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licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This supplement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither F. van Lanschot Bankiers N.V. nor Van Lanschot Conditional Pass-Through Covered Bond Company B.V. nor Coöperatieve Rabobank U.A., trading as Rabobank ("**Rabobank**") nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the supplement distributed to you in electronic format and the hard copy version available to you on request from F. van Lanschot Bankiers N.V. or Rabobank.

FIRST SUPPLEMENT
TO THE BASE PROSPECTUS DATED 15 MARCH 2016



F. van Lanschot Bankiers N.V.

*(incorporated under the laws of the Netherlands with limited liability
and having its statutory seat in 's-Hertogenbosch, the Netherlands)*

EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme

guaranteed as to payments of interest and principal by

VAN LANSCHOT CONDITIONAL PASS-THROUGH COVERED BOND COMPANY B.V.

*(incorporated under the laws of the Netherlands with limited liability
and having its statutory seat in Amsterdam, the Netherlands)*

This supplement (the "**Supplement**") is the first supplemental prospectus of the EUR 5,000,000,000 Covered Bond Programme (the "**Programme**") of F. van Lanschot Bankiers N.V. (the "**Issuer**") and is prepared to update and amend the base prospectus dated 15 March 2016 (the "**Base Prospectus**") and is supplemental to, forms part of and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

This document is an amendment and a supplement to the Base Prospectus within the meaning of article 16 of Directive 2003/71/EC including Directive 2010/73/EU (the "**Prospectus Directive**") This Supplement has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"), which is the Netherlands competent authority for the purpose of the Prospectus Directive and relevant implementing measures in the Netherlands, as a supplemental prospectus issued in compliance with the Prospectus Directive, Commission Regulation EC No. 809/2004 (the "**Prospectus Regulation**") and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Covered Bonds under the Programme.

The Base Prospectus and this Supplement are available on the website of the Issuer at <https://corporate.vanlanschot.nl/cptcbp> as of the date of this Supplement and are available for viewing at the specified office of the Security Trustee (Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands) and the office of the Issuer at Beethovenstraat 300, 1077 WZ Amsterdam, the Netherlands, where copies of the Base Prospectus and this Supplement and any documents incorporated by reference may also be obtained free of charge.

The date of this Supplement is 31 January 2017.

IMPORTANT INFORMATION

The Issuer and the CBC (only as far as it concerns the CBC) accept responsibility for the information contained in this Supplement. To the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties identified in this Supplement as such has been accurately reproduced and as far as the Issuer and the CBC are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the CBC accept responsibility accordingly.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arrangers (other than the Issuer), the Dealers (other than the Issuer) or the Security Trustee as to the accuracy or completeness of the information contained or referred to in this Supplement or any other information provided or purported to be provided by or on behalf of an Arranger, a Dealer, the Security Trustee, the Issuer or the CBC in connection with the Programme. Each of the Arrangers (other than the Issuer), the Dealers (other than the Issuer) and the Security Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of such information.

The Issuer will furnish an additional supplement to the Base Prospectus in case of any significant new factor, material mistake or inaccuracy relating to the information contained in the Base Prospectus and/or this Supplement which is capable of affecting the assessment of the Covered Bonds and which arises or is noticed between the time when this Supplement has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, in respect of Covered Bonds issued on the basis of the Base Prospectus and this Supplement.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Base Prospectus and this Supplement or any other information supplied in connection with the Programme or the offering of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the CBC, the Arrangers or any of the Dealers.

Neither the Base Prospectus nor this Supplement nor any other information supplied in connection with the Programme or any Covered Bonds should be considered as a recommendation by the Issuer or the CBC that any recipient of the Base Prospectus and this Supplement or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the CBC. Neither the Base Prospectus nor this Supplement nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Covered Bonds.

Forecasts and estimates in the Base Prospectus and this Supplement are forward looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

The distribution of the Base Prospectus and this Supplement and the offering, sale and delivery of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession the Base Prospectus and this Supplement or any Covered Bonds comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of the Base Prospectus and this Supplement and other offering material relating to the Covered Bonds, see *Subscription and Sale* in the Base Prospectus.

The Covered Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority in the USA, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of the Base Prospectus and this Supplement. Any representation to the contrary is unlawful.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and include Covered Bonds in bearer form that are subject to United States tax law requirements. The Covered Bonds may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act. See *Subscription and Sale* in the Base Prospectus.

All references in this document to '€', 'EUR' and 'euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

CERTAIN MODIFICATIONS TO THE BASE PROSPECTUS

The following are amendments to the text of the Base Prospectus.

1. On page 1 (*Important Notice*) the following wording is added:

"THE COVERED BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU ("MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC ("IMD"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC (AS AMENDED, THE "**PROSPECTUS DIRECTIVE**"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE COVERED BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE COVERED BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

2. On page 3 the following wording is added:

"IMPORTANT – EEA RETAIL INVESTORS - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MIFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation."

3. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the following risk factor is included:

"The Issuer's business is subject to risks related to cyber crime

The Issuer relies on the effectiveness of its cyber security policy and associated procedures, infrastructure and capabilities to protect the confidentiality, integrity and availability of information held on its computer systems, networks and mobile devices and on the computer systems, networks and mobile devices of third parties on whom the Issuer relies. The Issuer also takes protective measures to protect itself from attacks designed to prevent the delivery of critical business processes to its customers. Despite preventative measures, the Issuer's computer systems, software, networks and mobile devices, and those of third parties on whom the Issuer relies, may be vulnerable to cyber-attacks, sabotage, unauthorised access, computer viruses, worms or other malicious code, and other events that have a security impact. Such an event may impact the confidentiality of the Issuer's or its clients', employees' or counterparties' information or the availability of services to customers. As a result, the Issuer could experience material financial loss, loss of competitive position, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could cause a decline in the Issuer's earnings. The Issuer may be required to spend additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and it may be subject to litigation and financial losses that are either not insured against fully or not fully covered through any insurance that it maintains. Any failure in the Issuer's cyber security policies, procedures or capabilities, or cyber-related crime, could lead to the Issuer suffering reputational damage and a loss of clients and could have a material adverse effect on the Issuer's results of operations, financial condition or prospects."

4. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the risk factor "*Minimum regulatory capital and liquidity requirements*" is deleted in its entirety and replaced by the following:

"Minimum regulatory capital and liquidity requirements

The Issuer is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Specifically, in December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") published its final standards on the revised capital adequacy framework known as "**Basel III**". These standards are significantly more stringent than the requirements until then. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, the CRD IV-package (known as "**CRD IV**") was adopted. CRD IV consists of a directive (the "**CRD IV Directive**") and a regulation (the "**CRD IV Regulation**") and aims to create a sounder and safer financial system. The CRD IV Directive governs amongst other things the permissibility of deposit-taking activities while the CRD IV Regulation establishes the majority of prudential requirements institutions need to respect. On 23 November 2016, the European Commission announced a further package of reforms to CRD IV, the BRRD and the SRM Regulation (each of the BRRD and SRM Regulation as defined below) (the "**EU Banking Reforms**"), including measures to increase the resilience of EU institutions and enhance financial stability. The timing for the final implementation of these reforms as at the date of this Supplement is unclear. Furthermore, until the EU Banking Reforms are in final form, it is uncertain how the proposals will affect the Issuer or Covered Bondholders.

The CRD IV Regulation entered into force on 1 January 2014. On 1 August 2014, the CRD IV Directive was implemented into Dutch law. The application in full of all measures under CRD IV (including any national implementation thereof in the Netherlands) will have to be completed before 1 January 2019.

CRD IV, in implementing Basel III, is intended to increase the quality and quantity of capital, requires increased capital against derivative positions and introduces a capital conservation buffer, a counter-cyclical buffer, a systemic risk buffer, a new liquidity framework (liquidity coverage ratio and net stable funding ratio) as well as a leverage ratio. The leverage ratio is defined as Tier-1 capital divided by a measure of non-risk weighted assets. The leverage ratio requirement will be phased in gradually and is expected to become a binding harmonised requirement on 1 January 2018. If Basel III is followed under CRD IV, the leverage ratio may not fall below 3%. Although there is still uncertainty as to the exact percentage and the scope of the leverage ratio under CRD IV, the European Commission has proposed a binding leverage ratio of 3% pursuant to the EU Banking Reforms. The Dutch government has announced earlier that it wishes to implement a leverage ratio of at least 4% for significant Dutch banks. However, the Issuer is currently no such significant bank.

There can be no assurance that, prior to its implementation, the Basel Committee will not amend the package of reforms described above. Further, the European Commission, the ECB, the Netherlands and/or DNB may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks. Additionally, the revised accounting standard IAS 19R may lead to higher volatility in the Issuer's Common Equity Tier I ratio in the future. If the regulatory capital requirements, liquidity restrictions or ratios applied to the Issuer are increased in the future, any failure of the Issuer to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on the Issuer's results of operations or financial condition.

In addition, in December 2014, the Basel Committee published a public consultation regarding the introduction of capital floors based on standardised approaches as a result of which banks may be required to apply advanced approaches to risk categories by applying the higher of (i) the risk weighted assets ("**RWA**") floor based on (new) standardised approaches and (ii) the RWA based on advanced approaches in the of their ratios. Since then, the Basel Committee has published additional changes to the standardised for credit risk in December 2015 ("**Revisions to the Standardised Approach for credit risk – second consultative document**") as well as requesting consultation on proposals to reduce the variation in credit risk weighted assets that are calculated using internal models (F-IRB and A-IRB) and to impose floors on input parameters ("**Reducing variation in credit risk-weighted assets – constraints on the use of internal approaches**", issued for comments in March 2016). The consultations are now closed. Although the timing for the adoption, content and impact of these proposals remains subject to considerable uncertainty, the

implementation of the standardised RWA floors could have a significant impact on the calculation of the risk weighted assets if differences occur in risk weighted assets calculated on the basis of advanced and such calculation on the basis of new standardised rules.

