ■ Initial public offerings ■ Secondary offerings 	<ul style="list-style-type: none"> ■ Security brokerage ■ Client facilitation ■ Liquidity provider/ market maker 	<ul style="list-style-type: none"> ■ Equity research ■ Thematic research ■ GPR property indices ■ Road shows ■ Conferences 	
	Location	Amsterdam			Amsterdam, New York		

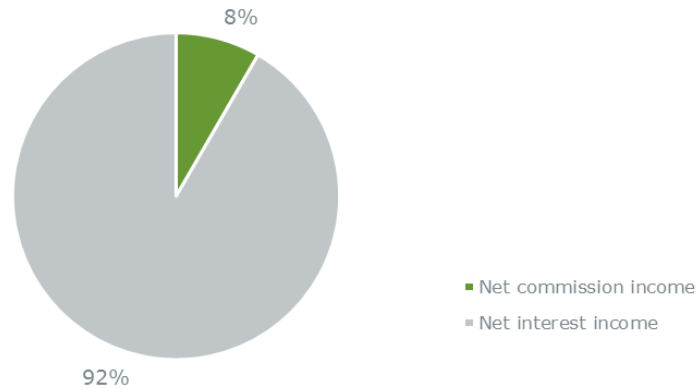
Corporate Banking

Gradual run-off freeing up capital

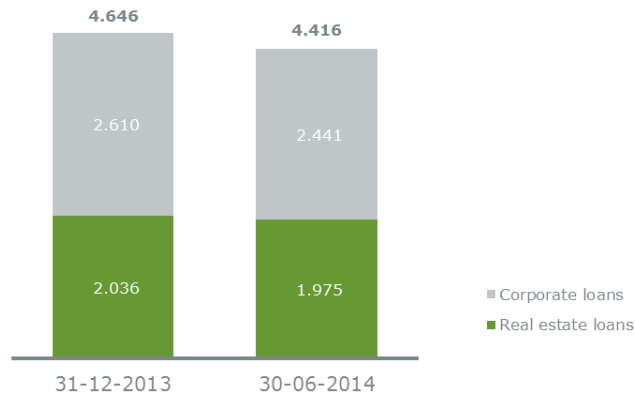


- Corporate Banking is pursuing an active reduction of corporate loans (i.e. SME and CRE loans) not related to Private Banking
- Corporate Banking is managed in a separate business unit by dedicated management
- The target reduction of 50% of € 4.4 billion in risk-weighted assets up to 2017 is well on track
- Interest income has increased despite the decreasing loan book, as an active repricing strategy is pursued
- Commission income relates to other services rendered (e.g. payment services) and declines as number of clients decreases

Income H1 2014 (€ 38.3 million)



Development loan book (€ billion)





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