F. van Lanschot Bankiers N.V.

Financial report

2015 half-year results

CONTENTS

THIS DOCUMENT PRESENTS THE SEMIANNUAL FINANCIAL REPORT AND ACCOUNTS OF F. VAN LANSCHOT BANKIERS NV, DRAWN UP IN COMPLIANCE WITH PREVAILING LEGISLATION AND REGULATIONS. F. VAN LANSCHOT BANKIERS NV (ALSO REFERRED TO IN THIS DOCUMENT AS 'VAN LANSCHOT') IS A 100% SUBSIDIARY OF VAN LANSCHOT NV.

KEY DATA

With the exception of their recognition in our half-year financial statements, non-strategic investments and one-off gains are shown separately.

(x € million)	H1 2015	H2 2014		H1 2014	
Statement of income					
Net result	34.0	59.3	-43%	49.4	-31%
Net result excluding one-off gains/losses	34.5	9.4	267%	54.1	-36%
Efficiency ratio excluding one-off gains (%)	70.7	73.9		66.2	

(x € million)	30/06/2015	31/12/2014		30/06/2014	
Statement of financial position and capital management					
Equity attributable to shareholder	1,228	1,206	2%	1,179	4%
Equity attributable to minority interests	48	58	-17%	55	-13%
Savings and deposits	9,903	10,586	-6%	10,570	-6%
Loans and advances to customers	10,432	11,021	-5%	11,929	-13%
Total assets	16,470	17,259	-5%	17,694	-7%
Funding ratio (%)	94.9	96.1	-1%	88.6	7%
Risk-weighted assets[1]	7,313	7,356	-1%	8,137	-10%
Common Equity Tier I ratio (%)[1]	13.7	13.6	1%	12.7	8%
Tier I ratio (%)[1]	13.7	13.6	1%	12.7	8%
Total capital ratio (%)[1]	14.3	14.3	0%	13.4	7%
Basel III					
Common Equity Tier I ratio (%) (fully loaded)[2]	12.6	12.4		10.5	
Liquidity coverage ratio (%)	124.7	120.3		124.9	
Net stable funding ratio (%)	115.5	113.7		96.2	
Leverage ratio (%) (fully loaded)	5.3	4.9		4.4	

(x € billion)	30/06/2015	31/12/2014		30/06/2014	
Client assets	58.6	57.5	2%	56.1	4%
- Assets under management	48.7	46.9	4%	45.5	7%
- Savings and deposits	9.9	10.6	-7%	10.6	-7%
Assets under management	48.7	46.9	4%	45.5	7%
- Discretionary	37.0	35.7	4%	34.1	9%
- Non-discretionary	11.7	11.2	4%	11.4	3%

	30/06/2015	31/12/2014		30/06/2014	
Key figures					
Weighted average number of outstanding shares (x1,000)	400	400	0%	400	0%
Earnings per share based on average number of shares (€)[3]	76.52	-.05		116.26	-34%
Return on average Common Equity Tier I capital 3 (%)[4]	6.1	4.3	42%	8.8	-31%
Number of staff (FTEs)[5]	1,697	1,712	-1%	1.724	-2%

[1] At 31 December 2014 based on phase-in and including retained earnings. At 30 June 2014 and 30 June 2015 based on phase-in excluding retained earnings.
[2] At 31 December 2014 including retained earnings. At 30 June 2014 and 30 June 2015 excluding retained earnings.
[3] Earnings exclude one-off pension gain.
[4] At 30 June 2014 and 30 June 2015 annualised.
[5] FTE numbers exclude non-strategic investments.

RESULTS

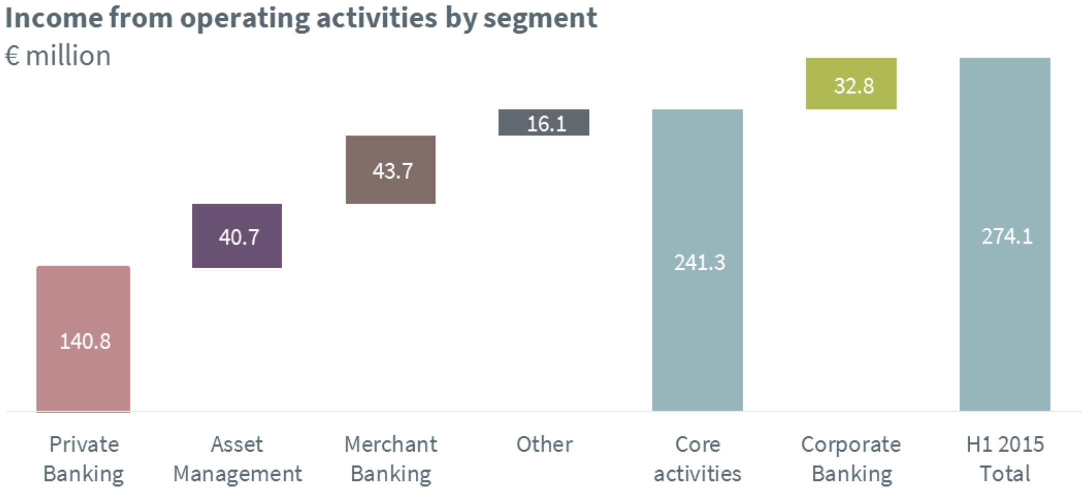
(x € million)	H1 2015	H2 2014		H1 2014	
Commission	141.0	126.5	11%	113.8	24%
- Of which securities commission	*106.3*	*96.2*	*10%*	*94.9*	*12%*
- Of which other commissions	*34.7*	*30.3*	*15%*	*18.9*	*84%*
Interest	102.0	107.1	-5%	106.6	-4%
Income from securities and associates	9.5	11.1	-14%	40.0	-76%
Profit on financial transactions	21.6	7.9	173%	34.0	-36%
Income from operating activities	**274.1**	**252.6**	**9%**	**294.4**	**-7%**
Staff costs	108.7	105.8	3%	104.4	4%
Other administrative expenses	77.3	70.4	10%	80.3	-4%
Depreciation and amortisation	7.9	10.5	-25%	10.3	-23%
Operating expenses	**193.9**	**186.7**	**4%**	**195.0**	**-1%**
Gross result before one-off gains/losses	**80.2**	**65.9**	**22%**	**99.4**	**-19%**
One-off gains/losses	-0.7	66.5	-101%	-6.2	-89%
Gross result after one-off gains/losses	**79.5**	**132.4**	**-40%**	**93.2**	**-15%**
Gross result before tax of non-strategic investments[6]	**-0.1**	**1.8**	**-106%**	**1.6**	**-106%**
Addition to loan loss provision	31.9	40.5	-21%	35.5	-10%
Other impairments	2.8	14.8	-81%	4.7	-40%
Impairments	**34.7**	**55.3**	**-37%**	**40.2**	**-14%**
Operating result before tax	**44.7**	**78.9**	**-43%**	**54.6**	**-18%**
Income tax	10.7	19.6	-45%	5.2	106%
Net result	**34.0**	**59.3**	**-43%**	**49.4**	**-31%**
Net result excluding one-off gains/losses	**34.5**	**9.4**	**267%**	**54.1**	**-36%**

(x € million)	H1 2015	H2 2014		H1 2014	
Net result excluding one-off gains/losses	**34.5**	**9.4**	**267%**	**54.1**	**-36%**
One-off gains/losses (-)	-0.7	66.5		-6.2	
Tax effect	0.2	-16.6		1.5	
Net result	**34.0**	**59.3**	**-43%**	**49.4**	**-31%**

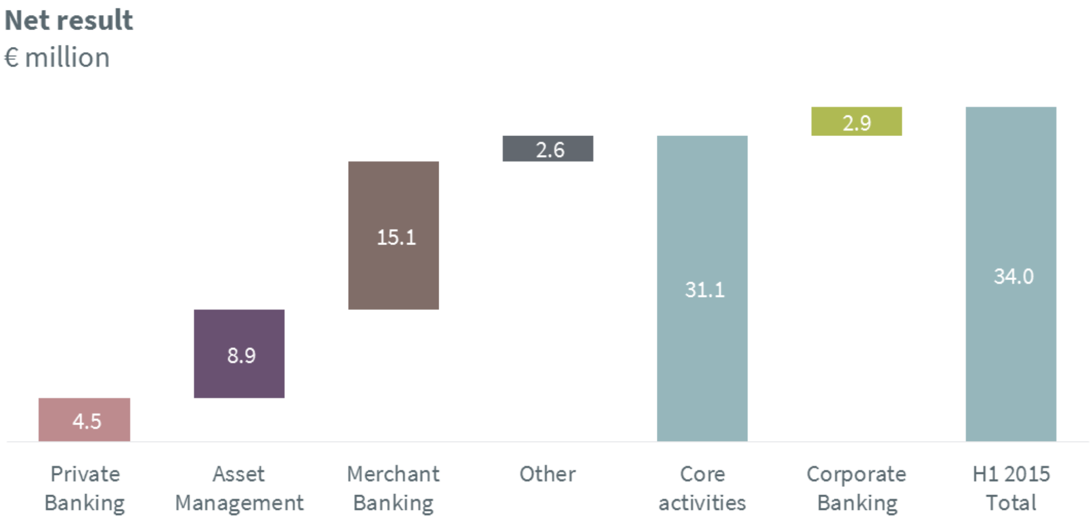
[6] We have included a number of non-strategic investments in our consolidated figures, which we intend to sell in due course as these do not fit with our wealth management strategy. Gross results from our non-strategic investments are recognised before tax.

INCOME FROM OPERATING ACTIVITIES

Our three core activities – Private Banking, Asset Management and Merchant Banking – generated 82% of total income (75% in 2014). Private Banking accounted for the greater proportion of this (51% of total income), with Asset Management and Merchant Banking contributing 15% and 16% respectively. Together, these three core activities accounted for 98% (H1 2014: 96%) of commission income and 83% (H1 2014: 80%) of interest income.



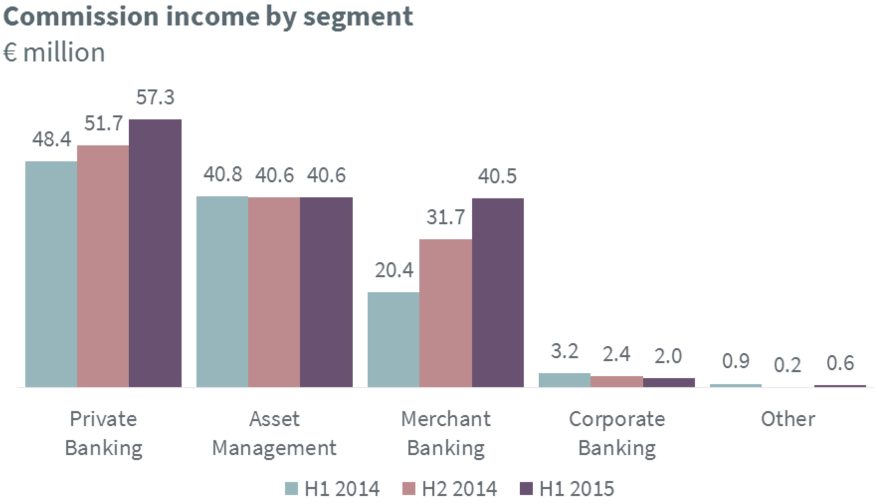
All core activities posted positive net results in H1 2015, with Corporate Banking also contributing by recording a sizeable reduction in loan loss provisioning.



Commission

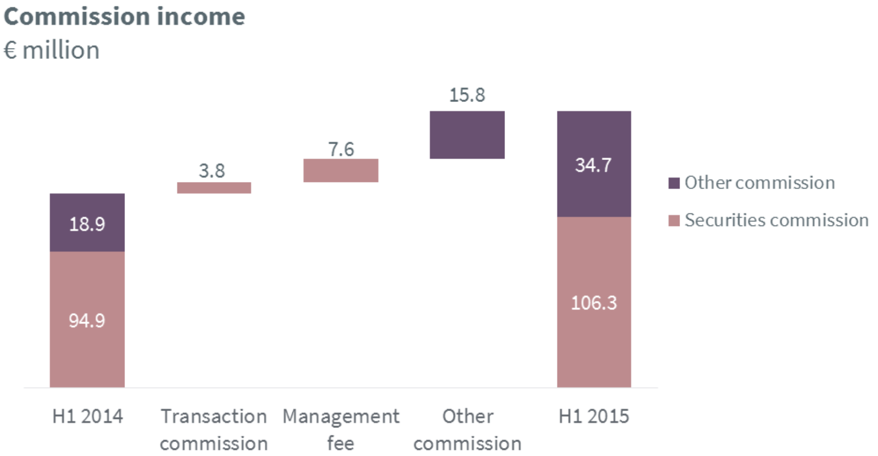
(x € million)	H1 2015	H2 2014		H1 2014	
Securities commission	106.3	96.2	10%	94.9	12%
- transaction fees	*20.6*	*15.0*	*37%*	*15.5*	*33%*
- management fees [7]	*85.7*	*80.7*	*6%*	*78.1*	10%
- performance fees	*0.0*	*0.5*	*-100%*	*1.3*	-100%
Other commissions	*34.7*	30.3	15%	18.9	84%
Commission	**141.0**	**126.5**	**11%**	**113.8**	**24%**

Commissions, our key source of income, amounted to €141.0 million, with the 24% increase on H1 2014 generated by Merchant Banking (+99% on H1 2014) and Private Banking (+18%).



Securities commission staged a clear upturn on both H1 2014 (+12%) and H2 2014 (+10%), underpinned by higher transaction and management fees. Key drivers were higher assets under management and increased trading activity at Merchant Banking. Recurring securities commission as a share of total securities commission was virtually unchanged in the first half of 2015: 81% compared with 82% in H1 2014.

Other commissions came in at €34.7 million in H1 2015 (H1 2014: €18.9 million). These include Merchant Banking commissions, which after a strong second half of 2014 moved up further on the back of a number of high-profile deals in niche markets such as real estate, life sciences and the Benelux region.



[7] Management fees include advisory and services fees.

Interest

(x € million)	H1 2015	H2 2014		H1 2014	
Gross interest margin	140.6	138.9	1%	118.1	19%
Interest equalisation	-15.4	-12.1	27%	-6.1	152%
Miscellaneous interest income and charges	-26.1	-23.4	12%	-10.3	153%
Loan commission	2.9	3.7	-22%	4.9	-41%
Interest	**102.0**	**107.1**	**-5%**	**106.6**	**-4%**

At €102.0 million, interest income in the first half of 2015 recorded a decline on H1 2014 (€106.6 million) and H2 2014 (€107.1 million). The interest margin held steady in H1 2015 compared to full 2014, at 119 basis points, while the ‘clean’ interest margin[8] was also unchanged, at 115 basis points.