There can be no assurance that, prior to its implementation, the Basel Committee will not amend the package of reforms described above. Regulatory reform proposals could result in the imposition of additional restrictions on the Issuer's activities if it were to no longer meet certain capital requirements at the level of the Issuer, or at the level of certain subsidiaries. The Issuer believes that it will become subject to stricter capital and liquidity requirements which may also affect the scope, coverage or calculation of capital, liquidity and risk weighted assets, all of which could significantly reduce the Issuer's income and require the Issuer to reduce business levels. The quantitative impact of additional regulatory capital requirements is currently uncertain and will depend also on the future development of the Issuer's balance sheet and whether multiple or even all of the changes have negative consequences for the Issuer, or only a few.

Further, the European Commission, the European Banking Association ("**EBA**") , the ECB, the Netherlands and/or DNB may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on (a subset of) Dutch banks. Additionally, the revised accounting standard IAS 19R may lead to higher volatility in the Issuer's Common Equity Tier I ("**CET1**") ratio in the future. The Issuer uses internal models to assess the risks of its loan portfolio. These models are subject to regulatory approval, which can be withdrawn at the discretion of the DNB for instance, based on regulatory developments or the development of the Issuer's loan portfolio. A withdrawal of regulatory approval could have a significant impact on the risk weighted assets of the Issuer due to the substantial difference in risk weighted assets calculated on the basis of the internal models when compared to the outcome if such models are not available.

In addition, as part of the EU Supervisory Review and Evaluation Process, supervisory authorities may perform an analysis of the Issuer's business model, arrangements, strategies, processes and mechanisms to form a view on its viability and sustainability. If necessary, they may take measures to address any problems and concerns including, among other things, requiring additional capital and/or liquidity buffers. Such measures may result in changes to the business plan and strategy, or require the Issuer to reduce risks that are inherent in certain products by requiring changes to the offering of these products or improvements of the governance and control arrangements around product development and maintenance. They may also include measures to reduce risks inherent to the Issuer's systems by requiring improvements of its systems. Any such measures may materially and adversely affect the Issuer's business and may force the Issuer to make substantial investments to meet the requirements.

If the regulatory capital requirements, liquidity restrictions or ratios applied to the Issuer are increased in the future, any failure of the Issuer to maintain such increased capital and liquidity ratios could result in administrative actions and/or sanctions, which may have an adverse effect on the Issuer's results of operations or financial condition."

5. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the risk factor "*Litigation or other proceedings or actions may adversely affect the business, financial condition and results of operations of the Issuer*" is deleted in its entirety and replaced by the following:

"The Issuer faces significant legal risks in the conduct of its business. In the Netherlands, the number and size claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including, without limitation, class actions) against financial institutions are increasing, and could further increase a draft bill that was recently submitted to parliament on Redress of Mass Damages in a Collective Action (*Wet collectieve afwikkeling massaschade*) on the basis of which, if it will be enacted, it would be possible to collectively claim damages. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services in which the Issuer acts as principal, intermediary or otherwise. The has been involved in the sale of interest rate derivatives to small and medium size enterprises ("**SMEs**"), although to a lesser extent than such other Dutch financial institutions. The Issuer has agreed to abide by the Netherlands' general recovery framework for interest rate derivatives clients, implying *inter alia* that it will offer courtesy payments to SMEs. Alternatively, SMEs to which the Issuer sold such derivatives may claim from and initiate legal proceedings against the Issuer in respect hereof. In addition, in these matters, the AFM,

and other (supervisory) authorities have taken and may take measures against or impose fines on the parties involved, including the Issuer. See also 'Sale of interest rate derivative instruments to SME clients' under the heading 'Legal and Arbitration Proceedings' in chapter 5 (*F. van Lanschot Bankiers N.V.*).

Increasingly financial institutions are also held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Also, companies in the Issuer's industry are increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving unprecedented legal claims. These risks are often difficult to assess or to quantify and their existence and magnitude often remain unknown for substantial periods of time. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the Issuer. The costs to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. As a result, litigation may adversely affect the Issuer's business, financial condition and results of operations (See also the risk factor 'The Issuer is exposed to risks of damage to its reputation' and the paragraph 'Legal and Arbitration Proceedings' in chapter 5 (*F. van Lanschot Bankiers N.V.*)."

6. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the risk factor "*Bank Recovery and Resolution Directive, SRM and Wft*" is deleted in its entirety and replaced by the following:

"Bank Recovery and Resolution Directive, SRM and Wft

The Bank Recovery and Resolution Directive ("**BRRD**") was adopted by the European Council on 6 May 2014. Member States should have implemented the BRRD by 1 January 2015 (except for the bail-in tool which was required to be implemented by 1 January 2016). The Netherlands has implemented the BRRD in November 2015 in legislation which substantially replaces the previous provisions of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* or "**Wft**") in relation to bank resolution. However, the powers of the Dutch Minister of Finance under the Wft when the Dutch Minister of Finance is of the opinion that the stability of the financial system is in serious and immediate danger due to the situation of the relevant financial institution and with a view to the stability of such system to (i) commence proceedings leading to ownership by the Dutch State (nationalisation) of the relevant financial institution, or also of its parent company, and expropriation of their respective assets, liabilities and/or securities as well as any claims against the institution or parent company, and (ii) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution or its parent company (the "**Dutch law intervention powers**").

On 10 July 2013, the European Commission proposed a regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms (the "**SRM Regulation**") in a framework of a single resolution mechanism and a single bank resolution fund (such mechanism, the "**SRM**"). The SRM Regulation was adopted on 15 July 2014 and became fully applicable as from 1 January 2016.

The SRM establishes a European single resolution board ("**SRB**") (consisting of representatives from the ECB, the European Commission and the relevant national resolution authorities) that will manage (through the national resolution authorities or directly) the failing of any bank in the Eurozone and in other EU Member States participating in the European Banking Union. One of the aims of the SRM is a consistent application of the instruments and authorities granted to national resolution authorities under the BRRD. The SRB is directly responsible for dealing with banking groups that fall under direct supervision of the ECB under the SSM, as well as any cross border banking groups. As a less significant bank without subsidiaries in other Eurozone countries, DNB is primarily responsible in its capacity as Dutch national resolution authority for the Issuer.

Under the SRM Regulation and BRRD, DNB and/or any other resolution authority such as the SRB (each, a "**Resolution Authority**") has four resolution tools and powers which may be used alone or in combination: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to

maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) a bail-in tool that could result subordinated and/or senior debt instruments or eligible liabilities of the Issuer absorbing losses by means of writing down debt or converting such liabilities shares or other instruments of ownership of the Issuer, another group entity or a bridge institution (the "**Bail-In Tool**").

The Bail-in Tool may be utilised by the Resolution Authority if the Resolution Authority determines that an institution meets the conditions for resolution, defined as:

- a) the institution is failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);
- b) there is no reasonable prospect that a private action or supervisory action would prevent the failure within a reasonable timeframe; and
- c) a resolution action is necessary in the public interest.

In addition to the general Bail-in Tool, resolution authorities have the power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**"). Any shares or other instruments of ownership issued to holders of such capital instruments upon any such conversion into equity may also be subject to any application of the general Bail-in Tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the SRM Regulation and BRRD is the point at which the Resolution Authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, in certain circumstances, its group, will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public financial support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The Resolution Authority should take the write-down and conversion steps in the following order (subject to certain exceptions, such as the exclusion or partial exclusion by the Resolution Authority of certain liabilities from the Bail-In Tool, and potential changes in the future):

- (i) Common Equity Tier 1 items;
- (ii) principal amount of Additional Tier 1 instruments;
- (iii) principal amount of Tier 2 instruments;
- (iv) principal amount of other subordinated debt (not Additional Tier 1 or Tier 2 instruments), in accordance with hierarchy of claims in normal insolvency proceedings; and
- (v) principal amount of other not excluded liabilities, in accordance with hierarchy of claims in normal insolvency proceedings.

For the avoidance of doubt, any non-viability loss absorption measure can only extend to the instruments referred to under (i), (ii) and (iii) while the Bail-In Tool may also result in the write-down or conversion of the liabilities referred to under (iv) and (v).

Covered Bondholders should be aware that one of the purposes of the resolution tools available to the Resolution Authority is to protect public funds by minimising reliance on extraordinary public financial support and as a result financial public support will only be used as a last resort after having assessed and used, to the maximum extent practicable, the resolution tools, including the Bail-in Tool. Therefore there is a real risk that the resolution tools will be applied by the Resolution Authority if the Issuer meets the conditions for resolution as set out above.

In addition to the resolution tools and non-viability loss absorption measure, the SRM Regulation and BRRD provide the Resolution Authority with broader powers to implement other resolution measures with respect to Issuer when it meets the conditions for resolution, which may include (without limitation) the sale of the business, the separation of assets, the replacement or substitution of the Issuer as obligor in respect of debt

instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

Consequently, it is possible that the competent authority may use its powers under the BRRD or SRM Regulation in a way that could result in debt instruments of the Issuer absorbing losses. The use of certain powers pursuant to the SRM Regulation and BRRD could negatively affect the position of the Covered Bondholders and the credit rating attached to debt instruments then outstanding and could result in losses to Covered Bondholders, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments (including, but not limited to, the amendments discussed above) to the SRM Regulation and BRRD, which may add to these effects. Covered bonds should normally be exempted from the applicability of the write-down and conversion powers described above. This exemption, however, does not apply if and to the extent the aggregate Principal Amount Outstanding of the Covered Bonds would exceed the value of the collateral available to secure such Covered Bonds. It is uncertain whether the Guarantee constitutes such collateral and therefore to what extent such exception applies to the obligations of the Issuer under the Covered Bonds. The resolution framework under the BRRD also provides for certain safeguards against a partial transfer and the exercise of certain other resolution powers in respect of covered bonds, which purport to ensure that rights arising out of covered bonds will not be affected by such partial transfer or exercise of such resolution power. However, it is unclear if and to which extent some of the rules may be applied, and to what extent the safeguards apply, to covered bonds. This will to a certain extent also be subject to future Level II-legislation yet to be adopted by European legislators and regulatory authorities on the scope and interpretation of certain aspects of the BRRD and the SRM Regulation.

In summary, the Issuer is unable to predict what effects, if any, the BRRD, the SRM Regulation and the Dutch law intervention powers may have on the financial system generally, the Issuer's counterparties, or on the Issuer or its subsidiaries, its operations and/or its financial position or the Covered Bonds.

7. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the following risk factor is added after the risk factor "*Bank Recovery and Resolution Directive, SRM and Wft*":

"Minimum requirement for own funds and eligible liabilities under SRM Regulation and BRRD

Pursuant to the SRM Regulation and BRRD, banks are required to meet at all times a minimum amount of own funds (which includes Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments) and eligible liabilities ("**MREL**") expressed as a percentage of the total liabilities and own funds to ensure that the Bail-in Tool is effective. The Resolution Authority shall establish a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. On 23 May 2016, the European Commission adopted regulatory technical standards on the criteria for determining MREL under the BRRD (the "**MREL Delegated Regulation**"). The level of own funds and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) based on, among other things, the criteria set forth in Article 45.6 of the BRRD, including the systemic importance of the institution. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by a non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The MREL requirement came into force on 1 January 2016. However, the EBA has recognised the impact this requirement may have on banks' funding structures and costs and the MREL Delegated Regulation states that the resolution authorities shall determine an appropriate transitional period but that this shall be as short possible. As part of the EU Banking Reforms, the European Commission published on 23 November 2016 a Proposal for a Directive of the European Parliament and the Council on amendments to the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy (the "**MREL Proposal**"). The MREL proposes to harmonise national laws on recovery and resolution of credit institutions and investment firms, in particular as regards their loss-absorbency and recapitalisation capacity in resolution and proposes the of a new asset class of "non-preferred" senior debt that should only be bailed-in after other capital instruments but before other senior liabilities. The MREL Proposal anticipates that Member States will transpose the proposed amendments into the BRRD in their national laws by approximately June 2017 and that banks to

the amendments apply will have to comply with the amended rules by approximately July 2017.

On 14 December 2016, EBA submitted a final report on the implementation and design of the MREL framework (the "**EBA MREL Report**") which contains a number of recommendations to amend the current MREL framework. The EU Banking Reforms contain the legislative proposal of the European Commission for the amendment of the MREL framework and the implementation of the TLAC standards. The EU Banking Reforms propose the amendment of a number of aspects of the MREL framework to align it with the TLAC Standards (as defined below). To maintain coherence between the MREL rules applicable to G-SIBs and those applicable to non-G-SIBs, the EU Banking Reforms also propose a number of changes to the MREL rules applicable to non-G-SIBs, including (without limitation) the criteria for the eligibility of liabilities for MREL. While the EU Banking Reforms propose for a minimum harmonised or "Pillar 1" MREL requirement for G-SIBs, in the case of non-G-SIBs it is proposed that MREL requirements will be imposed on a bank-specific basis. For G-SIBs it is also proposed that a supplementary or "Pillar 2" MREL requirement may be further imposed on a bank-specific basis. The EU Banking Reforms further provide for the resolution authorities to give guidance to an institution to have own funds and eligible liabilities in excess of the requisite levels for certain purposes.

The MREL framework may be subject to substantial change over the coming years, amongst others, as a result of the changes envisaged in the EU Banking Reforms. As a result it is not possible to give any assurances as to the ultimate scope, nature, timing, disclosure and consequences of breach of any resulting obligations, or the impact that they will have on the Issuer once implemented. If the Issuer were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on the Issuer's business, financial position and results of operations. The above requirements (and any actual, or perceived likelihood of any, breach of them) may also affect the market value of Covered Bonds."

8. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the following wording of the risk factor "*The Financial Stability Board and additional governmental measures*" is deleted:

"These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis."

and replaced by the following:

"The FSB has developed proposals to enhance the total loss-absorbing capacity ("**TLAC**") of global systemically important banks in resolution. On 9 November 2015, the FSB issued the final TLAC standard (the "**TLAC Standard**") for global systemically important banks ("**G-SIBs**"). The TLAC standard has been designed so that failing G-SIBs will have sufficient loss-absorbing and recapitalisation capacity available in resolution for authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. The TLAC standard defines a minimum requirement for the instruments and liabilities that should be readily available for bail-in within resolution at G-SIBs, but does not limit authorities' powers under the applicable resolution law to expose other liabilities to loss through bail-in or the application of other resolution tools. Work is currently ongoing in the EU to implement the TLAC standard into EU legislation. In particular the European Commission has proposed to incorporate TLAC into the capital requirement framework, as an extension to the own funds requirements and as part of the EU Banking Reforms as discussed above under 'Minimum requirement for own funds and eligible liabilities under BRRD'. Therefore, although the TLAC Standard will not be applicable to the Issuer because it is not a G-SIB, future capital and buffer requirements applicable to the Issuer will increase in order to be more in line with the TLAC Standard for G-SIBs and as a result there is a possibility that the Issuer will be required to strengthen its capital position."

9. In chapter 3 (*Risk Factors*) under subsection "Risk factors regarding the Issuer" the following risk factor is added after the risk factor "*The Issuer is subject to changes in financial reporting standards or policies which could materially adversely affect the Issuer's reported results of operations and financial condition*":

"The Issuer's results can be adversely affected by the uncertain future of the interdependency of the European market, the European Union and the Eurozone

The Issuer operates almost entirely in Europe, particularly in the Netherlands, Belgium and increasingly in the UK in connection with its fiduciary management operations, and its success is therefore closely tied to general economic conditions in these markets, which, in turn, are part of the European economy and the Eurozone. There remains concern regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone countries. In addition, the actions required to be taken by those countries as a condition to rescue packages have resulted in increased political discord within and among Eurozone countries. The interdependencies among European economies and financial institutions have also intensified concern regarding the stability of European financial markets generally. These concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the euro currency entirely. The legal and contractual consequences for holders of euro denominated obligations would be determined by laws in effect at such time. This could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which the Issuer (or its counterparties) is a party. These potential developments, or market perceptions concerning these and related issues could adversely affect the value of the Issuer's euro denominated assets and obligations.

Furthermore, in the UK referendum, which was held on 23 June 2016, the UK voted in favour of an exit of the EU ("**Brexit**"). The implications of a Brexit are uncertain and could have an adverse impact with respect to the European integration process, the relationship between the UK and the European Union, and economies and businesses in the EU and the UK. The Issuer could be adversely impacted by related market developments such as increased exchange rate movements of the pound sterling versus the euro and higher financial market volatility in general due to increased uncertainty, any of which could affect the results of the Issuer's operations in the EU or the UK. The Issuer could also be adversely impacted should a Brexit result in the UK moving away from agreed and implemented EU legislation."

10. Chapter 5 (*F. van Lanschot Bankiers N.V.*) is deleted in its entirety and replaced by the following:

"General

The Issuer was incorporated on 9 March 1970, but can be considered to be the oldest independent Dutch private bank with a history dating back to 1737. All outstanding shares in the capital of the Issuer are held by the holding company Van Lanschot N.V. and accordingly, Van Lanschot N.V. has complete control over the Issuer.

Until 1954, the banking activities were carried out from the offices in 's-Hertogenbosch. After that year, the Issuer's activities gradually expanded. More offices were opened, initially, predominantly, in the southern part of the Netherlands. In the early 1970s, the Issuer took over a number of local banks. With the subsequent increase in the number of clients, the activities in domestic and international money and capital markets grew strongly. During the 1980s, a number of offices were opened in the central part of the Netherlands. From 1991 onward, the Issuer followed a strategy of strong expansion. In addition, offices were opened in Belgium.

Since 1973, in addition to family shareholders, non-family shareholders have been invited to help finance the Issuer's growth. The Issuer's parent company, Van Lanschot N.V., was listed on Euronext Amsterdam in June 1999.

In 2004, the Issuer acquired CenE Bankiers from ING Bank N.V. The acquisition helped the Issuer to strengthen its position as a prime Dutch bank for high net worth individuals and enhanced its position with healthcare clients. In 2007, the Issuer acquired Kempen & Co to bolster its position with ultra-high net worth individuals, institutional investors, businesses and entrepreneurs.

In 2013, the Issuer performed a strategic review. The Issuer decided to move away from a universal banking model and to instead become a specialist independent wealth manager. The Issuer decided to simplify the organisation, focus the product offering in selected niches and to wind down the corporate loan book. Implementation of these strategic choices allowed the Issuer to begin the change to focusing on helping private and institutional clients to preserve and create wealth.

Also in 2013, Van Lanschot launched Evi, an online savings and investment platform to extend the offering of the Issuer to mass affluent individuals and first-time investors via a digital platform.

In 2015, the Issuer's subsidiary Kempen Capital Management N.V. acquired the UK fiduciary management activities of Dutch pensions and investments manager MN. This acquisition is in line with Kempen Capital Management N.V.'s strategy of expanding its international activities and activities in the area of fiduciary management.

In December 2016, the Issuer acquired the private banking activities of Staalbankiers. The Issuer is taking over private banking clients of Staalbankiers accounting for (i) around €1.7 billion in assets under management, (ii) around €300 million in savings and (iii) a small number of securities-backed loans. This acquisition enables the Issuer to expand its assets under management and serve even more clients. Staalbankiers enjoys strong positions in its market segments. Its specialists support wealthy private individuals, entrepreneurs, professionals and institutions such as charitable organisations, which are a close fit with the Issuer's client groups.

Incorporation and business objects

The Issuer is incorporated as a public limited liability company (*naamloze vennootschap*) under Dutch law and has its statutory seat at 's-Hertogenbosch, the Netherlands. The Issuer is registered in the trade register of the Chamber of Commerce (Kamer van Koophandel) under No. 16038212. The Issuer's registered office is at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands. Its telephone number is +31 (0)73 548 35 48 (for investor relations: +31 (0)20 354 45 90).

The objects and purposes of the Issuer are described in article 2 of its articles of association. The objects of the Issuer are to carry on the business of banking and of dealings in securities, to administer the property of others, to act as insurance agent, to participate in other companies and to perform all kinds of other activities and to render all kinds of other services which are connected therewith or may be conducive hereto, all this to be interpreted in the widest sense.