In part, the lower interest income was due to the ongoing run-off of Corporate Banking’s loan portfolio, while capital market rates pushed down H1 2015 interest income from the investment portfolio compared with 2014. Positive contributors included improved margins at Corporate Banking, further reductions in savings rates in 2015 and lower savings and deposits.

Income from securities and associates

(x € million)	H1 2015	H2 2014		H1 2014	
Dividends	2.0	3.2	-38%	2.5	-20%
Capital gains	0.9	1.4	-36%	28.5	-97%
Valuation gains and losses	6.6	6.5	2%	9.0	-27%
Income from securities and associates	**9.5**	**11.1**	-14%	**40.0**	**-76%**

Income from securities and associates mainly relates to investments of our equity investment company Van Lanschot Participaties and stakes in our own investment funds, for instance by financing their start-ups. Dividends refer to those received from investments. Only limited capital gains of €0.9 million were recorded in the first half compared with the sizeable gains of the year-earlier period.

Valuation gains and losses reflect revaluations of the participating interests as well as gains and losses on our other minority shareholdings. In H1 2015, the Van Lanschot and Kempen investment funds accounted for a significant proportion of the valuation gains.

---

8 The gross interest margin adjusted for interest equalisation and interest-related derivatives amortisation.

Result on financial transactions

(x € million)	**H1 2015**	H2 2014		H1 2014	
Gains and losses on securities trading	2.0	1.2	67%	1.4	43%
Gains and losses on currency trading	6.8	5.8	17%	3.6	89%
Gains and losses on investment portfolio	19.1	15.8	21%	31.4	-39%
Gains and losses on interest rate hedges	-1.6	-3.7	-57%	1.8	-189%
Other income	-4.7	-11.2	-58%	-4.2	12%
Profit on financial transactions	**21.6**	**7.9**	**173%**	**34.0**	**-36%**

The H1 2015 profit on the investment portfolio breaks down into two separate parts: we recorded profits of €13.6 million on the sale of bonds (H1 2014: €22.6 million), benefiting from falling interest rates; and we made €5.5 million on the mark-to-market portfolio (H1 2014: €8.8 million).

In 2014, we wound down fair value hedges in the portfolio, sharply reducing the risk of ineffectiveness and thus lowering results variability. The €1.6 million loss on interest rate hedges in H1 2015 reflected a charge of €2.8 million for discontinuing hedge relationships related to the sale of bonds in the investment portfolio.

Other income (-€4.7 million) mainly comprises the results recorded by medium-term notes issued by Van Lanschot. The €7.0 million loss in value breaks down into a €2.4 million lower own risk and a €4.6 million interest charge on notes in issue. This item also reflects the €1.2 million positive result generated by our Structured Products Desk as well as €1.1 million generated by derivatives trading.

OPERATING EXPENSES

(x € million)	**H1 2015**	H2 2014		H1 2014	
Staff costs	108.7	105.8	3%	104.4	4%
Other administrative expenses	77.3	70.4	10%	80.3	-4%
Depreciation and amortisation	7.9	10.5	-25%	10.3	-23%
Operating expenses	**193.9**	**186.7**	**4%**	**195.0**	**-1%**

Much as expected, our costs ended up at comparable levels to last year: €193.9 million to H1 2014's €195.0 million. Step-by-step, we continue to simplify our products and processes, enhance the efficiency of our IT infrastructure and streamline our back office. The transformation implies a temporary rise in change-related costs, but lower running costs in the longer term. Coupled with continued marketing efforts to raise revenues, it should help us achieve our targeted efficiency ratio of 60-65% in 2017.

Staff costs
At €108.7 million, staff costs increased by 4% on H1 2014 (€104.4 million). A large part of this was attributable to higher staff costs at Merchant Banking (+€4.3 million) on the back of a performance-based increase in the variable remuneration pool. At the end of H1 2015, we employed 1,697 full-time equivalent staff (FTEs), not including non-strategic investments. This is 15 FTEs fewer than at the end of 2014 (1,712).

Other administrative expenses
Other administrative expenses amounted to €77.3 million in H1 2015, down 4% on H1 2014 (€80.3 million). The resolution levy for SNS accounted for €5.6 million of this figure in H1 2014, while no such charges were recognised in H1 2015. Starting in H2 2015, we will contribute to both the European Resolution Fund and the Dutch deposit guarantee scheme. Lower costs in H1 2015 were partly offset by higher costs for marketing and IT, among other charges.

Depreciation and amortisation
At €7.9 million, depreciation and amortisation in H1 2015 moved 23% below the figure for H1 2014 (€10.3 million), mainly due to reduced amortisation of intangible assets.

One-off charges
In H1 2015 we took one-off charges of €0.7 million for a further FTE reduction (one-off charges in H1 2014: €6.2 million).

Efficiency ratio

At 70.7%, the efficiency ratio, i.e. operating expenses excluding one-off gains in relation to income from operating activities, was ahead of H1 2014 (66.2%). The H1 2014 ratio benefited from relatively high income in items such as Income from securities and associates and Result on financial transactions, while operating expenses were similar in both periods.

IMPAIRMENTS

(x € million)	H1 2015	H2 2014		H1 2014	H1 2014
Addition to loan loss provision	**31.9**	**40.5**	**-21%**	**35.5**	**-10%**
Impairment on investments and participating interests	0.1	1.0	-90%	3.8	-97%
Impairment on tangible fixed assets	0.0	3.4	-100%	0.3	-100%
Impairment on goodwill and intangible assets	0.0	5.7	-100%	-	
Impairment on assets obtained through the seizure of collateral	2.7	4.7	-43%	0.6	350%
Other impairments	**2.8**	**14.8**	**-81%**	**4.7**	**-40%**
Impairments	**34.7**	**55.3**	**-37%**	**40.2**	**-14%**

Loan impairments

In H1 2015, we added €31.9 million to loan loss provisions, 10% below the level for H1 2014. Corporate Banking's addition to loan loss provisions, in particular, was sharply lower at €13.1 million (H1 2014: €31.3 million), as fewer loans were provided for while the quality of other loans actually improved to the extent of triggering a release of a proportion of provisions. Private Banking added €16.1 million compared with €4.1 million for the first half of 2014, reflecting stricter provisioning criteria in addition to provisions taken on a number of individual loans. In early 2015, De Nederlandsche Bank (DNB) conducted an asset quality review of our mortgages portfolio.

Other impairments

Total other impairments amounted to €2.8 million in H1 2015 (H1 2014: €4.7 million), primarily related to writedowns of €2.7 million on assets we acquired through seizure of collateral in the past.

INCOME TAX

Income tax was recorded at €10.7 million in H1 2015 (H1 2014: €5.2 million), which works out at an effective tax rate of 23.9% compared with the relatively low rate of 9.5% in H1 2014. The latter reflects the equity holding tax exemption applicable to Van Lanschot Participaties' income from securities and associates (including any capital gains). The proportion of this income governed by the exemption fell in H1 2015, which largely accounts for the increased tax rate.

EARNINGS PER SHARE

Consolidated earnings in 2015 broke down as follows:

(x € million)	H1 2015	H2 2014	H1 2014
Net result	**34.0**	**59.3**	**49.4**
Net interest on perpetual loans	-0.5	-0.6	-0.5
Share of other minority interests	-2.9	-6.2	-2.4
Net result for calculation of earnings per share	**30.6**	**52.5**	**46.5**
Earnings per share (€)	**76.52**	**131.24**	**116.26**
Weighted average number of outstanding shares (x 1,000)	400	400	400

Profit attributable to other minority interests particularly consists of the management investment plan launched in 2010 for selected staff at Kempen & Co (Kempen MIP). In addition, the figures for H2 2014 included the interest of other external shareholders in an investment fund that recorded strong valuation gains.

STATEMENT OF FINANCIAL POSITION

(x € million)	30/06/2015	31/12/2014		30/06/2014	
Statement of financial position and capital management					
Equity attributable to shareholder	1,228	1,206	2%	1,179	4%
Equity attributable to minority interests	48	58	-17%	55	-13%
Savings and deposits	9,903	10,586	-6%	10,570	-6%
Loans and advances to customers	10,432	11,021	-5%	11,929	-13%
Total assets	16,470	17,259	-5%	17,694	-7%
Funding ratio (%)	94.9	96.1	-1%	88.6	7%
Return on assets (%)[9]	0.41	0.19	117%	0.56	-26%

LOAN PORTFOLIO

(x € million)	30/06/2015	31/12/2014		30/06/2014	
Mortgages	5,961	6,041	-1%	6,207	-4%
Other loans	2,389	2,212	8%	2,564	-7%
Private Banking	**8,350**	**8,253**	**1%**	**8,771**	**-5%**
Loans to SMEs	983	1,289	-24%	1,555	-37%
Property financing	1,259	1,803	-30%	1,924	-35%
Corporate Banking	**2,242**	**3,092**	**-27%**	**3,479**	**-36%**
Mortgages distributed by third parties	**43**	-			0%
Impairments	-203	-324	-37%	-321	-37%
Total	**10,432**	**11,021**	**-5%**	**11,929**	**-13%**

In H1 2015, our loan portfolio contracted by 5% to €10.4 billion on the back of a targeted reduction in loans to SMEs and property loans at Corporate Banking. The reduction is being achieved through regular wind-down as well as the sale of non-performing property loans as announced for H2 2015, these being classified as assets held for sale from H1 2015. The reclassification also largely explains the lower impairment, from €324 million at end 2014 to €203 million at the end of the first half of 2015. Following a period of contraction, the mortgage loan portfolio at Private Banking was virtually unchanged in H1 2015 (-1% compared with December 2014). There was no let-up in the trend of clients making extra mortgage repayments, while we have also been agreeing more new mortgages. Other lending at Private Banking was up 8%, fuelled by an increase in securities-backed loans and the transfer of Corporate Banking clients that now meet Private Banking's criteria. Our loan portfolio is concentrated in the Netherlands (96%).

Private Banking

Private Banking's loan portfolio breaks down into mortgages and other loans. The latter includes loans to wealthy private individuals to pay for second homes, for instance, or to provide current account overdraft facilities. This category also includes business loans that fit into the Private Banking relationship model.

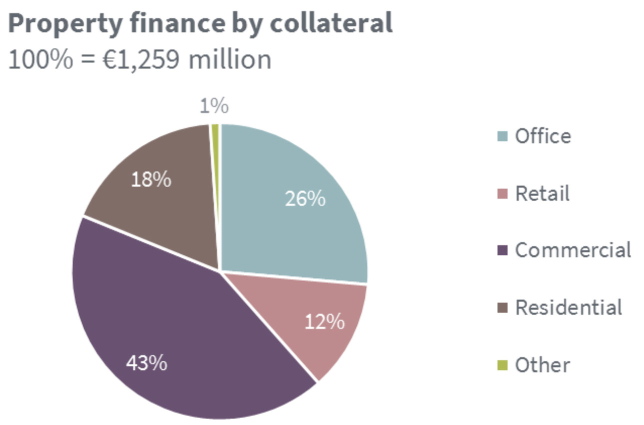
The relative share of Private Banking-provided residential mortgages in the total loan portfolio rose by 3 percentage points in H1 2015 to 56% (H1 2014: 53%). Marked by limited losses and a low number of foreclosures, the mortgage portfolio commanded an average loan-to-value (LTV) ratio of 77% at end-H1 2015, an improvement on the previous year (year-end 2014: 80%).

[9] Return on assets for the year ended 31 December 2014 has been adjusted for the one-off pension gain.

Corporate Banking

Corporate Banking's remit is to manage and scale down the property finance and SME loan portfolios, and it managed to push back its total loan portfolio to €2.2 billion in H1 2015. Risk-weighted assets have shrunk from €4.4 billion at the start of the Corporate Banking run-off to €2.5 billion at the end of H1 2015, and the loan portfolio wind-down shaved off €0.4 billion[10] in the first half – ahead of schedule – freeing up risk-bearing capital and directly contributing to the improvement of the Common Equity Tier I ratio (see 'Capital management').

Corporate Banking's SME loans have a nominal value of €1.0 billion, account for 9% of our total loan portfolio and are well-diversified across sectors. Its €1.3 billion property portfolio – accounting for 12% of our total loan portfolio – has primarily contracted as a result of the reclassification of non-performing property loans as assets held for sale, with an aggregate nominal value of over €400 million. This has significantly improved the risk profile of Corporate Banking's remaining portfolio, which now holds 27% of loans secured against office buildings, these being located primarily in the Randstad conurbation comprising the cities of Amsterdam, Rotterdam, Utrecht and The Hague. The average LTV has improved to 76% (end-2014: 89%), mainly thanks to the announced sale of non-performing property loans.



Mortgages distributed by third parties

In April 2015, we started providing mortgages under the Hypotrust brand through a network of mortgage brokers, as part of our liquidity management drive. The aim is to build a portfolio of regular Dutch mortgages to supplement our investment portfolio, enabling us to generate attractive returns on available liquidity.

[10] The €0.4 billion reduction in risk-weighted Corporate Banking assets includes clients transferred to Private Banking. Ignoring this transfer, risk-weighted assets declined by €0.3 billion due to the loan portfolio run-off.

PROVISIONS

We provide for the impaired loans in our loan book. Impaired loans stood at €425 million at the end of H1 2015. Provisions amounted to €189 million, working out at 44% (end-2014: 49%). The table below breaks down the total loan portfolio and provisions at the end of H1 2015.

The impaired ratio came down to 4.1% in H1 2015 (end-2014: 5.8%), mainly because of the announced sale of non-performing Corporate Banking property loans (an impact of over 2.5 percentage points on the total). The contraction in the SME loan portfolio exceeded that of non-performing loans alone, leading to a slightly higher impaired ratio of 12.8% (end-2014: 10.9%). In Private Banking the proportion of non-performing loans increased, resulting in an H1 2015 impaired ratio of 3.3% compared with 2.7% at the end of 2014 and partly reflecting stricter provisioning criteria. The coverage ratio for mortgages has come down from 61% at the end of 2014 to 43% in H1 2015. Applying stricter provisioning criteria means that loans are classified as non-performing sooner, while provisions taken are typically smaller – hence the drop in the coverage ratio.

(x € million)	Loan portfolio	Impaired loans	Provision for impaired loans	Impaired ratio	Coverage ratio	Impaired ratio 2014	Coverage ratio 2014
Mortgages	5,961	122	52	2.0%	43%	1.7%	61%
Other loans	2,389	152	73	6.4%	48%	5.4%	51%
Private Banking	**8,350**	**274**	**125**	**3.3%**	**46%**	**2.7%**	**55%**
Loans to SMEs	983	126	49	12.8%	39%	10.9%	57%
Property financing	1,259	25	15	2.0%	60%	15.5%	40%
Corporate Banking	**2,242**	**151**	**64**	**6.7%**	**42%**	**13.6%**	**46%**
Mortgages distributed by third parties	**43**	**-**	**-**				
Impairments	-203						
Total	**10,432**	**425**	**189**	**4.1%**	**44%**	**5.8%**	**49%**
Incurred but not reported (IBNR)			13				
Provision including IBNR			**203**				

In H1 2015, we added €31.9 million to loan loss provisions as against €35.5 million a year earlier. This 10% drop also includes additions for non-performing property loans held for sale. The addition to loan loss provisions relative to risk-weighted assets worked out at 87 basis points[11] for H1 2015 (2014: 93 basis points).