Regulatory status

The Issuer qualifies as a credit institution within the meaning of the CRD IV Regulation, the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012. The Issuer is authorised by DNB to pursue the business of a bank (bank) in the Netherlands, in accordance with the Wft and is consequently under direct supervision by DNB. As of 4 November 2014, the Issuer is subject to indirect supervision by the ECB under the new system of supervision, which comprises the ECB and the national competent authorities of participating EU Member States, the SSM. In addition, the Issuer is supervised by the AFM for the purpose of market conduct supervision.

Business segmentation & strategy

The Issuer is a specialist, independent wealth manager dedicated to the preservation and creation of wealth for its private and institutional clients. The Issuer's primary operating segments consist of Private Banking, Evi, Asset Management and Merchant Banking. The Issuer's wealth management strategy is strongly focused on its primary operating segments and product offering in selected niches and achieving a capital light business model. Implementation of the Issuer's strategic focus has allowed the Issuer to concentrate on helping private and institutional clients to preserve and create wealth.

Private Banking

Within Private Banking, the Issuer focuses on entrepreneurs, family businesses and (ultra) high net-worth individuals, while also offering specialised services for business professionals and executives, healthcare professionals, and foundations and charities. With a network of 38 offices and client reception venues in the Netherlands, Belgium and Switzerland, the Issuer differentiates itself, either direct or through its subsidiaries, by building a clearly defined local presence. The Issuer's foreign and international private banking activities are performed through its Belgian branch and its Swiss subsidiary F. van Lanschot Bankiers (Schweiz) AG.

Evi

In 2013, the Issuer launched Evi, its online platform, as part of its Private Banking segment. Evi was

as online investment and savings coach, attracting new clients and assets. Evi plays into the trend of individual responsibility for pensions, healthcare and other needs at all levels of society. Evi uses the expertise from the Private Banking segment to provide the younger generation and mass affluent clients a trusted space to build and preserve wealth through a digital offering of investments, savings and pensions products. Evi clients can opt for online asset management (Evi Beheer), online investment advice (Evi Advies), online pension product (Evi Pensioen) and/or savings (Evi Sparen). In February 2016, the Evi online platform was introduced in Belgium, supporting the Evi savings platform which has been active in Belgium since 2013. Since spring 2016 Evi is positioned as a separate operating segment of the Issuer.

Asset Management

Kempen Capital Management ("**KCM**") is the Issuer's specialist European investment management boutique with a sharp focus and a clear investment philosophy. KCM focuses on a limited number of high quality investment strategies: small caps, property, high-dividend equities, fixed-income securities and funds of hedge funds. In addition, KCM offers clients a fiduciary service that provides them with fully comprehensive asset management solutions. It targets open architecture-based banks and asset managers, pension funds, insurance companies and foundations and associations. KCM has offices in Amsterdam, London and Edinburgh.

Merchant Banking

The Issuer's merchant banking segment (operated through Kempen Corporate Finance and Kempen Securities) offers specialist services including equities research and trading, mergers and acquisitions, capital market transactions as well as debt advisory services to institutional clients, corporates, financial institutions and semi-public and public entities. The merchant banking segment has adopted a niche strategy, focusing on the European real estate, European life sciences and healthcare, financial institutions & fintech and the Benelux market. Merchant Banking has offices, in Amsterdam and New York.

Other Activities

This segment comprises the activities in the field of interest rate, market and liquidity risk management, the equity investments of Van Lanschot Participaties, Van Lanschot Chabot (an independent insurance adviser and intermediary), the Issuer's non-strategic investments and one-off charges under the investment and cost reduction programme in 2013 and 2014.

Corporate Banking

Within Corporate Banking a team of specialists is engaged in gradually winding down the real estate financing and SME loan portfolios not specifically linked to Private Banking clients. The wind down is implemented gradually by informing clients about the Issuer's intention to cease these activities, and directing them to other sources of financing.

Legal and Arbitration Proceedings

Save as disclosed in this chapter, the Issuer is not, or during the 12 months preceding the date of this Supplement has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which will have or have had in the recent past significant effects on the Issuer's financial position or profitability.

The Issuer is involved in a number of proceedings and settlement negotiations, all of which are in the ordinary course of business and which may individually not have a significant effect, but may be relevant for a large number of similar cases or potential future cases. Proceedings generally relate to alleged violations of the Issuer's duty of care vis-a-vis its (former) customers and as such concern, among others, alleged violations of the obligation to provide adequate information on products and services, the provision of allegedly inadequate investment advice or the provision of excessive loan amounts based on customer profiles. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, the Issuer believes that the proceedings disclosed in this chapter, may have a significant effect on the financial condition, profitability or reputation of the Issuer.

See "*Risk Factors— The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general*"

Sale of interest rate derivative instruments to SME clients

The Issuer has, in the period up to 2013, sold interest rate derivative instruments to SMEs in the Netherlands. In general, derivative instruments sold by Dutch financial institutions have, as a result of the sharp fall in interest rates during the past few years, not worked out as expected and – in some cases – caused losses to the business owners that purchased them. Recently these business owners, both individually and collectively, have taken the position that the banks failed to provide adequate information about the risks related to these instruments and demanded financial compensation. Different special purpose organisations, such as the 'Stichting Renteswapschadeclaim' and the 'Stichting Swapschade', are offering to represent the business owners collectively. Several individual business owners initiated legal proceedings against competitors of the Issuer and obtained enforceable rulings contemplating financial compensation. In comparison to other banks, the Issuer has limited financial exposure on the relevant portfolio as its sales were to approximately one hundred and fifty SME clients. The Issuer has received a limited number of complaints from interest rate derivative clients. The Issuer has, nevertheless, along with most other Dutch banks decided to participate in the initiative of the Dutch Minister of Finance to create a uniform recovery framework. A panel of three independent experts has been instructed to reach an agreement with Dutch banks. On 19 December 2016, an agreement between the participating Dutch banks and the panel was reached. Subsequently, a recovery framework was presented which allows for an efficient review of the relevant portfolio of each bank and a scheme for prompt settlement of damages. It is uncertain whether all SMEs to whom the Issuer sold interest rate derivative instruments will participate in this settlement framework. Such non-participating SMEs may decide to initiate legal proceedings against the Issuer and claim damages from the Issuer directly. As per 30 June 2016, the Issuer has taken a provision for anticipated compensation amounts in relation to the interest rate derivative instruments that it sold to clients.

Sale of commercial real estate loans

In 2015, the Issuer sold a portfolio of commercial real estate loans to a company affiliated to Cerberus Capital Management LP. In relation to this sale, various customers have filed complaints with the Issuer. A number of individual customers have initiated legal proceedings against the Issuer, stating the transfer of such customer's loan and the rights related thereto was invalid. Up to the date hereof, none of these claims have been rewarded. Some of these proceedings are still pending. Even though the transaction occurred in 2015, additional claimants may still come forward which may result in additional proceedings against the Issuer.

Stichting Gedupeerden Overwaardeconstructie W&P

The Issuer is involved in legal proceedings with Stichting Gedupeerden Overwaardeconstructie W&P. This foundation represents the interests of a number of (former) clients of the Issuer. It claims that the provision of loans by the Issuer to these (former) clients – which were taken out by the clients on the basis of advice rendered by an intermediary, Wagner & Partners – constitute a violation of the duty of care as a result of granting of a credit facility that is larger than a customer can bear in view of his personal circumstances (over-extension of credit). Similar proceedings have been initiated by this foundation against various other Dutch banks. No specific amount of damages has been awarded at this time.

Claim relating to improper service

In 2015, the Issuer received notice of a potentially sizeable claim from a client relating to an alleged forced sale of shares. The client has an advance financing facility with the Issuer and due to a drop in share price the agreed credit limit was exceeded. The client alleges that the Issuer exercised the right of pledge in relation to the financing facility and sold the shares. The Issuer claims the client had given the instructions for the sale of shares. The client has not yet started any legal proceedings against the Issuer.

Shares and shareholders

The issued share capital of the Issuer consists of 400,000 shares of €100 each. All shares are nominative shares. Share certificates have not been issued. All 400,000 issued shares of the Issuer are held by Van Lanschot N.V. and have been fully paid up.

The authorised share capital of Van Lanschot N.V. consists of 150,000,000 shares of €1 nominal value each, and is divided equally into ordinary shares A ("**Class A Shares**") and preference shares C ("**Class C** Class C Shares have not been issued. The outstanding ordinary share capital of Van Lanschot N.V. on the hereof amounts to EUR 41,091,668. Almost all of the Class A Shares are held by Stichting

van gewone aandelen A Van Lanschot N.V. (the "**STAK**"), which has issued depositary receipts for these shares. These depositary receipts for Van Lanschot N.V. shares, are listed and traded on Euronext in Amsterdam. The issuance of depositary receipts does not have a protective nature. In line with the Dutch Corporate Governance Code (the "**Corporate Governance Code**"), the STAK allows holders of depositary receipts to exercise their voting rights at all times. The depositary receipts and STAK only exist so as to sufficiently protect the interests of small holders of depositary receipts, insofar as they do not exercise their voting rights themselves. In such case, the STAK exercises the voting right in the interest of such holder. A depositary receipt can be converted into the underlying Class A Share without any restrictions. The board of STAK consists of four members and is independent from Van Lanschot. The STAK collects the dividends for account of the holders of the depositary receipts and distributes the dividends directly to such holders.

In compliance with chapter 5.3 of the Wft the following holdings have been included in the Substantial Holdings register of the AFM. The percentages shown are calculated on the basis of the holdings reported by the respective shareholder or holder of depositary receipts with the AFM at the date of notification and the current number of outstanding shares. Actual holdings may differ on the date hereof. The STAK currently holds more than 99.99 per cent. of the Class A Shares.

Van Lanschot N.V.'s shareholder base was significantly broadened in June 2016 with the successful, fully marketed offering of the 30% shareholding held by Delta Lloyd in Van Lanschot N.V. This broader shareholder base will contribute to greater liquidity in the shares.

Shareholder	Date of notification	Holding
Stichting Administratiekantoor van gewone aandelen A Van Lanschot	12/11/2013	97.42%

Holder of depositary receipts	Date of notification	Holding
Stichting Pensioenfonds ABP (via/through APG Asset Management)	04/01/2014	13.27%
Wellington Management Group LLP	15/12/2014	9.88%
Coöperatieve Rabobank U.A.	18/10/2016	9.76%
LDDM Holding B.V.	03/06/2014	9.74%
Reggeborgh Invest B.V.	15/06/2016	5.01%
FMR LLC	07/07/2016	4.99%
Invesco Limited	09/06/2016	4.93%
Henderson Group Plc	15/06/2016	3.28%

Capitalisation

(x € thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Share capital and reserves				
Issued and fully paid	40,000	40,000	40,000	40,000
Reserves	1,261,360	1,259,358	1,188,190	1,165,591
Equity instruments issued by F. van Lanschot Bankiers N.V.	-	943	27,742	28,360
Non-controlling interests	12,866	19,633	19,914	29,884
Equity	1,314,226	1,319,934	1,275,846	1,263,835

Subordinated debt	117,962	118,151	120,226	121,415
Total equity and subordinated debt	1,432,188	1,438,085	1,396,072	1,385,250
Debt securities	3,534,771	3,284,608	4,101,109	3,779,322
Total capitalisation	4,966,959	4,722,693	5,497,181	5,164,572

The 2014 figures and 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial years ended 31 December 2014 and 31 December 2015, respectively. The semi-annual 2015 figures and semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union.

Risk policy

Risk policy

The Issuer's primary risk management objective is to maintain a low risk profile featuring robust liquidity and strong capital positions. Every year, the Issuer evaluates its risk appetite, which is then formalised in a revised risk appetite statement. This statement, which contains both qualitative and quantitative elements, is determined by the statutory board of the Issuer (the "Statutory Board") and subject to the Supervisory Board's approval. In 2014, the Issuer refined its risk appetite further, now taking into more specific account the Issuer's own risk-bearing capacity (i.e. the extent to which the impact of the risks can be absorbed). The risk appetite of the Issuer is based on the following key principles:

- The Issuer only takes risks that can be understood and explained.
- The Issuer only takes risks that directly or indirectly linked to its strategic objectives.
- The sum of all risks must not exceed the risk-bearing capital.
- When taking risks, the Issuer takes into account the interests of all its stakeholders.
- The risk appetite must be taken into consideration in all key decisions at every level of the organisation.
- The Issuer operates within the framework of applicable legalisation and regulations.
- The Issuer does not take any risks that could serious harm its reputation.

The Issuer pursues a prudent risk policy, and risk management and control are important elements of its business operations. The Issuer's risk management system principally, but not exclusively covers the following risks:

- Credit risk
- Market risk
- Interest rate risk affecting Private Banking
- Concentration risk
- Liquidity risk
- Operational risk
- Strategic risk
- Compliance risk

Framework

The organisation of the risk framework is based on the three lines of defence principle. Day-to-day responsibility for risk control is assigned to commercial and/or operational departments (first line). Group Compliance and Group Risk Management form the second line and are responsible for initiating risk policy and supervision of risk control within the Issuer. Group Audit forms the third line and is responsible for performing independent audits on amongst others the risk framework. This creates a clear, balanced and adequate division of tasks, powers and responsibilities, ensuring independent and effective fulfilment of the risk management function.

The Supervisory Board supervises the risks and capital adequacy requirements in relation to the Issuer's operations and portfolio. It has set up two committees for this purpose. The Risk Committee of the Supervisory Board prepares the groundwork for the monitoring and supervision of the risk profile and risk management by the Supervisory Board on all risks identified in the Issuer's business activities and its risk framework. The Audit and Compliance Committee was created to advise the Supervisory Board on financial reporting, internal and external audits, as well as on compliance matters and duty of care.

The Statutory Board has ultimate responsibility for the existence and effective functioning of the processes that enable the Issuer to hold sufficient capital in the light of its objectives (combined with its risk appetite) and the statutory capital adequacy requirements. Within this scope, the Statutory Board has delegated specific tasks to various divisions or committees. Each committee has both policy and steering/implementation authority. At least one member of the Statutory Board has a seat on each committee.

Executive Board, Statutory Board and Supervisory Board

Board practices of the Issuer

The Issuer is a two-tier board company (*structuurvennootschap*). Supervision of the Statutory Board and the general course of affairs at the Issuer is entrusted to the Supervisory Board. Its members are appointed by the General Meeting of Shareholders. Members of the Statutory Board are appointed by the General Meeting.

Executive Board

The Executive Board is leading the core activities (Private Banking, Evi, Asset Management and Merchant Banking) of the Issuer. The Executive Board consists of the members of the Statutory Board of the Issuer and the members of the Management Board of Kempen & Co.

The members of the Executive Board are:

Mr K.K. Guha (1964)

Nationality	Dutch
Position	Chief Executive Officer / Chairman of the Executive Board and of the Statutory Board.
Appointed as of	2 January 2013. Term of office expires on the day of the Annual General Meeting of Shareholders held after 1 January 2017.
Areas of responsibility	Evi, Corporate Banking, Corporate Secretariat/Legal, Strategy & Corporate Development, Human Resource Management, Marketing, Communication, Compliance and Group Audit.

Mr C.T.L. Korthout (1962)

Nationality	Dutch
Position	Chief Financial Officer / Chief Risk Officer of the Statutory Board and of the Management Board of Kempen & Co.
Appointed as of	27 October 2010. Reappointed on 15 May 2014. Term of office expires at the close of the Annual General Meeting of Shareholders to be held in 2018.
Areas of responsibility	Finance Reporting & Control, Treasury, Group Risk Management and Recovery Section.
Main other positions	Deputy Chairman of the Supervisory Board of Sint Franciscus-Vlietland Groep.

Mr A.J. Huisman (1971)

Nationality	Dutch
Position	Chief Operating Officer, member of the Statutory Board.
Appointed as of	6 May 2010. Reappointed on 15 May 2014. Term of office expires at the close of the Annual General Meeting of Shareholders to be held in 2018.
Areas of responsibility	Service Centres: Securities, Data Management, Procurement, Contract Management & Facilities and Group IT.
Main other positions	Member of the Supervisory Board of Van Lanschot Chabot Holding B.V.

Mr R.P. Bruens (1967)

Nationality	Dutch
Position	Managing Director of Private Banking, member of the Statutory Board
Appointed as of	15 May 2014. Term of office expires at the close of the Annual General Meeting of Shareholders to be held in 2018
Areas of responsibility	Private Banking, Corporate Social Responsibility, Service Centres: Loans, Savings & Payments, Front Office & Online.
Main other positions	Member of the Supervisory Board of Van Lanschot Chabot Holding B.V.

Mr P. Gerla (1966)

Nationality	Dutch
Position	CEO of the Management Board of Kempen & Co.
Appointed as of	End of 2004 appointed as member of the Management Board of Kempen Capital Management N.V., a part of Kempen & Co. In January 2009 Mr Gerla joined the Management Board of Kempen & Co and was appointed CEO in March 2015.
Areas of responsibility	Asset Management
Main other positions	Member of the Supervisory Council and Chairman of the Audit Committee of Spaarne Gasthuis.

Mr J. Verhees (1960)

Nationality	Dutch
Position	Member of the Management Board of Kempen & Co.
Appointed as of	January 2009 appointed as member of the Management Board of Kempen & Co.
Areas of responsibility	Merchant Banking

Supervisory Board

The members of the Supervisory Board are:

Mr W.W. Duron (1945)

Nationality	Belgian
Position	Chairman
Appointed as of	10 May 2007; Term of office expires in 2019.
Seats on other (supervisory) boards	Agfa-Gevaert N.V. Tigenix N.V. Windvision B.V. Ethias N.V.

Mr J.B.M. Streppel (1949)

Nationality	Dutch
Position	Deputy Chairman
Appointed as of	11 May 2005; Term of office expires in 2017
Seats on other (supervisory) boards	RSA Insurance Group Plc Stichting Arq. Gieskes Strijbis Fonds LeasePlan (Chairman Supervisory Board)
Main other positions	Chairman of the Advisory Council of the Royal Dutch Actuarial Association Council member at the Enterprise Section of the Enterprise Chamber of the Amsterdam Court of Appeal

Ms J.G.H. Helthuis (1962)

Nationality	Dutch
Position	Member
Appointed as of	2 July 2013; Term of office expires in 2017
Seats on other (supervisory) boards	Managing Director of PC Hooft Groep B.V. Member of the Advisory Board of Nintes Prorail B.V.

Ms B.J.M. Langius (1960)

Nationality	Dutch
Position	Member
Appointed as of	Appointed as of 13 May 2015; Term of office expires in 2019
Seats on other (supervisory) boards	IBM Nederland B.V. Plan Nederland BDO Holding B.V. Ingenico ePayments Nederland

Mr G.P.J. van Lanschot (1964)

Nationality	Dutch
Position	Member
Appointed as of	10 May 2006; Term of office expires in 2018

Mr A.F.J. van Overmeire (1956)

Nationality	Dutch
Position	Member
Appointed as of	30 January 2017; Term of office expires in 2021
Seats on other (supervisory) boards	Chairman of the Audit Advisory Committee of the Centrum Indicatiestelling Zorg (CIZ)

There are no potential or actual conflicts of interest between any duties owed to the Issuer by the members of the Supervisory Board or the Executive Board, and their private interests and/or other duties.

The business addresses of the persons mentioned under this section are at the address of the Issuer.

Audit and Compliance Committee

The Audit and Compliance Committee of the Issuer is a permanent committee, consisting of members of the Supervisory Board. It has the duty to advise the Supervisory Board on financial reports, internal and external audit reports and compliance matters of the Issuer. In principle, the Audit and Compliance Committee consists of three members. The current members of the Audit and Compliance Committee are Mr J.B.M. Streppel (chairman), Mr W.W. Duron and Ms J.G.H. Helthuis.