[11] The addition to loan loss provision compared to average risk-weighted assets in basis points has been annualised for H1 2015.

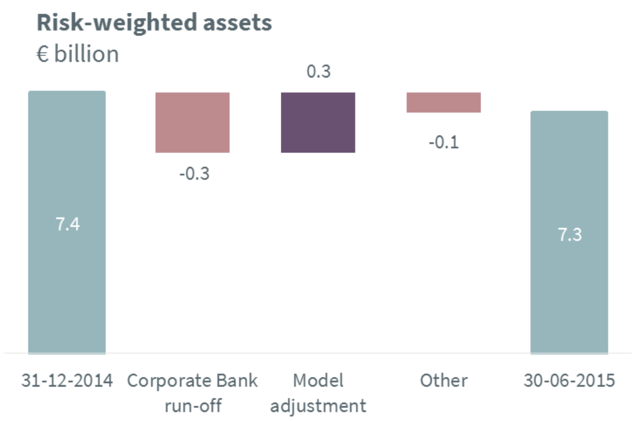
CAPITAL AND LIQUIDITY MANAGEMENT

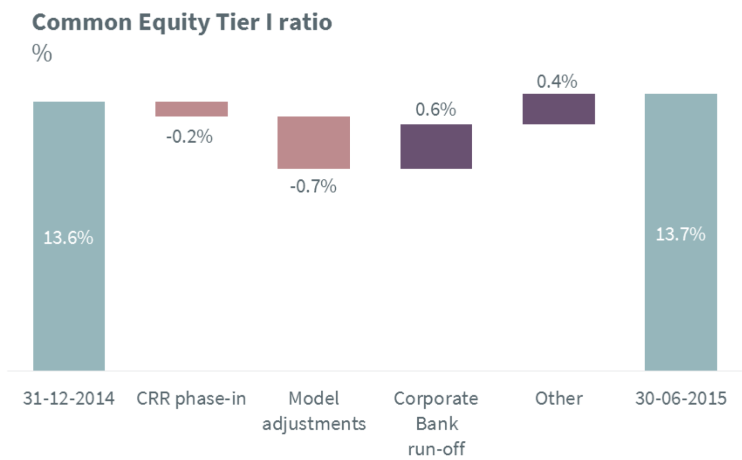
In H1 2015 our capital base was robust, while we further enhanced our funding mix.

(x € million)	30/06/2015	31/12/2014		30/06/2014	
Risk-weighted assets	7,313	7,356	-1%	8,137	-10%
Common Equity Tier I ratio (%)[12]	13.7	13.6		12.7	
Tier I ratio (%)[12]	13.7	13.6		12.7	
Total capital ratio (%)[12]	14.3	14.3		13.4	

CAPITAL MANAGEMENT

At 13.7% by the end of the first half of 2015, the phase-in Common Equity Tier I ratio[13] is marginally higher than the end-2014 level, reflecting our robust capital position. Lower risk-weighted assets due to the Corporate Banking run-off benefited the ratio by +0.6 percentage points, while model refinements detracted (by -0.7 percentage points). We expect to see a minor increase in the Common Equity Tier I ratio in the second half of 2015 in light of the announced sale of a portfolio of non-performing property loans.



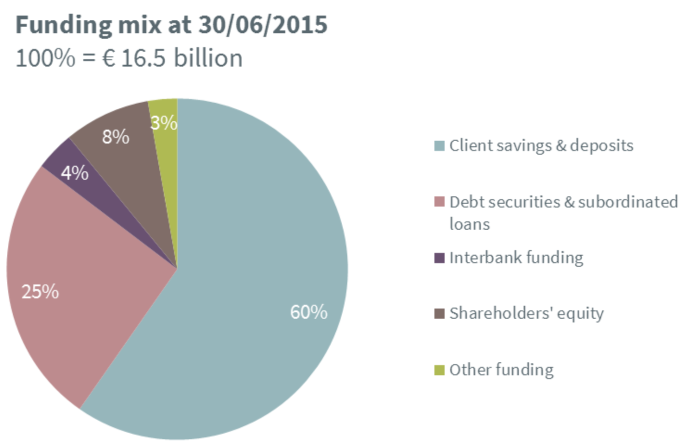


LIQUIDITY AND FUNDING

Our funding and liquidity position remains strong, and we aim to retain access to both retail and capital markets through diversified funding. By the end of the first half of 2015, our funding ratio had inched down to 94.4% from 96.1% at end-2014 in the wake of lower savings and deposits (-6%) relative to the loan portfolio (-5%).

We recorded a comfortable liquidity position at the end of H1 2015. Net savings and deposits in H1 2015 fell by €0.7 billion, due to cuts in saving rates made in keeping with our funding strategy. Our continued focus is to retain clients with Private Banking profiles.

In April 2015 we successfully placed a €500 million, seven-year Conditional Pass-Through Covered Bond with a coupon of 0.275%. This placement, made to attract new longer-dated capital market funding as part of our general funding operations, has helped us to further enhance and diversify our funding profile.



---

[12] At 31 December 2014 including retained earnings, and at 30 June 2014 and 30 June 2015 excluding retained earnings.
[13] Common Equity Tier I ratio on phase-in basis excluding retained earnings at 30 June 2015. At end-2014 this ratio was inclusive of retained earnings.

Basel III

Basel III imposes stricter capital and liquidity requirements on banks, specifically the fully loaded Common Equity Tier I ratio, the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR) and a stricter definition of the leverage ratio. The new standards will be phased in between 2014 and 2018, and have yet to be completely finalised. At the end of H1 2015, our ratios based on Basel III rules as currently known were:

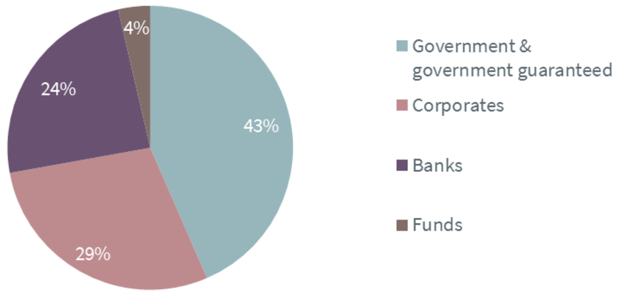
	30/06/2015	Norm
Common Equity Tier I ratio (fully loaded) (%)[14]	12.6	> 9.5
Leverage ratio (fully loaded) (%)	5.3	> 3
Liquidity coverage ratio (%)	124.7	> 100
Net stable funding ratio (%)[15]	115.5	> 100

Investment and trading portfolio

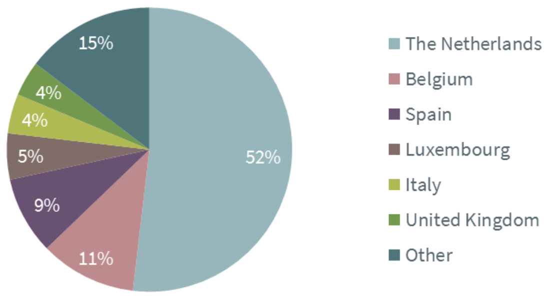
Our total investment and trading portfolio[16] amounted to €3.5 billion at the end of the first half of 2015, compared with €3.8 billion at 31 December 2014. To a degree, the decrease in the investment and trading portfolio was attributable to a fall in savings and deposits that was steeper than the contraction of the loan portfolio. Banks and corporates accounted for a larger proportion of the portfolio, while the share of government and government-guaranteed paper declined. The held-to-maturity portfolio stood at €0.5 billion by the end of H1 2015, hardly changed from the end of 2014.

These portfolios are primarily held for asset and liability management purposes, and mainly include low-risk and highly liquid instruments. The charts below break down these portfolios by counterparty, country and rating category.

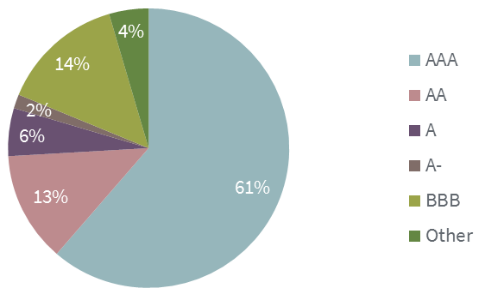
Investment and trading portfolio by counterparty at 30/06/2015
100% = € 3.5 billion



Investment and trading portfolio by country at 30/06/2015
100% = € 3.5 billion



Investment and trading portfolio by rating at 30/06/2015
100% = €3.5 billion



[14] The norm breaks down as follows: standard (4.5%), conservation buffer (2.5%), countercyclical (between 0% and 2.5%).
[15] Based on Basel III at 30/06/2015: net stable funding ratio (BCBS 295).
[16] The investment and trading portfolio comprises the balance of available-for-sale investments, financial receivables from trading activities, financial assets held to maturity and financial assets designated at fair value through profit or loss.

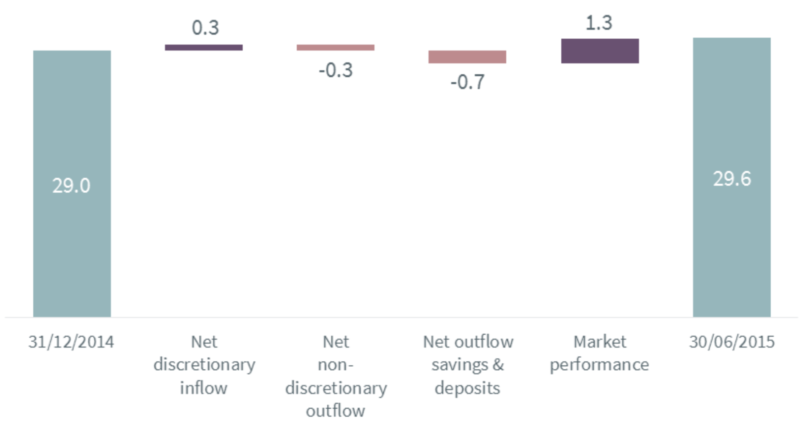
CLIENT ASSETS

(x € billion)	30/06/2015	31/12/2014		30/06/2014	
Client assets	**58.6**	**57.5**	**2%**	**56.1**	**4%**
Assets under management	48.7	46.9	4%	45.5	7%
Savings and deposits	9.9	10.6	-7%	10.6	-7%
Client assets[17]	**58.6**	**57.5**	**2%**	**56.1**	**4%**
Private Banking	29.6	29.0	2%	28.9	2%
Asset Management	28.2	27.6	2%	26.3	7%
Corporate Banking	0.8	0.9	-11%	0.9	-11%
Assets under management	**48.7**	**46.9**	**4%**	**45.5**	**7%**
Assets under discretionary management	37.0	35.7	4%	34.1	9%
Assets under non-discretionary management	11.7	11.2	4%	11.4	3%
Savings and deposits	**9.9**	**10.6**	**-7%**	**10.6**	**-7%**
Savings	9.0	8.9	1%	8.5	6%
Deposits	0.9	1.7	-47%	2.1	-57%

PRIVATE BANKING

Private Banking saw its client assets grow by €0.6 billion in Q1 2015 to €29.6 billion. Assets under management recorded a 7% upturn to €20.7 billion, with assets under discretionary management showing an inflow of €0.3 billion and assets under non-discretionary management recording a €0.3 billion outflow (mainly in execution-only). The reduction in savings rates under our funding strategy triggered a drop in client deposits of €0.7 billion. By the end of June 2015 assets under discretionary management accounted for 43% of total assets under management.

Private Banking: client assets
€ billion

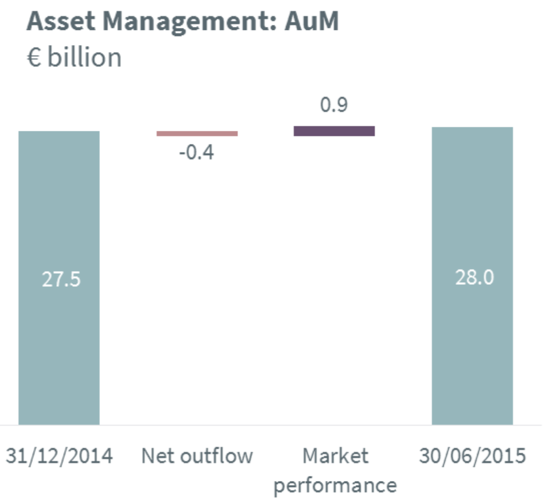


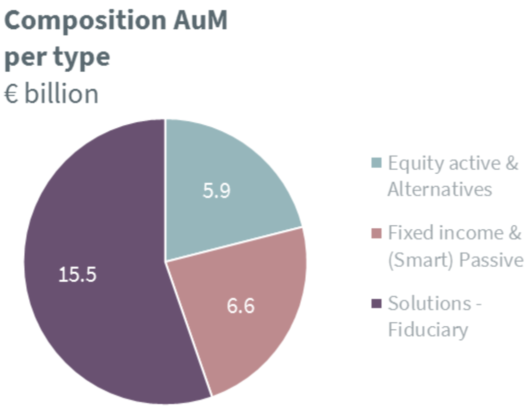
[17] From 2015, €0.2 billion in client deposits (from the Kempen balance sheet) is recognised as client assets under Asset Management. Comparable figures for 31 December 2014 and 30 June 2014 have been revised accordingly and reveal a shift of €0.1 billion and €0.2 billion in client deposits respectively from Private Banking to Asset Management, compared with the figures reported previously. In addition, the assets under management of Corporate Banking clients will be recognised under Corporate Banking, and no longer under Private Banking. This implies a €0.1 billion shift from Private Banking to Corporate Banking at 31 December 2014.

Asset Management

Assets under management at Asset Management were up 2% to €28.0 billion from €27.5 billion, mainly due to €0.9 billion from market performance.

Our credit strategy saw an inflow of – new – clients, thanks not least to our success in securing a Morningstar gold rating for Kempen (Lux) Euro Credit Fund in November 2014. By contrast, a number of our other strategies saw institutional clients leave as they rebalanced their portfolios to reflect market developments and expectations.





STATUTORY BOARD RESPONSIBILITY STATEMENT

The members of the Statutory Board hereby declare, to the best of their knowledge, that the 2015 interim financial statements, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), give a true and fair view of the assets, liabilities, financial position and profit or loss of F. van Lanschot Bankiers NV and its consolidated entities, and that the half-year report gives a true and fair view of the information to be provided by virtue of Article 5 (25) (d) (8) (9) of the Dutch Financial Supervision Act ("Wft").