The Audit and Compliance Committee can only exercise the powers it is explicitly provided with or the powers delegated to it by the Supervisory Board. The Audit and Compliance Committee can never exercise more powers than those of the entire Supervisory Board, or than those the Supervisory Board has provided to or delegated to the Audit and Compliance Committee. Accordingly, the Audit and Compliance Committee only acts as advisor to the Supervisory Board.

The Issuer subscribes to the principles of the Corporate Governance Code.

Chapter II of the Corporate Governance Code sets out the principles and best practices to apply to the Statutory Directors. The Issuer complies with all the principles and best practice provisions of the Corporate Governance Code except for (a part of) best practice provisions II.2.3 and II.2.5 for the reasons set out below.

On 8 December 2016, the revised Dutch Corporate Governance Code 2016 (the "**Revised CGC**") was published. Assuming that the necessary law to enforce the Revised CGC will be implemented in 2017, listed companies are expected to report in 2018 on their compliance with the Revised CGC over the financial year 2017. Where the principles or best practice provisions of this Revised CGC require changes to, amongst others, rules, regulations and procedures, a company will be deemed to be compliant with this Revised CGC if such changes have been implemented not later than 31 December 2017. The Issuer will report on its compliance with the Revised CGC, if required, at that time.

A. *II.2.5 of the Corporate Governance Code*

Provision II.2.5 of the Corporate Governance Code states, among other things, that shares granted to board members without financial consideration shall be retained for a period of at least five years or until at least the end of the member's employment, if this period is shorter. The remuneration policy members of the Statutory Board, which was adopted at the Annual General Meeting of Shareholders 13 May 2015, does not include a variable remuneration component. Instead, their fixed salary is paid partly in cash and partly in depositary receipts for Class A Shares. The portion of the (gross) annual

salary paid in the form of shares is the net equivalent in shares, because the Issuer pays the income tax on behalf of the members of the Statutory Board (sell to cover). The Corporate Monitoring Committee has stated that it considers this sell-to-cover arrangement acceptable. In principle, a lock-up period of three years after delivery applies for these shares. This period is until the Statutory Board member in question complies with the share ownership guidelines that form part of the remuneration policy. These guidelines stipulate that all members of the Statutory Board build up and hold a shareholding during their term of office that is equivalent to twice the cash portion their fixed gross annual salary. In view of this additional obligation, the period during which the shares must be retained, has been set at three years after the day they were granted.

B. II.2.3. of the Corporate Governance Code

Provision II.2.3 of the Corporate Governance Code (Remuneration) stipulates that when determining the level and structure of directors' remuneration, the Supervisory Board should factor in a company's results, share price performance and non-financial indicators relevant for the company, while also taking on board the risks that variable remuneration may constitute to the Issuer. At the proposal of the Supervisory Board, variable remuneration for the members of the Statutory Board was ended with effect from 1 January 2015. As partial compensation, a fixed remuneration component was introduced in the form of shares with a lock-up period of three years. As stated above, pursuant to the share ownership guidelines all members of the Statutory Board must hold the equivalent of the cash portion of two years' gross salary in the form of Van Lanschot shares for as long as they are in office. This requirement will be met by the Statutory Board members gradually over the coming years through the award of fixed remuneration in the form of shares. When adjusting the salaries of the Statutory Board members in 2015, it was decided that the Issuer's remuneration policy will be reviewed after two years in the light of developments and circumstances at that time.

Key financial information

(x € million)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Statement of income				
Total income from operating activities	259.3	561.1	294.5	566.2
Operating expenses	220.4	422.5	209.7	337.1
Impairments	-0.6	61.9	34.7	95.5
Result from sale of private and public sector loans and advances	-	22.4	-	-
Operating result before tax	39.5	54.3	50.1	133.5
Net result	31.5	42.8	37.7	108.7
Efficiency ratio (%) ¹	81	75	71	60
Weighted average number of outstanding ordinary shares (x 1,000)	400,000	400,000	400,000	400,000
Earnings per share based on average number of ordinary shares (€)	74.27	85.41	83.03	247.5
Number of staff (FTEs)	1,646	2,013	1,697	1,772

(x € million)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Balance sheet				
Equity attributable to shareholders	1,301	1,299	1,302	1,206
Equity attributable to non-controlling interests	13	21	46	58

Savings and deposits ²	9,686	9,908	10,903	10,586
Loans and advances to customers ²	10,305	10,504	10,432	11,021
Total assets ²	15,433	15,832	16,470	17,259
Funding ratio (%) ²³	94	94.3	94.9	96.1

(x € billion)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Client assets				
Client assets	66.2	62.6	59.6	58.6
- Assets under management	54.3	50.2	45.7	44.1
- Assets under administration	2.2	2.8	3.7	3.9
- Savings & deposits	9.7	9.6	10.2	10.6
Assets under management	54.3	50.2	59.6	44.1
- Discretionary	-	41.9	-	35.7
- Non-discretionary	-	8.4	-	8.4

(x € million)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Key figures of F. van Lanschot Bankiers NV				
Risk-weighted assets	6,091	6,431	7,313	7,356
Common Equity Tier I-ratio (phase-in)	17.3	16.3	14.6	13.6
Tier I ratio (%)	17.3	16.3	14.6	13.6
BIS total capital ratio (%)	18.2	17	15.3	14.3
Return on average Common Equity Tier I capital (%)	6.8	4.9	6.2	4.3

- 1) Efficiency ratio is defined as operating expenses as a percentage of income from operating activities, excluding one-off gains and losses.
- 2) As a result of and in accordance with a publication by the IASB in the first half of 2016 on the interpretation of IFRS, the Issuer stopped netting current account balances at individual client level from the second quarter 2016. Comparative figures for loans, savings, total assets and related figures and ratios have been adjusted accordingly.
- 3) Funding ratio is defined as the Issuer's public and private sector liabilities as a percentage of its loans and advances to the public and private sectors (i.e. excluding the Issuer's liabilities due to banks and its assets to banks).

The 2014 figures and 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial years ended 31 December 2014 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union.

Sources of funds

(x € thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Financial liabilities held for trading	1,094	418	251	71

Due to banks	110,468	698,125	612,659	879,972
Public and private sectors liabilities ¹	9,685,797	9,908,391	9,903,024	10,586,250
Financial liabilities designated at fair value through profit or loss	831,291	804,603	771,148	705,912
Derivatives (liabilities)	496,587	324,760	307,663	381,313
Issued debt securities	2,703,480	2,480,005	3,329,961	3,073,410
Provisions	31,702	23,668	20,222	21,256
Current tax liabilities	763	1,611	397	507
Deferred tax liabilities	5,174	3,300	4,724	10,095
Other liabilities	134,005	148,809	123,655	215,402
Subordinated loans	117,962	118,151	120,226	121,415
Total liabilities	14,118,323	14,511,841	15,193,930	15,995,603

1) As a result of and in accordance with a publication by the IASB in the first half of 2016 on the interpretation of IFRS, the Issuer stopped netting current account balances at individual client level from the second quarter 2016. Comparative figures for loans, savings, total assets and related figures and ratios have been adjusted accordingly.

The 2014 figures and 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial year ended 31 December 2014 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union."

11. Chapter 6 (*Financial Statements of F. van Lanschot Bankiers N.V.*) is deleted in its entirety and replaced by the following:

"The financial information set out below are included in and extracted from the Issuer's audited consolidated annual financial statements as of and for the financial year ended 31 December 2014 and 31 December 2015 respectively and the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016 (see items b and c of the chapter '*Documents incorporated by reference*').

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(x € thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Assets				
Cash and cash equivalents and balances withdrawable with central banks	810,358	881,024	1,196,082	1,156,985
Financial assets held for trading	11,513	6,863	48,338	43,153
Due from banks	331,257	200,073	227,954	449,125
Financial assets designated at fair value through profit or loss	520,396	712,578	733,057	1,309,524
Available-for-sale investments	2,038,086	2,159,141	2,200,348	1,952,731
Held-to-maturity investments	518,554	523,639	528,690	533,708
Loans and advances to the public and private sectors ¹	10,304,520	10,504,423	10,432,029	11,021,107
Derivatives (receivables)	384,880	333,411	335,022	275,093
Investments in associates using the equity method	69,712	56,299	53,520	50,679
Property, plant and equipment	75,919	79,239	73,679	76,392

Goodwill and other intangible assets	173,191	175,122	149,672	153,471
Current tax assets	1,642	1,916	1,297	1,258
Deferred tax assets	45,979	49,782	49,708	59,831
Disposal group held for sale			276,778	
Other assets	146,541	148,265	163,602	176,381
Total assets	15,432,549	15,831,775	16,469,776	17,259,438

(x € thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Equity and liabilities				
Financial liabilities held for trading	1,094	418	251	71
Due to banks	110,468	698,125	612,659	879,972
Public and private sectors liabilities ¹	9,685,797	9,908,391	9,903,024	10,586,250
Financial liabilities designated at fair value through profit or loss	831,291	804,603	771,148	705,912
Derivatives (liabilities)	496,587	324,760	307,663	381,313
Issued debt securities	2,703,480	2,480,005	3,329,961	3,073,410
Provisions	31,702	23,668	20,222	21,256
Current tax liabilities	763	1,611	397	507
Deferred tax liabilities	5,174	3,300	4,724	10,095
Liabilities of operations held for sale				
Other liabilities	134,005	148,809	123,655	215,402
Subordinated loans	117,962	118,151	120,226	121,415
Total liabilities	14,118,323	14,511,841	15,193,930	15,995,603
Issued share capital	40,000	40,000	40,000	40,000
Share premium	318,481	318,481	247,396	247,396
Other reserves	913,172	906,714	910,187	819,194
Undistributed profit attributable to shareholder of F. van Lanschot Bankiers NV	29,707	34,163	30,607	99,001
Equity attributable to shareholder of F. van Lanschot Bankiers NV	1,301,360	1,299,358	1,228,190	1,205,591
Equity instruments issued by F. van Lanschot Bankiers	-	-	27,250	27,250
Undistributed profit attributable to equity instruments issued by F. van Lanschot Bankiers NV	-	943	492	1,110
Equity attributable to equity instruments issued by F. van Lanschot Bankiers NV	-	943	27,742	28,360
Other non-controlling interests	11,076	11,985	17,047	21,287
Undistributed profit attributable to other non-controlling interests	1,789	7,648	2,867	8,597
Equity attributable to other non-controlling interests	12,866	19,633	19,914	29,884
Total equity	1,314,226	1,319,934	1,275,846	1,263,835

Total equity and liabilities	15,432,549	15,831,775	16,469,776	17,259,438
Contingent liabilities	76,838	82,502	93,564	115,564
Irrevocable commitments	223,019	492,392	308,471	601,373
	299,857	574,894	402,035	716,937

1) As a result of and in accordance with a publication by the IASB in the first half of 2016 on the interpretation of IFRS, the Issuer stopped netting current account balances at individual client level from the second quarter 2016. Comparative figures for loans, savings, total assets and related figures and ratios have been adjusted accordingly.