's-Hertogenbosch, the Netherlands, 31 August 2015

Statutory Board

Karl Guha, Chairman

Constant Korthout

Richard Bruens

Arjan Huisman

DISCLAIMER

Disclaimer and cautionary note on forward-looking statements
This document contains forward-looking statements on future events. These forward-looking statements are based on the current information and assumptions of Van Lanschot's management about known and unknown risks, developments and uncertainties. Forward-looking statements do not relate strictly to historical or current facts and are subject to risks, developments and uncertainties. The actual results may differ considerably as a result of risks, developments and uncertainties relating to Van Lanschot's expectations regarding but not limited to estimates of income growth, costs, the macroeconomic climate, political and market trends, actions by supervisory and regulatory authorities and private entities, and changes in the law and taxation. Van Lanschot cautions that expectations are only valid on the specific dates on which they are expressed, and accepts no responsibility or obligation to revise or update any information following new information or changes in policy, developments, expectations or other such factors. The financial data included in this document have not been audited. This document does not constitute an offer or solicitation for the sale, purchase or acquisition in any other way or subscription to any financial instrument and is not an opinion or a recommendation to perform or refrain from performing any action.

This document is a translation of the Dutch original and is provided as a courtesy only. In the event of any disparities, the Dutch version shall prevail. No rights can be derived from the translated document.

Consolidated statement of financial position as at 30 June 2015

(x €1,000)

		30/06/2015	31/12/2014	30/06/2014
Assets				
Cash and cash equivalents and balances at central banks	*1*	1,196,082	1,156,985	1,072,152
Financial assets held for trading		48,338	43,153	57,385
Due from banks		227,954	449,125	474,420
Financial assets designated as at fair value through profit or loss	*2*	733,057	1,309,524	1,250,174
Available-for-sale investments	*3*	2,200,348	1,952,731	1,677,328
Held-to-maturity investments	*4*	528,690	533,708	424,486
Loans and advances to the public and private sectors	*5*	10,432,029	11,021,107	11,929,097
Derivatives (receivables)	*6*	335,022	275,093	227,456
Investments in associates using the equity method		53,520	50,679	41,253
Property, plant and equipment	*7*	73,679	76,392	84,894
Goodwill and other intangible assets	*8*	149,672	153,471	165,837
Current tax assets		1,297	1,258	1,246
Deferred tax assets		49,708	59,831	74,259
Disposal group held for sale	*9*	276,778	-	-
Other assets		163,602	176,381	214,094
Total assets		**16,469,776**	**17,259,438**	**17,694,081**
Equity and liabilities				
Financial liabilities from trading activities		251	71	3,981
Due to banks	*10*	612,659	879,972	1,137,541
Public and private sector liabilities	*11*	9,903,024	10,586,250	10,570,015
Financial liabilities designated as at fair value through profit or loss	*12*	771,148	705,912	537,733
Derivatives (liabilities)	*6*	307,663	381,313	367,158
Issued debt securities	*13*	3,329,961	3,073,410	3,364,241
Provisions	*14*	20,222	21,256	105,048
Current tax liabilities		397	507	15,468
Deferred tax liabilities		4,724	10,095	10,690
Other liabilities		123,655	215,402	224,769
Subordinated loans	*15*	120,226	121,415	123,491
Total liabilities		**15,193,930**	**15,995,603**	**16,460,135**
Issued share capital		40,000	40,000	40,000
Share premium reserve		247,396	247,396	247,396
Other reserves	*16*	910,187	819,194	845,032
Undistributed profit attributable to shareholder		30,607	99,001	46,504
Equity attributable to shareholder		**1,228,190**	**1,205,591**	**1,178,932**
Equity instruments issued		27,250	27,250	36,013
Undistributed profit attributable to equity instruments issued		492	1,110	566
Equity attributable to equity instruments issued		**27,742**	**28,360**	**36,579**
Other non-controlling interests		17,047	21,287	16,066
Undistributed profit attributable to other non-controlling interests		2,867	8,597	2,369
Equity attributable to other non-controlling interests		**19,914**	**29,884**	**18,435**
Total equity		**1,275,846**	**1,263,835**	**1,233,946**
Total equity and liabilities		**16,469,776**	**17,259,438**	**17,694,081**
Contingent liabilities		93,564	115,564	132,531
Irrevocable commitments		308,471	541,373	434,888
		402,035	**656,937**	**567,419**

References relate to the relevante notes.

Consolidated statement of income for the six months ended 30 June 2015

(x €1,000)

		H1 2015	H2 2014	H1 2014
Income from operating activities				
Interest income		291,254	348,051	387,346
Interest expense		189,638	241,557	281,370
Net interest income	*17*	**101,616**	**106,494**	**105,976**
Income from associates using the equity method		3,988	2,969	33,624
Other income from securities and associates		5,519	10,290	8,393
Income from securities and associates	*18*	**9,507**	**13,259**	**42,017**
Commission income		144,708	130,505	117,835
Commission expense		3,743	3,904	4,117
Net commission income	*19*	**140,965**	**126,601**	**113,718**
Result on financial transactions	*20*	**21,580**	**7,910**	**34,061**
Other income	*21*	**3,101**	**6,876**	**9,285**
Total income from operating activities		**276,769**	**261,140**	**305,057**
Expenses				
Staff costs	*22*	111,298	39,493	112,176
Other administrative expenses	*23*	77,789	76,014	86,944
Staff costs and other administrative expenses		**189,087**	**115,507**	**199,120**
Depreciation and amortisation		**8,276**	**11,330**	**11,181**
Operating expenses		**197,363**	**126,837**	**210,301**
Addition to loan loss provision		31,925	40,513	35,485
Other impairments		2,808	14,863	4,668
Impairments	*24*	**34,733**	**55,376**	**40,153**
Total expenses		**232,096**	**182,213**	**250,454**
Operating profit before tax		**44,673**	**78,927**	**54,603**
Income tax		**10,707**	**19,658**	**5,164**
Net result		**33,966**	**59,269**	**49,439**
Of which attributable to shareholder		30,607	52,497	46,504
Of which attributable to equity instruments issued		492	544	566
Of which attributable to other non-controlling interests		2,867	6,228	2,369
Earnings per share (€)	*25*	76.52	131.24	116.26
Dividend per share (€)		-	-	-

References relate to the relevante notes.

Consolidated statement of comprehensive income for the six months ended 30 June 2015
(x €1,000)

	H1 2015	H1 2014
Net result (as per income statement)	**33,966**	**49,439**
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Other comprehensive income through revaluation reserve		
Revaluation of equity instruments	2,576	-488
Revaluation of debt instruments	-8,743	38,260
Realised return on equity instruments	-948	-1,708
Realised return on debt instruments	-10,755	-22,604
Income tax effect	4,993	-3,792
Total other comprehensive income through revaluation reserve	**-12,877**	**9,668**
Other comprehensive income from value changes of derivatives (cash flow hedges)		
Increase in value of derivatives directly added to equity	5,257	271
Decrease in value of derivatives directly charged against equity	-3,182	-1,900
Income tax effect	-519	407
Total other comprehensive income from value changes of derivatives (cash flow hedges)	**1,556**	**-1,222**
Other comprehensive income from currency translation differences	1,821	-580
Income tax effect	-	-
Total other comprehensive income from currency translation differences	**1,821**	**-580**
Total other comprehensive income to be reclassified in subsequent periods to profit or loss	**-9,500**	**7,866**
Other comprehensive income not to be reclassified in subsequent periods to profit or loss		
Re-measurement of defined-benefit plans		
Re-measurement of defined-benefit plans	-	-83,791
Income tax effect	-	20,947
Total remeasurement of defined-benefit plans	**-**	**-62,844**
Total other comprehensive income not to be reclassified in subsequent periods to profit or loss	**-**	**-62,844**
Total other comprehensive income	**-9,500**	**-54,978**
Total comprehensive income	**24,466**	**-5,539**
Of which attributable to shareholder	21,107	-8,474
Of which attributable to equity instruments issued	492	566
Of which attributable to other non-controlling interests	2,867	2,369

Consolidated statement of changes in equity for the six months ended 30 June 2015
(x €1,000)

Equity attributable to holder of equity instruments of F. van Lanschot Bankiers NV							30/06/2015
	Share capital	Share premium reserve	Other reserves	Undistri-buted profit	Total equity attribu-table to share-holder	Equity attribu-table to third parties	Total equity
Position as at 1 January 2015	**40,000**	**247,396**	**819,194**	**99,001**	**1,205,591**	**58,244**	**1,263,835**
Net profit (as per income statement)	-	-	-	30,607	**30,607**	3,359	**33,966**
Total other comprehensive income	-	-	-9,500	-	**-9,500**	-	**-9,500**
Total comprehensive income	-	-	**-9,500**	**30,607**	**21,107**	**3,359**	**24,466**
Options exercised	-	-	1,226	-	**1,226**	-	**1,226**
Profit appropriation	-	-	99,001	-99,001	-	-	**0**
Dividends	-	-	-	-	**-**	-7,390	**-7,390**
Other changes	-	-	266	-	**266**	-	**266**
Acquisition of/change in non-controlling interests	-	-	-	-	-	-6,557	**-6,557**
Position as at 30 June 2015	**40,000**	**247,396**	**910,187**	**30,607**	**1,228,190**	**47,656**	**1,275,846**

Consolidated statement of changes in equity for the six months ended 30 June 2014

(x €1,000)

Equity attributable to holder of equity instruments of F. van Lanschot Bankiers NV							30/06/2014
	Share capital	Share premium	Other reserves	Undistri-buted profit	Total equity attribu-table to share-holder	Equity attribu-table to third parties	Total equity
Position as at 1 January 2014	**40,000**	**247,396**	**869,873**	**29,225**	**1,186,494**	**55,479**	**1,241,973**
Net profit (as per income statement)	-	-	-	46,504	**46,504**	2,935	**49,439**
Total other comprehensive income	-	-	-54,978	-	**-54,978**	-	**-54,978**
Total comprehensive income	-	-	**-54,978**	**46,504**	**-8,474**	**2,935**	**-5,539**
Options exercised	-	-	932	-	**932**	-	**932**
Profit appropriation	-	-	29,225	-29,225	**-**	-	**-**
Repurchased equity instruments	-	-	-	-	**-**	-50	**-50**
Dividends	-	-	-	-	**-**	-4,764	**-4,764**
Other changes	-	-	- 20	-	**-20**	-	**-20**
Acquisition of/change in non-controlling interests	-	-	-	-	**-**	1,414	**1,414**
Position as at 30 June 2014	**40,000**	**247,396**	**845,032**	**46,504**	**1,178,932**	**55,014**	**1,233,946**

Consolidated statement of cash flows for the six months ended 30 June 2015

(x €1,000)

	H1 2015	H1 2014
Cash flow from operating activities		
Operating profit before tax	44,673	54,603
Adjustments for		
- Depreciation and amortisation	8,310	11,109
- Cost of share plans	1,016	1,055
- Valuation results on associates using the equity method	-3,988	-6,807
- Valuation results on financial assets designated as at fair value through profit or loss	94,627	-54,633
- Valuations results on financial liabilities designated as at fair value through profit or loss	14,954	14,554
- Valuation results on derivatives (receivables and liabilities)	-38,302	24,804
- Impairments	34,733	40,153
- Changes in provisions	-607	-7,363
Cash flow from operating activities	**155,416**	**77,475**
Net change in operating assets and liabilities		
- Financial assets/liabilities held for trading	-10,145	-7,119
- Due from/due to banks	-25,218	-70,432
- Loans and advances to public and private sectors/public and private sector liabilities	-427,152	836,798
- Derivatives (receivables and liabilities)	-79,460	31,449
- Withdrawals from restructuring provision and other provisions	-427	-7,290
- Other assets and liabilities	-82,280	-87,403
- Income taxes paid	-1,630	-230
- Dividends received	2,038	2,522
Total movement in assets and liabilities	**-624,274**	**698,295**
Net cash flow from operating activities	-468,858	**775,770**
Cash flow from investing activities		
Investments and acquisitions		
- Investments in debt instruments	-2,967,901	-2,495,505
- Investments in equity instruments	-9,831	-46
- Investments in associates using the equity method	-61	-20
- Property, plant and equipment	-2,868	-8,081
- Goodwill and other intangible assets	-14	-1,363
Divestments, redemptions and sales		
- Investments in debt instruments	3,165,269	1,130,500
- Investments in equity investments	32,551	1,133
- Investments in associates using the equity method	649	8,505
- Property, plant and equipment	1,060	2,356
- Goodwill and other intangible assets	-	2,047
Dividends received	2,380	4,294
Net cash from investing activities	**221,234**	**- 1,356,180**

Continued on the next page.

Consolidated statement of cash flows for the six months ended 30 June 2015 (continued)

(x €1,000)

	H1 2015	H1 2014
Cash flow from financing activities		
Options issued	219	-
Equity instruments issued	-	-50
Other non-controlling interests	-8,582	1,414
Redemption of subordinated loans	-1,113	-4,651
Receipts on debt securities	509,716	202,095
Redemption of debt securities	-236,227	-694,337
Receipts on financial liabilities designated as at fair value through profit or loss	94,717	224,861
Redemption of financial liabilities designated as at fair value through profit or loss	-44,435	-59,315
Dividends paid	-7,390	-4,764
Net cash flow from financing activities	**306,905**	**-334,747**
Net change in cash and cash equivalents and balances at central banks	**59,281**	**-915,157**
Cash and cash equivalents and balances at central banks at 1 January *	1,121,931	1,986,037
Cash and cash equivalents and balances at central banks at 30 June *	1,181,212	1,070,880
Additional disclosure		
Cash flows from interest received	298,531	376,352
Cash flows from interest paid	245,678	332,089

* In Cash and cash equivalents and balances at central banks is also included amounts due from / to banks available on demand.

Summary of significant accounting policies

General
F. van Lanschot Bankiers NV is an independent wealth manager specialising in the preservation and creation of wealth for its clients. F. van Lanschot Bankiers NV (hereafter Van Lanschot) is a fully owned subsidiairy of Van Lanschot NV. The company has its registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands. Van Lanschot is a public limited company incorporated under Dutch law. Depositary receipts for Class A ordinary shares are publicly traded on the Official Market of the Euronext Amsterdam Stock Exchange.

Basis of preparation
Van Lanschot's interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim consolidated financial statements do not include all financial information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of Van Lanschot as at 31 December 2014. This interim report has not been audited. All amounts are denominated in thousands of euros, unless stated otherwise.

Continuity
The Statutory Board has examined the ability of the bank to continue its operations and concluded that the bank is able to do so in the foreseeable future. Moreover, the Board is not aware of any material uncertainties that cast significant doubt on the bank's ability to continue as a going concern. The interim consolidated financial statements have been prepared on this basis.

Estimation uncertainty
In the process of applying Van Lanschot's accounting policies, estimates and assumptions are made which have significant impact on the amounts shown in the interim report. The estimates and assumptions are based on the most recent information available. Actual amounts in the future may differ from the estimates and assumptions.

Determination of fair value
The fair value of financial instruments, in so far as available and provided there is an active market, is based on stock exchange prices at the reporting date. For financial assets, the bid price is used; for financial liabilities, the selling price. The fair value of financial instruments not traded in an active market is determined on the basis of cash flow and of option and other valuation models. These models are based on the market circumstances prevailing at the reporting date. Estimates mainly relate to future cash flows and discount rates.

Impairments
All assets are assessed at least annually to determine whether there are objective indicators of impairment. Objective indicators may arise in the event of significantly changed market circumstances regarding aspects such as share prices, exchange rates or interest rates. If unrecoverable financial assets generate cash flows after having been written off, these cash flows are taken directly to the statement of income. Impairments are determined on the basis of the difference between the carrying amount and the recoverable amount. Impairments are taken directly to the statement of income under Impairments.

Impairments of loans and advances to the public and private sectors
In determining the presence of impairments, a distinction is made between items for which there are objective indicators of impairment and items for which there are no such objective indicators.

Objective indicators of impairment are substantial financial problems occurring at clients, failure to make repayments of interest or capital, and the likelihood of bankruptcy or other financial restructuring of clients. For all items where there is an objective indicator of impairment, an estimate is made of the future cash flows, which are discounted on the basis of the discounted cash flow method. Assumptions used are the estimate of the liquidation or other value of the collateral, estimate of payments still to be received, estimate of the timing of these payments and the discount rate. Since this is a loss event, and IFRS does not permit future loss events to be taken into account, probability does not play a role in the measurement of individual impairments, other than in the expectations regarding cash flows.
Loans for which there is no objective indication of impairment are included in the collective assessment 'incurred but not reported' (IBNR). Value decreases which had occurred at the reporting date but of which the bank was not yet aware due to an information time lag are estimated on the basis of the product of exposure at default (EAD) x probability of default (PD) x loss given default (LGD) x confirmation period. The confirmation period is the number of quarters during which the information time lag exists (minimum 0, maximum 4).

If an asset becomes permanently irrecoverable, the provision previously taken is written off and charged against the relevant line item.

Impairment of restructured loans
In the event of impairment, Van Lanschot seeks to restructure loans in order to avoid enforced seizure of collateral. This may be effected by extending the expiry date of the contract or agreeing new borrowing terms. The method used to determine impairments for forbearance loans is identical to that for non-restructured loans.

Impairment of investments in equity instruments
An investment in equity instruments is considered to be impaired if its carrying amount permanently exceeds the recoverable amount, i.e. it is below cost significantly or for a prolonged period. In the case of available-for-sale investments, any equity revaluation is first deducted. An increase in value occurring after an impairment is treated as a (new) revaluation and recognised in equity.

Impairment of investments in debt instruments
An investment in debt instruments is tested for impairment if there is objective evidence of financial problems at the counterparty, the collapse of a market or other indications. In the case of available-for-sale investments, any equity revaluation is first deducted. If during the subsequent period the amount of the impairment of an available-for-sale debt instrument decreases, and the decrease can objectively be attributed to an event occurring after the write-off, the previously recorded impairment is reversed through profit or loss.

Impairments of non-financial assets
The recoverable amount of non-financial assets is the higher of the fair value of an asset less costs to sell and its value in use. This fair value less costs to sell is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the valuation date. To determine whether assets are impaired, the individual assets are allocated to the lowest level at which cash flows can be identified (cash-generating units). Non-financial assets, other than goodwill paid, that have been subject to impairment are reviewed annually to determine whether the impairment can be reversed.
Non-financial assets, other than goodwill paid, are tested for impairment annually by assessing whether there are any indications that these assets are impaired. Goodwill is tested for impairment annually.

Deferred tax assets
Deferred tax assets are recognised only if it is probable that taxable profits will be realised in the near future against which these temporary differences can be offset. Estimates are used when determining future taxable profits, since these are subject to uncertainty.

Acquisitions
In the case of acquisitions, it is necessary to determine the fair value of the acquired assets (including any intangible assets and goodwill acquired), as well as of liabilities and obligations not recognised in the statement of financial position. Estimates are used for this, particularly for those items which are not traded on an active market.

Actuarial assumptions of provisions
The pension liabilities are determined using actuarial calculations. These calculations make assumptions regarding elements such as the discount rate, future trends in salaries and returns on investments. These assumptions are subject to uncertainty.

IFRS standards
The following new or revised standards or interpretations became effective as from 1 January 2015 and have an impact on the 2015 interim report.

IAS 19 Defined Benefit Plans: Employee Contributions
The aim of this change is to simplify and clarify the administrative processing of contributions by employees or third parties in connection with defined benefit plans. The amendments are effective for annual periods beginning on or after 1 July 2014. This amendment has no impact for Van Lanschot.

Annual improvements to 2010-2012 Cycle
The annual improvements are effective for annual periods beginning on or after 1 July 2014 and Van Lanschot adopts this amendments for the first time in the interim consolidated financial statements 2015. The amendments include:

IFRS 2 Share-based Payment
This amendment clarifies various issues relating to the definitions of performance and service conditions. The amendment must be applied prospectively. The definitions are consistent with how Van Lanschot has identified any performance and service conditions and so these amendments have no impact.

IFRS 3 Business combinations
The amendment clarifies that all contingent consideration arrangements classified as liabilities or assets arising from a business combination must be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. The amendment must be applied prospectively and has no impact for Van Lanschot.

IFRS 8 Operating segements
The amendment clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria. This disclosure contains a brief description of the aggregated operating segments and the economic characteristics used to assess whether the segments are similar. Also the amendment clarifies that a reconciliaton of the segement assets to total assets only is required when this reconciliation is reported to the chief operating decision maker, the same for segment liabilities. Within Van Lanschot the Executive Board fulfills this role. The amendment must be applied retrospectively. The impact for Van Lanschot is very limited because the bank has not applied aggregation of operational segments. The reconciliation of segment assets to total assets and segement liabilties to total liabilities is not reported to the Executive Board and therefor not included anymore in the note Operational segements.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets
The amendment clarifies that revaluation of assets to market value can be performed as an adjustment on the gross carrying amount to market value of the asset or by proportionately adjusting the resulting carrying amount and the accumulated depreciation and amortisation. The amendment must be applied retrospectively, Van Lanschot did not record any revaluations.

IAS 24 Related party disclosures
The amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment must be applied retrospectively. This is not relevant for Van Lanschot as it does not receive any management services from management entities.

Annual improvements to 2011-2013 Cycle
The annual improvements are effective for annual periods beginning on or after 1 July 2014 and Van Lanschot adopts this amendments for the first time in the interim consolidated financial statements 2015. The amendments include:

IFRS 3 Business combinations
The amendment clarifies that joint arrangements are out of scope of IFRS 3, only regarding to accounting in the financial statements of the joint arrangement itself. This amendment must be applied prospectively and has no impact for Van Lanschot.

IFRS 13 Fair value
The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities but also to other contracts within the scope of IAS 39. This amendment must be applied prospectively. Van Lanschot does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investement property and owner-occupied property. The amendment clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment must be applied prospectively. The amendment has no impact for Van Lanschot.

IFRIC 21 Levies
IFRIC 21 is effective for all levies, other than expenditure within the scope of other standards and penalties or other sanctions for infringement of legislation. IFRIC 21 provides guidance on the recognition of levies imposed by a government and applies for financial statements for annual periods beginning on or after 1 January 2014. The European Union endorsed this standard in June 2014. For EU companies, the interpretation is effective for annual periods beginning on or after 17 June 2014.
This interpretation has impact for Van Lanschot because some levies owed may not be accrued anymore during the year but must be recognised in full in the period the activity occurs that triggers the payment of the levy.

Basis of consolidation

Subsidiaries
The consolidated interim financial statements of Van Lanschot NV comprise the interim financial statements of F. van Lanschot Bankiers NV and its subsidiaries. The financial statements of F. van Lanschot Bankiers NV and its subsidiaries are prepared as at 31 December using consistent accounting policies. The financial year of F. van Lanschot Bankiers NV and its subsidiaries is concurrent with the calendar year.

Subsidiaries (including the consolidated structured entities) are associates in which Van Lanschot exercises decisive control. Van Lanschot has decisive control over an entity when it has power over that entity and is exposed to or has rights to variable income from its involvement in the entity and is able to use its power over the entity to influence the entity's income. The assessment of control is based on the actual relationship between Van Lanschot and the entity. Among other things, Van Lanschot takes into account existing and potential voting rights. A right is a material right if its holder is able to exercise that right in practice.

Van Lanschot has power over an entity if its existing and potential voting rights amount to more than 50%. If these rights amount to less than 50%, Van Lanschot determines whether it has power over the entity pursuant to contractual agreements. In making this assessment, a distinction is made between substantive and protective rights. Substantive rights are rights which enable the decision-making power of an enterprise to be influenced directly and which give Van Lanschot decisive control over an entity. Examples include the right to appoint and dismiss members of the board of management, and to set the level of their remuneration. Protective rights are rights which protect the interests of an entity in another entity, but which do not directly confer decision-making powers. Protective rights do not give Van Lanschot decisive control over an entity. When acquiring non-controlling interests, Van Lanschot in principle includes only protective rights in the contractual agreement. These are rights of approval which enable Van Lanschot to protect its minority position without acquiring decision-making power. Examples of protective rights are rights of approval in respect of the issue of shares and making significant acquisitions.

Intra-group transactions are eliminated in the consolidation process. Subsidiaries are consolidated from the date of incorporation or acquisition, being the date on which Van Lanschot acquires control, and are consolidated until the date that such control ceases. Van Lanschot has control over an entity when it has power over that entity and is exposed to or has rights to variable income from its involvement in the entity, and is able to use its power over the entity to influence the entity's income.

Van Lanschot consolidates interests in investment funds if it has power over the investment fund and is exposed to or has rights to variable income from its involvement and is able to use its power over the investment fund to influence the variable income. The assessment of control is based on the actual relationship between Van Lanschot and the investment fund. Van Lanschot takes into account its interest for its own account and its own role, or that of one of its group companies, as fund manager.

In the case of subsidiaries not fully controlled by Van Lanschot, the non-controlling interest in equity is presented separately in the consolidated statement of financial position as a component of total equity. The profit or loss for the reporting period that can be attributed to the non-controlling interest is disclosed separately.

Acquisitions
Acquisitions are recognised using the acquisition method. Accordingly, the cost of an acquisition is allocated to the fair value of the acquired assets (inclusive of any intangible assets not previously recognised in the statement of financial position), liabilities and obligations not recognised in the statement of financial position.

Goodwill, being the difference between the cost of the acquisition (including assumed debts) and Van Lanschot's interest in the fair value of the acquired assets, liabilities and obligations not recognised in the statement of financial position as at the acquisition date, is capitalised as an intangible asset. If this difference is negative (negative goodwill), it is taken directly to the statement of income.

A non-controlling interest in the company acquired is recognised at the fair value prevailing on the acquisition date or at the proportionate share in the identifiable assets and liabilities of the company acquired.

Results of companies acquired are recognised in the statement of income from the date at which control is obtained.

Adjustments to the fair value of acquired assets and liabilities at the acquisition date which are identified within twelve months of the acquisition may lead to adjustment of the goodwill. Adjustments identified after expiry of one year are recognised in the statement of income.

On disposal of group companies, the difference between the sale proceeds and the acquisition cost (including goodwill) is included in the statement of income together with any unrealised gain or loss. Goodwill is not amortised.

Summary of significant accounting policies

Foreign currencies

Functional currency
Items in the statement of financial position pertaining to each group company are stated in the currency of the economic environment in which the entity operates (i.e. the functional currency).

Group companies
The assets, liabilities, income and expenses of group companies that use a functional currency other than the reporting currency are translated as follows:

- Assets and liabilities are translated using the closing exchange rate at the reporting date;
- Income and expenses are translated using the rate prevailing on the transaction date, which is approximately equal to the average exchange rate;
- Remaining exchange-related gains or losses are recognised as a separate component of equity.

Upon consolidation, exchange-related gains or losses arising from monetary items forming part of a net investment in foreign divisions are recognised in equity. Exchange-related gains or losses on borrowings and other items designated as hedging instruments for such investments are also recognised in equity.

Transactions and line items
On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date. Translation differences arising on the settlement of such transactions or on the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except where they are recognised in equity as qualifying cash flow hedges or qualifying net investment hedges in foreign divisions.

Translation differences on non-monetary items measured at fair value through profit and loss are reported as part of the fair value gain or loss. Non-monetary items are translated into the reporting currency at the same time as the determination of their fair value. Translation differences on non-monetary items measured at fair value through equity are included in the revaluation reserve in equity.

Non-monetary items not measured at fair value are translated at the exchange rate prevailing on the original transaction date. Translation differences in the statement of income are generally included in the result on financial transactions. Translation differences relating to the sale of available-for-sale investments are treated as an inherent part of the realised/unrealised gains and losses and recognised under Income from securities and associates.

Classification as debt or equity
Financial instruments or their individual components are classified as debt or equity in accordance with the economic reality for Van Lanschot as the issuing party. An equity instrument is any contract that incorporates a residual interest in the assets of an entity after deducting all its liabilities.

Recognition of financial assets in the statement offinancial position
The purchase of financial assets designated as at fair value with value changes through profit or loss, or financial assets classified as available for sale, held to maturity or held for trading, which are settled according to standard market conventions, are recognised on the transaction date, i.e. the date on which Van Lanschot undertakes to purchase or sell the asset. Loans and advances are recognised on the settlement date, i.e. the date on which Van Lanschot receives or transfers the asset.

Derecognition of financial assets and liabilities in the statement of financial position
Financial assets are derecognised when:

- Van Lanschot's rights to the cash flows from the asset expire; or
- Van Lanschot has retained the right to receive the cash flows from an asset, but has an obligation to pay these in full to a third party under a special agreement; and
- Van Lanschot has transferred its rights to the cash flows from the asset and has transferred substantially all the risks and rewards, or has not transferred substantially all the risks and rewards but has transferred control over the asset.

If Van Lanschot has transferred its rights to the cash flows from an asset, but has not transferred substantially all the risks and rewards of the asset and has not transferred control, the asset is recognised as long as Van Lanschot has continuing involvement in the asset.
A financial liability is derecognised as soon as the obligation under the liability is discharged, cancelled or expired.

Repo transactions and reverse repo transactions
Securities sold subject to repurchase agreements (repos) continue to be recognised in the statement of financial position. The related liability is included under the line item concerned (principally Due to banks). Securities purchased subject to resale agreements (reverse repos) are recognised under the line item Due from banks or under Loans and advances to the public and private sectors. The difference between the sale price and the purchase price is recognised in the statement of income as interest during the term of the agreement.