The 2014 figures and the 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial year ended 31 December 2014 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Opening balance	1,319,934	1,263,835	1,263,835	1,241,973
Net result for the year	31,496	42,754	37,680	108,708
Revaluation of shares, investments and derivatives (other comprehensive income)	-5,355	-14,486	-9,500	-82,100
Dividends	-25,220	-7,390	-7,390	-4,664
Share premium contribution	-	71,085	-	-
Redemption equity instruments issued by F. van Lanschot Bankiers NV	-	-27,250	-	-8,813
Acquisition of/change in non-controlling interests	-2,711	-11,619	-9,592	6,535
Others	-3,918	3,005	1,492	2,196
Closing balance	1,314,226	1,319,934	1,276,525	1,263,835

(€ thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Cash and cash equivalents at 1 January	868,662	1,121,931	1,121,931	1,986,037
Net cash flow from operating activities	-601,383	-93,220	-467,181	1,364,204
Net cash flow from investing activities	345,065	301,663	219,557	-1,741,923

Net cash flow from financing activities	206,206	-461,712	306,906	-486,387
Cash and cash equivalents at 31 December	818,552	868,662	1,181,212	1,121,931

The 2014 figures and the 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial year ended 31 December 2014 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union.

CONSOLIDATED STATEMENT OF INCOME

(x € thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Income from operating activities				
Interest income	209,056	513,762	290,541	735,397
Interest expense	100,869	313,153	189,638	522,927
Net interest income	108,187	200,609	100,903	212,470
Income from associates using the equity	6,277	11,813	3,988	36,593
Other income from securities and associates	2,349	17,052	7,076	18,683
Income from securities and associates	8,626	28,865	11,064	55,276
Commission income	120,511	272,738	144,708	248,340
Commission expense	3,121	7,176	3,743	8,021
Net commission income	117,390	265,562	140,965	240,319
Profit on financial transactions	4,035	23,342	20,243	41,971
Other income	21,094	42,762	21,352	16,161
Total income from operating activities	259,332	561,140	294,527	566,197
Expenses				
Staff costs	119,052	233,657	119,214	151,669
Other administrative expenses	93,709	171,468	81,117	162,958
Staff costs and other administrative expenses	212,761	405,125	200,331	314,627
Depreciation and amortisation	7,707	17,391	9,345	22,511
Operating expenses	220,469	422,516	209,676	337,138
Addition to loan loss provision	-1,735	51,004	31,925	75,998
Other impairments	1,086	10,933	2,808	19,531

Impairments	-649	61,937	34,733	95,529
Result from sale of private and public sector loans and advances	-	22,403	-	-
Total expenses	219,819	506,856	244,409	432,667
Operating result before tax	39,512	54,284	50,118	133,530
Income tax	8,016	11,530	12,438	24,822
Net result	31,496	42,754	37,680	108,708
Of which attributable to shareholder of F. van Lanschot Bankiers N.V.	29,707	34,163	33,211	99,001
Of which attributable to equity instruments issued by F. van Lanschot Bankiers N.V.	-	943	492	1,110
Of which attributable to other non-controlling interests	1,789	7,648	3,977	8,597
Average amount of shares	400,000	400,000	400,000	400,000
Net result per share (€)	74.27	85.41	83.03	247.5

The 2014 figures and the 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial year ended 31 December 2014 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union.

CASH FLOW STATEMENT

(€ thousand)

	30-06-2016	31-12-2015	30-06-2015	31-12-2014
Operating profit before tax	39,512	54,284	50,118	133,530
Cash flow from operating activities				
Adjustments for				
- Depreciation and amortisation	7,988	18,480	9,379	22,549
- Costs of share plans	1,476	2,772	1,016	1,970
- Shares of profit of associates using the equity method	-6,276	-9,813	-3,988	-9,763
- Unrealised net gains/(losses) on financial assets designated as at fair value through profit or loss	-4,185	96,163	94,627	-103,748
- Unrealised net gains/(losses) on financial liabilities designated as at fair value through profit or loss	-9,453	-2,581	14,954	28,844
- Unrealised net gains/(losses) results on derivatives (receivables and liabilities)	15,036	-24,771	-38,302	-20,975

- Impairments	-649	61,937	34,733	95,529
- Ending of defined benefit pension scheme	-	-	-	-122,660
- Changes in provisions	10,611	1,212	-607	-7,416
<u>Cash flows from operating activities</u>	54,060	197,683	161,930	17,860
Net increase/(decrease) in operating assets and liabilities				
- Financial assets/liabilities held for trading	-3,975	-4,293	-10,145	3,203
- Due from/due to banks	-698,285	90,637	-25,218	-336,488
- Loans and advances to public and private sectors/public and private sector liabilities	21,055	-316,176	-428,962	1,703,729
- Derivatives (receivables and liabilities)	41,502	-27,885	-79,460	57,718
- Withdrawals from restructuring provision and other provisions	-2,577	-1,192	-427	-11,332
- Other assets and liabilities	-14,160	-39,495	-84,231	-66,910
- Current tax assets/liabilities	-	-	-283	-
- Income taxes paid/received	-1,335	-2,959	-2,457	-6,939
- Dividends received	2,332	10,460	2,072	3,363
Total movement in assets and liabilities	-655,443	-290,903	-629,111	1,346,344
Net cash flow from operating activities	-601,383	-93,220	-467,181	1,364,204
Cash flow from investing activities				
Investments and acquisitions				
- Investments in debt instruments	-550,900	-4,361,571	-2,967,901	-4,476,736
- Investments in equity instruments	-10,945	-10,899	-9,831	-26,447
- Acquisitions (excluding acquired cash and cash equivalents)		-2,000	-	-
- Investments in associates using the equity method	-10,075	-62	-61	-7,775
- Property, plant and equipment	-5,144	-11,480	-4,015	-11,651
- Goodwill and other intangible assets	-56	-1,491	-510	-1,590
Divestments, repayments and sales				
- Investments in debt instruments	904,974	4,631,131	3,165,235	2,751,044
- Investments in equity investments	12,538	49,410	32,551	7,862
- Investments in associates using the equity method	-	722	649	9,820
- Property, plant and equipment	1,836	4,418	1,060	5,423
- Goodwill and other intangible assets	-	-	-	3,033
Dividends received	2,837	3,485	2,380	5,094
Net cash flow used in investing activities	345,065	301,663	219,557	-1,741,923
Cash flow from financing activities				

Share premium contribution	-	71,085	-	-
Options issued	-5,335	-	219	-
Equity instruments issued by Van Lanschot Bankiers NV	-	-27,250	-	-8,813
Other non-controlling interests	-2,634	-8,670	-8,581	6,535
Redemption of subordinated loans	-114	-3,112	-1,113	-6,652
Receipts on debt securities	500,000	522,816	509,716	204,268
Redemption of debt securities	-296,632	-1,110,461	-236,227	-996,496
Receipts on financial liabilities designated as at fair value through profit or loss	84,879	254,918	94,717	402,755
Redemption of financial liabilities designated as at fair value through profit or loss	-48,738	-153,647	-44,435	-83,320
Dividends paid	-25,220	-7,390	-7,390	-4,664
Net cash flows used in financing activities	206,206	-461,712	306,906	-486,387
Net decrease in cash and cash equivalents and balances withdrawable at central banks	-50,110	-253,269	59,282	-864,106
Cash and cash equivalents and balances withdrawable at central banks at 1 January	868,662	1,121,931	1,121,931	1,986,037
Cash and cash equivalents and balances withdrawable at central banks at 31	818,552	868,662	1,181,212	1,121,931
Supplementary disclosure				
Cash flows from interest received	220,058	523,493	297,818	725,648
Cash flows from interest paid	112,658	370,149	245,678	569,258

The 2014 figures and the 2015 figures have been derived from the Issuer's audited consolidated financial statements as of and for the financial year ended 31 December 201 and 31 December 2015 respectively. The semi-annual 2015 figures and the semi-annual 2016 figures have been derived from the Issuer's unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016. The financial statements have been prepared under IFRS as adopted by the European Union and the interim financial statements have been prepared in accordance with IAS 34, as adopted by the European Union."

12. Chapter 12 (*Overview of Dutch Residential Mortgage Market*) is deleted in its entirety and replaced by the following:

"This chapter 12 is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl/dutch-mortgage-and-consumer-loan-markets>) regarding the Dutch residential mortgage market over the period until December 2016. The Issuer believes that this source is reliable and as far as the Issuer is aware and is able to ascertain from the Dutch Securitisation Association, no facts have been omitted which would render the information in this chapter 12 inaccurate or misleading.

Dutch residential mortgage market

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage financial deregulation and increased competition among originators. Moreover, Loan-to-Value (LTV) ratios been relatively high, as the Dutch tax system implicitly discouraged amortisation, due to the tax deductibility of mortgage interest payments. The mortgage debt growth continued until Q3 2012, when total Dutch mortgage

debt stock peaked at EUR 672 billion¹. The correction on the housing market caused a modest decline in mortgage debt in subsequent years, but as the market has been recovering rapidly since 2013, there is again a tendency to higher debt growth visible. In Q2 2016, the mortgage debt stock of Dutch households equalled EUR 662 billion¹. This represents a rise of EUR 9.7 billion compared to Q2 2015 and follows two of a slight fall.