Securitisation
Van Lanschot has placed parts of its loan portfolio in special purpose entities (SPEs). As a result of these transactions, the beneficial ownership of these receivables has been transferred to the individual entities. If Van Lanschot has effective control over an SPE, it is consolidated. Van Lanschot has decisive control over an entity when it has power over that entity and is exposed to or has rights to variable income from its involvement in the entity and is able to use its power over the entity to influence the entity's income.
Van Lanschot's accounting principles are applied when consolidating SPEs.

Transfers of financial assets
All or a part of a financial asset is transferred if:
- The contractual rights to receive the cash flows from that financial asset are transferred; or
- The contractual rights to receive the cash flows from that financial asset are retained, but a contractual obligation is assumed to pay the cash flows to one or more recipients under an arrangement.

Van Lanschot has entered into securitisation transactions in which not all notes are held by Van Lanschot. These entail a partial transfer of financial assets. Van Lanschot has no other assets meeting the criteria of transfers of financial assets.

Derivatives
A derivative is initially recognised at fair value on the effective date of the contract. After initial recognition, the derivative is subsequently remeasured at fair value and movements in value are taken to the statement of income under Result on financial transactions. Fair values are based on stock exchange prices, cash flow models and option and other valuation models.

Hedge accounting
Van Lanschot uses derivatives, such as interest rate swaps, to hedge its exposure to risks. The carrying amount of assets and liabilities which are hedged through fair value hedging and which would otherwise be recognised at cost is adjusted for movements in the fair value that can be attributed to the hedged risks. Any gains or losses arising from changes in the fair value of derivatives not relating to the hedged risks are taken directly to the statement of income.
At the inception of a hedge transaction, Van Lanschot formally designates and documents the hedge relationship, the financial risk management objective and Van Lanschot's policy when entering into the hedge transaction. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how Van Lanschot will assess the hedging instrument's effectiveness in offsetting the exposure to risks.
Such hedges are considered to be effective if Van Lanschot, both upon inception and during the term of the hedge, may expect that changes in the fair value or cash flows of the hedged item will be almost fully offset by changes in the fair value or cash flows of the hedging instrument, in so far as they relate to the hedged risk, and the actual outcome is within a range of 80-125%. The effectiveness is assessed and documented on a monthly basis in order to determine that the hedge has been highly effective throughout the financial reporting periods for which it was intended.

Hedges that qualify for hedge accounting are recognised as follows:

***** Fair value hedges
Fair value hedges are hedges of the exposure to changes in the fair value of an asset or liability arising as a result of interest rate changes. Movements in the value of the hedging instrument are taken to the statement of income. Any change in the fair value of the hedged item is also recognised in the statement of income, in so far as the hedging instrument has been effective in the preceding period.
A hedge relationship ends if a hedging instrument is sold, expires or is exercised, or if the hedging transaction no longer meets the criteria for hedge accounting, the remaining value adjustment of the hedged item is amortised through profit or loss until the end of its term.

* Cash flow hedges
Cash flow hedges are hedges of the exposure to fluctuations in the cash flow of an asset, liability or future transaction arising as a result of interest rate changes and/or inflation. The portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised directly in equity until the hedged item affects the statement of income, while the ineffective portion is recognised in profit or loss.
If the hedging instrument expires or is sold, or if it can no longer be designated as a hedge, accumulated gains and losses remain in equity until the expected future transaction is taken to the statement of income. If the expected future transaction is no longer likely to take place, the accumulated result is transferred directly from equity to profit or loss.

Embedded derivatives
Embedded derivatives are treated as separate derivatives when their economic characteristics are not closely related to those of the financial host contract. The embedded derivative is measured separately if the financial contract itself is not recognised at fair value with the value changes through profit or loss. An example of a closely related embedded derivative is an interest rate option in a mortgage determining the upper or lower limit of the interest rate. An example of an embedded derivative that is not closely related is where interest payment and redemption are linked to a share index. Whether or not an embedded derivative is closely related is determined prior to the transaction.

Day 1 profit
Discrepancies between the transaction price and the fair value may arise if valuation techniques are applied at the time of the transaction. Such a discrepancy is referred to as Day 1 profit. Any resulting profit or loss is recognised directly in the statement of income if the valuation method is based on observable inputs (in an active market). In the event of non-observable inputs, the gain or loss is amortised over the term of the transaction.

Netting of financial assets and liabilities
Financial assets and liabilities are netted and presented in the consolidated interim financial statements at the net amount when Van Lanschot has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This mainly concerns netting of current account balances and derivatives.

Statement of financial position by IFRS accounting policy
For the layout of the statement of financial position by IFRS accounting policy, see Consolidated statement of financial position by accounting policy in the supplementary notes.

Statement of financial position

Cash and cash equivalents and balances at central banks
Cash and cash equivalents and balances at central banks comprise, at nominal value, cash in hand and deposits with a term of less than three months, balances at central banks and balances withdrawable on demand at other banks in respect of which the risk of value changes is insignificant. The amount due from De Nederlandsche Bank (DNB) arising from the minimum reserve requirement is also included in this item.

Financial assets held for trading
Financial assets held for trading are transactions for the bank's own account whereby the aim is to actively sell these instruments in the short term. Financial assets held for trading consist of the trading portfolio of both equity instruments and debt instruments. The financial assets held for trading are recognised at fair value with effect from the trade date and value adjustments are taken to the statement of income under the line item Result on financial transactions.

Due from banks
Amounts due from banks are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Financial assets designated as at fair value through profit or loss
Financial assets designated as at fair value through profit or loss comprise investments which management believes should be recognised at fair value through profit or loss based on one of the following reasons:

1. Designation eliminates or significantly reduces inconsistencies in measurement and recognition which would otherwise arise as a result of assets being valued or income and expense being recognised under different accounting policies.
2. The performance of the relevant financial assets is assessed on the basis of their fair values, in accordance with a documented risk management or investment strategy. Reporting to management takes place on the basis of fair value.
3. The contract in which the financial instrument is included contains one or more embedded derivatives and the entire contract is recognised as at fair value through profit or loss. This is only permitted if the embedded derivative has significant influence on the contractually agreed cash flows.

Interest earned on these assets is recognised as interest income. All other realised and unrealised gains and losses on remeasuring these financial instruments at fair value are recognised under Result on financial transactions.

Available-for-sale investments
Investments included in this line item have been classified by management as transactions held indefinitely and are carried as available for sale. This line item comprises investments in both equity instruments and debt instruments. These investments are initially recognised at fair value and subsequently measured for any changes occurring in the fair value of the investment after its acquisition. Unrealised gains and losses resulting from changes in the fair value of investments classified as available for sale are recognised on a net basis in equity.

On realisation of available-for-sale equity instruments, the accrued revaluation reserve is released to the statement of income under the line item Income from securities and associates. On realisation of available-for-sale debt instruments, the accrued revaluation reserve is released to the statement of income under the line item Result on financial transactions. When calculating the transaction result, cost is determined using the average cost method.
Interest earned on these assets is recognised as interest income. Dividends are recognised under Income from securities and associates.

Available-for-sale investments may be sold as a result of liquidity control or changes in interest rates, exchange rates or share prices. Discounts or premiums on interest-bearing available-for-sale investments are amortised based on the effective interest rate and recognised in profit or loss. If the investments are sold or impairment losses occur, the adjustments to fair value are recognised in profit or loss.

Twice a year, Van Lanschot assesses whether impairment losses have occurred. The fair value of an investment in an equity instrument being below cost significantly or for a prolonged period is an objective indication of impairment, and this is determined by the Impairment Committee on the basis of the policy adopted.
Van Lanschot treats unrealised losses on debt instruments in the investment portfolio due to interest rate fluctuations as temporary decreases in value. Van Lanschot aims to retain these investments in debt instruments for a term considered long enough to offset these unrealized losses, and expects to receive the full principal if they are held to maturity.

In the first year of investment, shareholdings are recognised at fair value and are adjusted where applicable for any changes in this value occurring after acquisition. The market value of shareholdings is based on reports prepared by the fund manager. This value is adjusted where applicable for carried interest arrangements and annual fund charges. All purchases and sales of available-for-sale investments transacted according to standard market conventions are recognised on the transaction date. All other purchases and sales are recognised on the date of settlement.

Held-to-maturity investments
Investments for which the date of maturity and cash flows are known are classified as held-to-maturity investments in so far as management has both the intention and ability to hold them until maturity. Management determines the most appropriate classification for its investments on the transaction date.
Held-to-maturity investments are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, after deduction of any provisions for impairment. Interest earned on held-to-maturity investments is recognised as interest income. All transactions in held-to-maturity investments are recognised on the settlement date.

If there are objective indications that an impairment has occurred, the impairment is determined as the difference between the carrying value of the investment and the present value of estimated future cash flows (with the exception of future loan losses that have not yet occurred) calculated at the original effective interest rate of the investment. The impairment is recognised in the statement of income. If the amount of the impairment reduces in a subsequent period and the reduction can be objectively related to an event that occurred after the impairment was applied, the earlier impairment is reversed. The amount of the reversal is recognised in the statement of income in so far as the carrying value of the investment does not exceed the amortised cost on the reversal date.

Loans and advances to the public and private sectors
Loans and advances to the public and private sectors are recognised at amortised cost using the effective interest method.

Derivatives
Derivatives are carried at fair value. The positive and negative values of derivatives are shown separately on the face of the statement of financial position on the assets side and the liabilities side, respectively. The values of derivatives with a positive and negative value, concluded with the same counterparty, are only netted if the cash flows are settled on a net basis and this is permitted under law. Movements in the value of derivatives are taken directly to the line item Result on financial transactions. If the hedge is completely effective, the net impact on the statement of income is nil. The difference, in so far as this remains within the ranges set, reflects ineffectiveness and is taken to the statement of income.

Derivatives include:

- The fair value of derivatives held for trading
  Derivatives held for trading are transactions for own account withthe aim of actively selling them in the short term;
- Economic hedges
  Economic hedges are derivatives used to manage risks without applying hedge accounting;
- Structured product derivatives
  Structured product derivatives are options acquired by Van Lanschot in order to hedge structured products sold to clients, without application of hedge accounting;
- Client option positions
  Offsetting market transactions are conducted for all option positions held by our clients on a one-on-one basis;
- Derivatives with application of hedge accounting
  These are derivatives used as hedging instruments in the application of hedge accounting.

Investments in associates using the equity method
These investments have been designated by management as transactions held indefinitely, and as a result of the acquired control can be classified as Investments in associates using the equity method. These are investments in entities where Van Lanschot has significant influence but not control. If there is a change in the equity of the associate, Van Lanschot recognises its share in this change and includes it in the statement of changes in equity. This also applies to results of associates recognized in Van Lanschot's statement of income.

In the first year of investment, investments classified as investments in associates using the equity method are recognised at cost, and where applicable are adjusted for any changes in the value of the associate's individual receivables and payables occurring after the acquisition, measured using the accounting policies applied by Van Lanschot.

The recoverable amount of the investments in associates using the equity method is determined each quarter. The valuation methods applied are the capitalisation method (peer group analysis), the net present value method and the disclosed net asset value method. If the recoverable amount is lower than the carrying amount, an impairment is recognised.

The capitalisation method determines the value of a business by multiplying the operating profit (EBIT) and the operating profit before depreciation and amortisation (EBITDA) by a multiplier factor derived from similar listed companies (the peer group), if applicable also taking account of a 20% discount for poor liquidity and minority shareholding. Where applicable, EBIT and EBITDA are adjusted for one-off items.

The net present value method calculates the enterprise value by discounting the forecast operational cash flows at a discount rate for the planning period and a final value based on the extrapolation of the operating profit. The discount rate (WACC) is determined on the basis of the discount rate of listed companies with a high degree of similarity and on the specific characteristics of the company. If applicable, the net present value method takes account of a 20% discount for poor liquidity and minority shareholdings.

The company's net debt is then deducted from the value resulting from the capitalisation method and/or net present value method and multiplied by the share in the capital structure in order to derive the shareholder value from the enterprise value.

The disclosed net asset value method determines the value of a company based on the data of the statement of financial position, and can be regarded as the lowest valuation in the case of a going concern.

If Van Lanschot's share in the associate's losses is equal to or exceeds its interest in the associate, no further losses are recognised unless Van Lanschot has assumed obligations or made payments for these associates.

Property, plant and equipment
Property, plant and equipment comprise property, information technology, furniture & fixtures and communication and safety equipment. Property, plant and equipment are initially carried at cost and subsequently measured at historical cost less accumulated depreciation and accumulated impairments. The carrying value includes the costs for replacement of part of the existing object as soon as these costs are incurred, but excludes day-to-day servicing costs. Depreciation is calculated on a straight-line basis over the useful life of the asset.

The net realisable value of individual property items is determined at least every five years, and more often if market conditions so dictate. The net realisable value represents the appraisal value set by an independent surveyor. If the appraisal value is below cost after deduction of accumulated depreciation, the recoverable value is determined. This value is calculated using the value-in-use-method. If the recoverable value is also below cost after deduction of accumulated depreciation, an impairment is recognised for the difference between the carrying amount and the higher of the appraisal value and the recoverable value.

Estimated useful life of property, plant and equipment (years)

Land	indefinite
Buildings	40
Alterations	15
Operating software and IT	3 - 5
Communications equipment	5
Safety equipment	15
Infrastructure	10
Furniture and fixtures	5 - 10

Operating software development costs are capitalised if they are identifiable, there is a likelihood that future economic benefits will flow to Van Lanschot and costs can be measured reliably.

Property not in own use comprises office buildings no longer in own use. Van Lanschot's policy is focused on selling these assets in due course. Property not in own use is carried at historical cost less accumulated depreciation and accumulated impairments. This property is considered to be impaired if its carrying amount exceeds the recoverable amount. The recoverable amount less the relevant variable costs to sell is based the appraisal value as determined by an independent surveyor.

Goodwill and other intangible assets

Goodwill represents the difference between the fair value of the acquired assets (including intangible assets) and liabilities, and the purchase price paid (excluding acquisition costs). Goodwill paid is included in the interim financial statements at cost less any accumulated impairment losses. Goodwill paid is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying value may be impaired. An impairment is calculated based on the difference between the carrying value and the recoverable amount of the cash-generating unit (CGU) to which the goodwill relates. A CGU's recoverable amount is the higher of
its fair value less costs to sell and its value in use.

Owing to the absence of a market for separate CGUs, Van Lanschot is unable to calculate a reliable fair value less costs to sell for each CGU. The recoverable amount is therefore deemed to be equal to the value in use. The value in use is determined by discounting the future cash flows generated by a CGU to their net present value. If the recoverable amount of a CGU is lower than its carrying amount, goodwill is impaired. The impairment is first applied in full to the goodwill and then pro rata to the individual assets.

Cash flow estimates are based on the long-term plan, the strategic plans and different types of investigation into possible trends. Events and factors that could have a significant impact on these estimates include market expectations, effects of mergers and acquisitions, competitive conditions, client behaviour and changes in the client base, cost structure, trends in interest rates and risks, and other circumstances specific to the industry and sector.

Other intangible assets with a limited useful life, such as application software, client bases, contractual rights and the value of acquired funds and loans and advances, are capitalised at cost and amortised on a straight-line basis over their respective useful lives.

Estimated useful life of intangible assets (years)

Client bases	5 - 20
Third-party distribution channels	12 - 20
Brand names	20
Application software	3 - 5

Current tax assets and liabilities

Current tax assets and liabilities are stated at face value. Current and deferred tax assets and liabilities are offset when they relate to the same tax authority, the same type of tax and the law permits offsetting of these assets and liabilities.

Deferred tax

Deferred taxes are recognised on the face of the statement of financial position if the valuation of an asset or liability temporarily differs from the valuation for tax purposes. Deferred taxes are calculated using the tax rates prevailing on the reporting date. Deferred tax assets and liabilities are offset when they relate to the same tax authority, the same type of tax, it is permitted under law to offset these deferrals and the deferrals are expected to be settled simultaneously. Deferred taxes are stated at face value. Deferred tax assets are recognised only if it is probable that taxable profits will be realised in the near future against which these temporary differences can be offset.

Tax assets are assessed at every reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. This reduction will be reversed if it is probable that sufficient taxable profits will be available.

Changes in the value of investments classified as available for sale and movements in the value of derivatives forming part of a cash flow hedge are recognised in equity net of deferred tax. Deferred tax is taken to the statement of income at the same time as the movement in value.

Disposal group held for sale

The line item Disposal group held for sale includes a group of assets whose carrying amounts will principally be recovered through a sale transaction. These assets are measured at amortised cost less accumulated impairments. The group of assets concerned is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups. There is a plan to sell the asset at a price which is reasonable considering its current fair value as a result of which the sale is highly probable and is expected to be completed within one year.

Other assets
Assets acquired through foreclosures are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the relevant variable costs to sell. The realisable value less the relevant variable costs to sell is based on the appraisal value as determined by an independent surveyor.
Other assets are stated at historical cost.

Financial liabilities from trading activities
Financial liabilities from trading activities are transactions for own account whereby the aim is to repurchase these instruments in the short term. Financial liabilities held for trading are stated at fair value, with movements in value being recognised in the statement of income under Result on financial transactions. This line item comprises short positions on the trading portfolio in both equity instruments and debt instruments. Recognition is from the date on which the contract is concluded.

Due to banks
Amounts due to banks are initially recognised at fair value excluding transaction costs. After their initial recognition, they are recognised at amortised cost using the effective interest method.

Public and private sector liabilities
Public and private sector liabilities are initially recognised at fair value excluding transaction costs. After their initial recognition, they are recognised at amortised cost using the effective interest method.

Financial liabilities designated as at fair value through profit or loss
Financial liabilities designated as at fair value through profit or loss comprise financial instruments which management believes should be recognised at fair value through profit or loss based on one of the following reasons:

1. Designation eliminates or significantly reduces inconsistencies in measurement and recognition which would otherwise arise as a result of liabilities being valued or income and expense being recognised under different accounting policies.
2. The performance of the financial liabilities concerned is assessed on the basis of their fair value, in accordance with a documented risk management or investment strategy. Reporting to management takes place on the basis of fair value.
3. The contract in which the financial instrument is included contains one or more embedded derivatives and the entire contract is recognised at fair value through profit or loss. This is only permitted if the embedded derivative has significant influence on the contractually agreed cash flows.

Van Lanschot's own credit risk is taken into account in the valuation.

Issued debt securities
Issued debt securities are initially recognised at fair value excluding transaction costs. After initial recognition, issued debt securities are carried at amortised cost using the effective interest method. Repurchase by Van Lanschot of its own debt securities is set off in the consolidated interim financial statements against the liability; the difference between the cost and the carrying amount based on the remaining term is taken to the statement of income.

Provisions
A provision is a liability of uncertain timing or amount. A provision is included in the statement of financial position if Van Lanschot has an obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made. Provisions are discounted if the time value of money for the liability has a material effect.

Provisions for pensions
Van Lanschot operates defined benefit plans and defined contribution plans. Under defined contribution plans, contributions to pension funds are taken to the statement of income as staff costs. Van Lanschot has no further payment obligations with respect to defined contribution plans once the contributions have been paid.

A defined benefit plan is a pension plan which defines the amount of pension benefit that an employee will receive on retirement. Factors such as age, years of service and salary are taken into account when determining the amounts to be paid. The provision for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The pension obligation is calculated with reference to the expected return on plan assets.

Differences between the expected and actual return on plan assets and actuarial gains and losses are recognised directly in equity; net interest is recognised under Interest in the statement of income.

Provision for long-service benefits scheme
Employees receive a bonus to mark a long-service anniversary of 10, 20, 30 and 40 years. In addition, receptions are organised for employees who have been in service for 25 and 40 years. These benefits are calculated on an actuarial basis and recognised in the statement of financial position as a provision.

Provision for employee discounts
Van Lanschot has arrangements in place under which employees are granted discounts on mortgage interest rates, for example. The discounts are calculated on an actuarial basis for the period during which the employee is inactive (retired) and recognised in the statement of financial position as a provision.

Provision for restructuring
A provision for restructuring is recognised only if the criteria for disclosure of a provision are met. Van Lanschot has a constructive obligation if it has a detailed formal restructuring plan identifying at least the business or part of the business concerned, the principal locations affected, the number of employees affected, a detailed estimate of the expenditure to be undertaken and a suitable timeframe, and if it has announced the main features of the plan to the employees affected by it.

Other provisions
This item includes all other provisions.

Other liabilities
Other liabilities are recognised at historical cost.

Subordinated loans
Subordinated loans are initially recognised at fair value excluding transaction costs. After initial recognition, they are carried at amortised cost. Purchases by Van Lanschot of its own subordinated loans are set off against the liability in the consolidated interim financial statements; the difference between cost and the carrying amount based on the remaining term is taken to the statement of income.

Equity
Direct costs of a new share issue are deducted from equity, taking account of taxes. If Van Lanschot purchases treasury shares, the purchase price, including direct transaction costs after tax, is deducted from equity. Treasury shares purchased by Van Lanschot do not qualify for profit or dividend and are not included in the calculation of earnings per share. Equity instruments issued by subsidiaries included in equity are recognised at cost.

Obligations not recognised in the statement of financial position
This includes obligations that represent a potential credit risk. For the other obligations not recognised in the statement of financial position.

Contingent liabilities
Contingent liabilities are carried at the contract value and relate in particular to guarantees and irrevocable letters of credit.

Irrevocable commitments
This item consists of unused overdraft facilities, sale and repurchase commitments and all other obligations resulting from irrevocable commitments that could give rise to loans.

Statement of income

General
Revenue is recognised in so far as it is likely that the economic benefits will flow to Van Lanschot and the revenue can be measured reliably.

Costs are allocated as far as possible to the period in which the services were rendered or to the relevant proceeds.

Net interest income
This item consists of income earned on lending and costs of borrowing and associated transactions, related commission, and other income/expense similar to interest. The amortisation of remaining value adjustments on mortgage portfolios of fair value hedges which expired in the past is disclosed under Interest income.

Interest income and interest expense are recognised in the statement of income on an accrual basis, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated cash flows over the life of the financial instrument, or a shorter period when appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, Van Lanschot takes into account all contractual terms of the financial instrument (for example early repayment) but not future losses due to uncollectible amounts.

Income from securities and associates
All dividends received from investments in equity instruments are included under dividends and fees. Dividends are recognised directly in the statement of income when they are made payable. Decreases in the value of equity instruments forming part of the available-for-sale investments are recognised in the statement of income as impairments. Gains or losses on the sale of available-for-sale investments in equity instruments and debt instruments are recognised under Gains/losses on sale of available-for-sale investments in equity instruments (Income from securities and associates) and Realised gains/losses on available-for-sale debt instruments (Result on financial transactions). Van Lanschot's share in the results of equity-valued associates is recognised under Income from securities and associates using the equity method.

Dividends received are deducted from the carrying amount of the equity-valued associate.

Net commission income
This item comprises the income, other than income similar to interest, earned on banking and asset management services provided to third parties. Commission paid to third parties is accounted for as commission expense.

Van Lanschot receives commission for the wide range of services it provides to clients. This can be divided into commission on a transaction basis and periodic commission charged to the client during the year.

Commission on a transaction basis
Net commission income on a transaction basis is recognised in the periods in which Van Lanschot provides the services. Transaction commission for which Van Lanschot only provides a service on the transaction date (e.g. securities commission) is taken directly to the statement of income. Transaction commission for which Van Lanschot has to provide a service in the future (e.g. commission on structured products) forms part of the amortised cost and is recognised in the statement of income over the expected term of the instrument.

Periodic commission
Periodic commission (e.g. management fees) is recognised in the statement of income in the period in which the services are provided.

Result on financial transactions
Result on securities trading includes realised and unrealised value differences on gains and losses on financial instruments relating to the securities trading portfolio. Exchange and price gains and losses on trading in other financial instruments are recognised under Result on foreign currency trading. Gains and losses due to ineffectiveness in hedge accounting are recognised under Unrealised gains/losses on derivatives under hedge accounting. Result on economic hedges includes realised and unrealised gains and losses on derivatives that are not included in a hedge accounting model. Result on financial instruments designated as at fair value through profit and loss comprises unrealized value differences and interest expenses on financial liabilities designated as at fair value through profit and loss.

Other income
Other income comprises non-banking income resulting from the consolidation of non-banking subsidiaries. This income is recognised in accordance with the requirements of IFRS (in particular IAS 18).

Staff costs
Staff costs comprise wages and salaries, pension and early retirement costs, other social security costs and other staff costs such as remuneration in the form of share-based employee benefits.

Share-based employee benefits
Employees may be eligible to receive remuneration in the form of share-based payments of Van Lanschot NV. The cost of equity instrument-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using a binomial model. The cost of equity instrument-settled transactions is recognised, together with a corresponding increase in equity, in the period in which the employee's performance criteria are fulfilled, ending on the date on which the employee becomes fully entitled to the award (the vesting date).

Share-based employee benefits: Management Investment Plan
Selected Kempen employees are offered the opportunity to participate in the Kempen Management Investment Plan (MIP). Under the terms of the Kempen MIP, selected employees purchase profit-sharing Kempen certificates or ordinary shares held indirectly in Kempen's share capital. Kempen has issued these ordinary shares to MIP Coöperatie UA, a cooperative society in which nearly all membership rights are owned by Stichting Administratiekantoor Kempen Management Investeringsplan (Stichting MIP), which in turn issues depositary receipts to the selected employees in exchange for payment of the issue price. The MIP therefore entails an equity instrument-settled transaction.

If, at the moment the award is made, the fair market value per depositary receipt exceeds the issue price, an employee benefit is deemed to exist under IFRS. The fair value of this employee benefit is treated as an expense during the vesting period, with a corresponding adjustment to equity. The total sum to be taken into consideration is determined on the basis of the fair value of the depositary receipts as established on the date on which they are granted, without taking into account any continuing terms of employment.

Other administrative expenses
Other administrative expenses comprise IT expenses, costs of marketing and communication, accommodation expenses, office expenses and other administrative expenses.

Depreciation and amortisation
Depreciation and amortisation are determined on the basis of estimated useful life and charged to the statement of income.

Impairments
This item comprises the balance of the required impairments and reversals of such impairments.

Income tax
Tax on operating profit is recognised in the statement of income in accordance with applicable tax law in the jurisdictions in which Van Lanschot operates. Tax effects of any losses incurred in certain jurisdictions are recognised as assets when it is probable that sufficient future profits will be available in the relevant jurisdiction against which these losses can be offset.

Earnings per share
Earnings per ordinary share are calculated by dividing the profit for the year available to ordinary shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit available to shareholders by the weighted average number of shares outstanding during the period, adjusted for possible dilution as a result of outstanding option rights, for example.

Statement of cash flows
The statement of cash flows is prepared using the indirect method. This statement of cash flows shows the source and application of cash items. Cash flows are divided into those from operating, investing and financing activities. Cash and cash equivalents comprise, at face value, all cash in hand, balances at central banks and balances withdrawable on demand at other banks in respect of which the risk of value changes is insignificant.

Lease
Lease contracts, including operating sale and leaseback agreements, under which the risks and benefits of ownership of the assets are substantially retained by the lessor, are classified as operating lease contracts. Van Lanschot has entered into operating lease contracts as lessee. Operating lease payments (less any discounts granted by the lessor) are charged to the statement of income on a straight-line basis over the term of the lease. In the case of sale and leaseback, if the selling price of the asset falls below its fair value, the difference between the carrying amount and the selling price is recognised through profit or loss unless the difference between the fair value and the selling price is offset through future non-standard lease instalments.

Lease contracts, including financial sale and leaseback agreements, under which the risks and benefits of ownership of the assets are substantially transferred to Van Lanschot, are classified as financial lease contracts. Van Lanschot has entered into financial sale and leaseback contracts as lessee. Financial lease contracts are capitalised on the effective date of the lease contract at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the implicit interest rate of the lease contract. The leased object is recognised under Property, plant and equipment. Depreciation is applied using the same method as for wholly owned property, plant and equipment. The lease obligation is recognised under Other liabilities. The interest component of the finance costs is charged to the statement of income over the term of the lease.

Segment information

The different operating segments form the basis for Van Lanschot's primary segmentation. An operating segment is a business unit that can earn revenues and incur expenses and whose operating results are regularly reviewed by its board or the chief operating decision-maker and for which for which discrete financial information is available. Additional information is reported geographically based on where the business activities are located. Intra-segment transactions are conducted on commercial terms and market conditions (at arm's length).

Notes to the statement of financial position

(x €1,000)

1 Cash and cash equivalents and balances at central banks	30/06/2015	31/12/2014
Total	**1,196,082**	**1,156,985**
Cash	209	402
Balances at central banks	1,021,337	986,521
Statutory reserve deposits at central banks	22,843	24,316
Amounts due from banks	151,693	145,746

2 Financial assets designated as at fair value through profit or loss	30/06/2015	31/12/2014
Total	**733,057**	**1,309,524**
Debt instruments		
Government paper and government-guaranteed paper	81,571	910,082
Banks and financial institutions, listed	-	135
Covered bonds	597,771	334,261
Total debt instruments	**679,342**	**1,244,478**
Equity instruments		
Shares listed	22,146	30,815
Shares unlisted	31,569	34,231
Total equity instruments	**53,715**	**65,046**

Financial assets debt instruments designated at fair value through profit or loss by external rating *	30/06/2015	%	31/12/2014	%
AAA	561,349	83%	982,805	79%
AA	60,995	9%	260,169	21%
A	-	0%	-	0%
Other	56,998	8%	1,504	0%
Total	**679,342**	**100%**	**1,244,478**	**100%**

* Most recent Fitch ratings as known to Van Lanschot.