Tax system

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for almost full deductibility of mortgage interest payments from taxable income. This tax system has been around for a very long time, but financial innovation has resulted in a greater leverage of this tax benefit. From the 1990s onwards until 2001, this tax deductibility was unconditional. In 2001 and 2004, several conditions have been introduced to limit the usage of tax deductibility, including a restriction of tax deductibility to (mortgage interest payments for) the borrower's primary residence and a limited duration of the deductibility of 30 years.

A further reform of the tax system was enforced on 1 January 2013. Since this date, all new mortgage loans have to be repaid in full in 30 years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility.

Another reform imposed in 2013 to reduce the tax deductibility is to lower the maximum deduction percentage. This used to be equal to the highest marginal tax bracket (52%), but since 2013 the maximum deduction is lowered by 0.5% per annum to 38.0% in 2042 (2017: 50%).

There are several housing-related taxes which are linked to the fiscal appraisal value ("WOZ") of the house, both imposed on national and local level. Moreover, a transfer tax (stamp duty) of 2% is applied when a house changes hands. Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans is still substantial.

Loan products

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

Firstly, the "classical" Dutch mortgage product is an annuity loan. Annuity mortgage loans used to be the norm until the beginning of the 1990s, but they have returned as the most popular mortgage product in recent years. Reason for this return of annuity mortgage loans is the tax system. Since 2013, tax deductibility of interest payments on new loans is conditional on full amortisation of the loan within 30 years, for which only (full) annuity and linear mortgage loans qualify.

Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan origination.

Thirdly, there is still a big stock of mortgage products including deferred principal repayment vehicles. In such products, capital is accumulated over time (in a tax-friendly manner) in a linked account in order to take care of bullet principal repayment at maturity of the loan. The principal repayment vehicle is either an insurance or a bank savings account. The latter structure has been allowed from 2008 and was very popular until 2013. Mortgage loan products with insurance-linked principal repayment vehicles used to be the norm prior to 2008 and there is a wide range of products present in this segment of the market. Most structures combine a life-life-insurance product with capital accumulation and can be relatively complex. In general, however, the capital accumulation either occurs through a savings-like product (with guaranteed returns), or an investment-based

¹ Statistics Netherlands, household data.

product (with non-guaranteed returns).

A typical Dutch mortgage loan consists of multiple loan parts, e.g. a bank savings loan part that is combined with an interest-only loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between 5 and 15 years. Rate term fixings differ by vintage, however. More recently, there has been a bias to longer term fixings (10-20 years). Most borrowers remain subject to interest rate risk, but compared to countries in which floating rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

Underwriting criteria

Most of the Dutch underwriting standards follow from special underwriting legislation ("*Tijdelijke regeling hypothecair krediet*"). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 102% (including all costs such as stamp duties), but it will be gradually lowered to 100% by 2018, by 1% per annum. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation "NIBUD" and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct for Mortgage Lending, which is the industry standard. This code, which limits the risk of over crediting, has been tightened several times in the past decade. The 2007 version of the code included a major overhaul and resulted in lending standards, but deviation in this version was still possible under the "explain" clause². In 2011, another revised and stricter version of the Code of Conduct was introduced. Moreover, adherence to the "comply" was increasingly mandated by the Financial Markets Authority (AFM). Although the Code of Conduct is largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50% of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts. A mortgage lender may however diverge from the cap limitation if certain conditions have been met.

Recent developments in the Dutch housing market

The Dutch housing market has shown clear signs of recovery since the second half of 2013. Important factors are among others the economic recovery, high consumer confidence and low mortgage rates.

Existing house prices (PBK-index) in Q3 2016 rose by 2.5% compared to Q2 2016. Compared to Q3 2015 this was 5.6%, the sharpest rise since early 2008. Nonetheless, by comparison with the peak in 2008, the average price drop amounts to 12%. The continued increase in house prices is in line with the rise in sales numbers. Compared to a year ago, sales numbers rose by 21%. The twelve month total of existing home sales now stands at 206,354, which is roughly in line with pre-crisis levels.

Forced sales

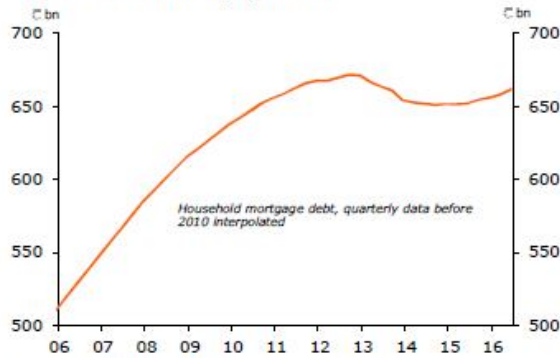
Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears loss rates³. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price. In Q3 2016, only 397 sales were forced, which is 0.65% of the total number of sales in this period."

² Under the "explain" clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct.

³ Comparison of S&P RMBS index delinquency data.

Chart 1: Total mortgage debt



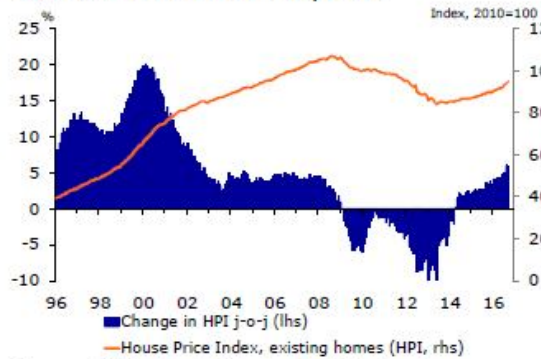
Source: Statistics Netherlands, Rabobank

Chart 2: Sales and prices



Source: Statistics Netherlands, Rabobank

Chart 3: Price index development



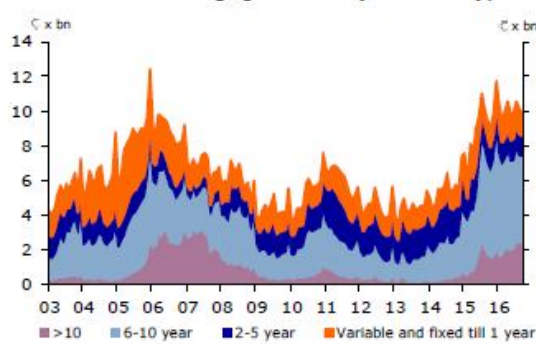
Source: Statistics Netherlands, Rabobank

Chart 4: Interest rate on new mortgage loans



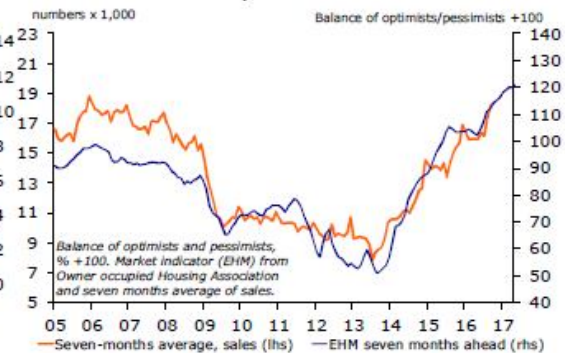
Source: Dutch Central Bank

Chart 5: New mortgage loans by interest type



Source: Dutch Central Bank

Chart 6: Confidence points to rise in sales



Source: Delft University OTB, Rabobank

13. In chapter 18 (*Documents incorporated by reference*) on page 185 items (a) up to and including (h) are deleted and are replaced by the following:

"

- (a) an English translation of the Articles of Association (*statuten*) of the Issuer;
- (b) an English translation of the Issuer's publicly available audited consolidated financial statements as of and for the financial year ended 31 December 2014 (including the independent auditor's report hereon) as included in the Issuer's annual report 2014 on page 62 to 184 and 204 to 206 and an English translation of the Issuer's publicly available audited consolidated financial statements as of and for the financial year ended 31 December 2015 (including the independent auditor's report hereon) as included in the Issuer's annual report 2015 on page 77 to 208 and 234 to 236;
- (c) an English translation of the Issuer's publicly available unaudited consolidated interim (semi-annual) financial statements as of and for the period ended 30 June 2016; and
- (d) a press release of Van Lanschot N.V. dated 4 November 2016 entitled: Van Lanschot trading update: third quarter 2016."

14. In chapter 19 (General Information) item 3 is deleted and is replaced by the following:

"3. Ernst & Young Accountants LLP has audited, and rendered unqualified independent auditor's reports on, the financial statements of the Issuer for the two years ended 31 December 2015 and 31 December 2014 respectively. Ernst & Young Accountants LLP has given and has not withdrawn its written consent to incorporate by reference the aforementioned reports in this Base Prospectus. Ernst & Young Accountants LLP is located in Amsterdam at Cross Towers, Antonio Vivaldistraat 150 (1083 HP), the Netherlands. The auditor having signed the aforementioned auditor's reports on behalf of Ernst & Young Accountants LLP is a member of the Royal NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*), The Netherlands Institute of Chartered Accountants.

In connection with the mandatory auditor rotation requirement under Dutch law, the Annual General Meeting of Van Lanschot N.V., the parent company of the Issuer, decided on 13 May 2015 to appoint PricewaterhouseCoopers Accountants N.V. as Van Lanschot N.V.'s (and therefore, the Issuer's) independent auditor for the financial year 2016 to succeed Ernst & Young Accountants LLP.

PricewaterhouseCoopers Accountants N.V. is located in Amsterdam at Thomas R. Malthusstraat 5 (1066 JR), the Netherlands. The auditor appointed to sign the auditor's reports on behalf of PricewaterhouseCoopers Accountants N.V. is a member of the Royal NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*), The Netherlands Institute of Chartered Accountants."

15. In chapter 19 (*General Information*) item 11 is deleted.

16. In chapter 19 (*General Information*) item 12 is deleted and is replaced by the following:

"11. There has been no significant change in the financial position of the Issuer and its subsidiaries (taken as a whole), which has occurred since 30 June 2016. There has been no material adverse change in the prospects of the Issuer since 31 December 2015."

17. In chapter 19 (*General Information*) item 13 is deleted.