3 Available-for-sale investments	30/06/2015		31/12/2014	
	Fair value	Face value	Fair value	Face value
Total	**2,200,348**	**2,030,119**	**1,952,731**	**1,799,440**
Debt instruments				
Government paper and government-guaranteed paper	1,104,100	989,000	842,849	739,500
Banks and financial institutions, listed	30,413	30,000	-	-
Covered bonds	101,472	99,000	102,107	99,000
Asset-backed Securities	898,532	886,589	941,484	929,962
Company cumprefs (Shareholdings)	27,076	25,530	29,220	30,978
Total debt instruments	**2,161,593**	**2,030,119**	**1,915,660**	**1,799,440**
Equity instruments				
Shares, listed	4,409		3,966	
Shares, unlisted	12,397		9,320	
Shareholdings	21,949		23,785	
Total equity instruments	**38,755**		**37,071**	

Available-for-sale investments in debt instruments by external rating *	30/06/2015	%	31/12/2014	%
AAA	1,586,337	74%	1,247,900	65%
AA	44,191	2%	44,743	2%
A	6,183	0%	-	0%
Other	524,882	24%	623,017	33%
Total	**2,161,593**	**100%**	**1,915,660**	**100%**

* Most recent Fitch ratings as known to Van Lanschot

4 Held-to-maturity investments	30/06/2015		31/12/2014	
	Carrying value	Face value	Carrying value	Face value
Total	**528,690**	**475,000**	**533,708**	**475,000**
Debt instruments				
Government paper and government-guaranteed paper	340,918	300,000	344,743	300,000
Banks and financial institutions, listed	187,772	175,000	188,965	175,000

Held-to-maturity investments by external rating *	30/06/2015	%	31/12/2014	%
AA	340,918	64%	344,743	65%
A	187,772	36%	188,965	35%
Total	**528,690**	**100%**	**533,708**	**100%**

* Most recent Fitch ratings as known to Van Lanschot

5 Loans and advances to the public and private sectors	30/06/2015	31/12/2014
Total	**10,432,029**	**11,021,107**
Mortgage loans	6,055,590	6,111,981
Loans	2,853,004	3,358,216
Current accounts	1,241,235	1,405,481
Securities-backed loans and settlement claims	315,581	266,149
Subordinated loans	35,708	37,463
Value adjustment, fair value hedge accounting	133,612	165,795
Impairments	-202,701	-323,978

In March 2015 the Citadel 2011-1 securitisation has been early redeemed (31 December 2014: € 1,089 million). Van Lanschot was the sole owner of all debt instruments from this transaction. The underlying pool assets, Dutch home mortgages, are from the consolidated securitisation entity taken back on the own balance sheet of Van Lanschot Bankiers. There is no impact on the consolidated balance sheet.

Movements in impairments	Specific	IBNR	Total
Position as at 1 January 2015	**314,421**	**9,557**	**323,978**
Loans written off	-21,793	-	**-21,793**
Additions to or release of provision	28,077	3,848	**31,925**
Interest charged	3,728	-	**3,728**
Reclassification to disposal group held for sale	-135,137	-	**-135,137**
Position as at 30 June 2015	**189,296**	**13,405**	**202,701**

6 Derivatives	30/06/2015			31/12/2014		
	Asset	Liability	Contract amount	Asset	Liability	Contract amount
Total	**335,022**	**307,663**	**6,024,710**	**275,093**	**381,313**	**5,882,611**
Derivatives used for trading purposes	29,259	28,983	183,283	15,829	15,603	211,413
Derivatives used for hedge accounting purposes	53,055	76,704	2,516,195	64,518	81,764	1,794,196
Other derivatives	252,708	201,976	3,325,232	194,746	283,946	3,877,002

7 Property, plant and equipment	30/06/2015	31/12/2014
Total	**73,679**	**76,392**
Buildings	56,315	58,166
IT, operating software and communications equipment	6,583	7,297
Other assets	9,734	10,642
Work in progress	1,047	287

The fair value of the buildings totalled € 56.0 million at 30 June 2015 (year-end 2014: € 54.5 million).The carrying amount of buildings not in use amounted to € 8.4 million (year-end 2014: € 9.2 million). The fair values of IT, operating software and communications equipment and other assets do not deviate materially from their carrying amounts.

8 Goodwill and other intangible assets	30/06/2015	31/12/2014
Total	**149,672**	**153,471**
Goodwill	128,551	128,551
Other intangible assets	21,121	24,920

9 Disposal group held for sale	30/06/2015	31/12/2014
Total	**276,778**	**-**
Loans and advances to the public and private sectors	275,894	-
Other assets	884	-

Van Lanschot intends to sell a portfolio of non-performing commercial real estate loans. These loans (including related accrued interest) are recognized under Disposal group held for sale. The face value of these loans amounts over € 400 million. In the presented amount accompanying loan loss provisons are taken into account.

10 Due to banks	30/06/2015	31/12/2014
Total	**612,659**	**879,972**
Special loans, European Central Bank	350,000	350,000
Deposits	105,756	55,390
Repo transactions	80,000	387,732
Loans and advances drawn	56,116	63,288
Securities transactions settlement claims	20,787	22,822
Value adjustments fair value hedge accounting	-	740

11 Public and private sector liabilities	30/06/2015	31/12/2014
Total	**9,903,024**	**10,586,250**
Savings	4,693,480	4,680,470
Deposits	951,641	1,705,745
Other client assets	4,253,468	4,193,460
Value adjustments fair value hedge accounting	4,435	6,575

12 Financial liabilities designated as at fair value through profit or loss	30/06/2015	31/12/2014
Total	**771,148**	**705,912**
Unstructured debt instruments	251,317	259,715
Structured debt instruments	519,831	446,197

13 Issued debt securities	30/06/2015	31/12/2014
Total	**3,329,961**	**3,073,410**
Bond loans and notes	1,284,678	1,255,565
Notes within the scope of securitisation transactions	1,487,913	1,697,061
Covered bond	481,444	-
Floating rate notes	63,426	108,284
Medium term notes	12,500	12,500

End of April 2015 Van Lanschot launched its inaugural €500 million 7-year Conditional Pass-Through Covered Bond with a 0.275% coupon. The deal was placed with a broad range of European institutional investors. Some non-European investors also participated.

The bonds are rated AAA by both S&P and Fitch rating agencies. The Van Lanschot Conditional Pass-Through Covered Bond Programme is Dutch law-based and backed by a pool of Dutch residential mortgage loans. It is registered with De Nederlandsche Bank (DNB) and is both UCITS- and CRD-compliant.

This transaction, which forms part of Van Lanschot’s general funding activities, has helped Van Lanschot to attract new external long-term funding, and brings a further strengthening and diversification of the bank’s funding profile.

14 Provisions	30/06/2015	31/12/2014
Total	**20,222**	**21,256**
Provisions for pensions	8,468	8,356
Provision for long-service benefits scheme	3,671	3,556
Provision for employee discounts	3,809	3,734
Provision for restructuring	78	1,849
Other provisions	4,196	3,761

15 Subordinated loans	30/06/2015	31/12/2014
Total	**120,226**	**121,415**
Certificates of indebtedness	100,000	100,000
Other subordinated loans	20,226	21,415

16 Other reserves	Revaluation reserve available-for-sale investments		Actuarial results on defined benefit pension scheme	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total
	equity instruments	debt investments					
Position as at 1 January 2015	**17,311**	**22,723**	**-14,251**	**-973**	**-12,409**	**806,793**	**819,194**
Net changes in fair value	2,576	-6,446	-	-	1,556	-	-2,314
Other unrealised gains	-	-	-	1,821	-	-	1,821
Realised gains/losses through profit or loss	-940	-8,067	-	-	-	-	-9,007
Dividend	-	-	-	-	-	99,001	99,001
Share-based payments	-	-	-	-	-	1,226	1,226
Other changes	-	-	-	-	-	266	266
Position as at 30 June 2015	**18,947**	**8,210**	**-14,251**	**848**	**-10,853**	**907,286**	**910,187**
Tax effects	8	4,985	-	-	-519	**-**	**4,474**

Notes to the consolidated statement of income

(x €1,000)

17 Net interest income	H1 2015	H1 2014
Interest income		
Total	**291,254**	**387,346**
Interest income on cash equivalents	-	106
Interest income on banks and private sector	195,678	231,692
Interest income on held-to-maturity investments	3,529	1,610
Other interest income	421	413
Interest income on items not recognised at fair value	**199,628**	**233,821**
Interest income on available-for-sale investments	7,330	12,147
Interest income on assets at fair value	10,942	12,668
Interest income on derivatives	73,354	128,710
Interest expense		
Total	**189,638**	**281,370**
Interest expense on banks and private sector	48,061	74,133
Interest expense on issued debt securities	30,436	42,536
Interest expense on subordinated loans	3,424	3,087
Other interest expense	920	455
Interest expense on items not recognised at fair value	**82,841**	**120,211**
Interest expense on derivatives	106,797	161,159

18 Income from securities and associates	H1 2015	H1 2014
Total	**9,507**	**42,017**
Income from associates using the equity method	3,988	33,624
Dividend and fees	2,038	2,521
Movements in value of investments at fair value through profit or loss	3,012	2,140
Realised result of investments at fair value through profit or loss	-464	-
Realised result of available-for-sale equity investments	931	1,708
Other gains on sale	2	2,024

19 Net commission income	H1 2015	H1 2014
Total	**140,965**	**113,718**
Securities commissions	21,764	17,050
Management commissions	84,510	77,834
Cash transactions and funds transfer commissions	5,375	7,075
Corporate Finance and Equity Capital Markets commissions	25,833	8,056
Other commissions	3,483	3,703

20 Result on financial transactions	H1 2015	H1 2014
Total	**21,580**	**34,061**
Gains and losses on securities trading	1,970	1,379
Gains and losses on currency trading	6,779	3,607
Unrealised gains/losses on derivatives under hedge accounting	-2,045	2,849
Realised/unrealised gains/losses on trading derivatives	2,347	3,893
Realised gains on available-for-sale debt instruments	13,570	22,604
Gains and losses on economic hedges	8,614	-37,030
Gains and losses on financial assets designated as at fair value through profit or loss	-9,655	36,759

21 Other income	H1 2015	H1 2014
Total	**3,101**	**9,285**
Net sales	4,050	61,172
Cost of sales	-949	-51,887

22 Staff costs	H1 2015	H1 2014
Total	**111,298**	**112,176**
Salaries and wages	85,882	84,380
Pension costs for defined contribution schemes	9,318	3,708
Pension costs for defined benefit schemes	1,573	7,935
Other social security charges	9,305	10,291
Share-based payments	1,016	1,102
Other staff costs	4,204	4,760

23 Other administrative expenses	H1 2015	H1 2014
Total	**77,789**	**86,944**
Accommodation expenses	9,992	12,495
Marketing and communication	6,035	5,381
Office expenses	5,792	7,081
IT expenses	30,382	32,342
External auditor fees	1,322	1,326
Consultancy fees	5,514	6,044
Travel and hotel fees	6,359	5,966
Information providers fee	4,673	3,483
Payment charges	1,896	2,196
Other administrative expenses	5,824	10,630

In the first half year 2014 Other administrative expenses includes resolution levy related to nationalisation of SNS Reaal.

24 Impairments	H1 2015	H1 2014
Total	**34,733**	**40,153**
Loans and advances to the public and private sectors	31,925	35,485
Available-for-sale investments	100	1,170
Investments in associates using the equity method	-	2,580
Property, plant and equipment	24	270
Assets acquired through foreclosures	2,684	648

Impairments represent the balance of the required impaiments and the release of such impairments.

Additional notes

(x €1,000)

25 Earnings per share	H1 2015	H1 2014
Net result	33,966	49,439
Interest on equity instruments issued	-492	-566
Non-controlling interests	-2,867	-2,369
Net result attributable to shareholder	**30,607**	**46,504**
Weighted average number of shares outstanding	400,000	400,000
Earnings per share (€)	76.52	116.26

26 Fair value

Financial instruments at fair value				H1 2015
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	26,608	21,497	233	**48,338**
Financial assets designated as at fair value through profit or loss	701,488	19,264	12,305	**733,057**
Available-for-sale investments	2,134,517	4,409	61,422	**2,200,348**
Derivatives (receivables)	25,864	292,248	16,910	**335,022**
Total assets	**2,888,477**	**337,418**	**90,870**	**3,316,765**
Liabilities				
Financial liabilities held for trading	251	-	-	**251**
Financial liabilities designated as at fair value through profit or loss	-	665,477	105,671	**771,148**
Derivatives (liabilities)	25,476	278,045	4,142	**307,663**
Total liabilities	**25,727**	**943,522**	**109,813**	**1,079,062**

Financial instruments at fair value				H1 2014
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	32,784	24,378	223	**57,385**
Financial assets designated as at fair value through profit or loss	1,208,158	19,668	22,348	**1,250,174**
Available-for-sale investments	1,475,413	4,403	197,512	**1,677,328**
Derivatives (receivables)	14,006	213,450	-	**227,456**
Total assets	**2,730,361**	**261,899**	**220,083**	**3,212,343**
Liabilities				
Financial liabilities held for trading	3,981	-	-	**3,981**
Financial liabilities designated as at fair value through profit or loss	-	521,110	16,623	**537,733**
Derivatives (liabilities)	13,454	353,704	-	**367,158**
Total liabilities	**17,435**	**874,814**	**16,623**	**908,872**

Breakdown of movements in financial assets classified under Level 3

	Balance at 1 January 2015	To statement of income	To equity	Purchases	Sales	Transfers	Balance at 30 June 2015
Assets							
Financial assets held for trading	219	-	-	14	-	-	**233**
Financial assets designated as at fair value through profit or loss	14,081	799	-	-	-2,575	-	**12,305**
Available-for-sale investments	62,325	1,131	2,106	221	-4,361	-	**61,422**
Derivatives (receivables)	8,519	13,745	-	-	-	-5,354	**16,910**
Total assets	**85,144**	**15,675**	**2,106**	**235**	**-6,936**	**-5,354**	**90,870**

Breakdown of movements in financial liabilities classified under Level 3

	Balance at 1 January 2015	To statement of income	To equity	Issues	Settlements	Transfers	Balance at 30 June 2015
Liabilities							
Financial liabilities designated as at fair value through profit or loss	113,698	3,610	-	32,771	-2,055	-42,353	**105,671**
Derivatives (liabilities)	1,092	2,798	-	-	-	252	**4,142**
Total liabilities	**114,790**	**6,408**	**-**	**32,771**	**-2,055**	**-42,101**	**109,813**

Breakdown of movements in financial assets classified under Level 3

	Balance at 1 January 2014	To statement of income	To equity	Purchases	Sales	Transfers	Balance at 30 June 2014
Assets							
Financial assets held for trading	227	-	-	-	-4	-	**223**
Financial assets designated as at fair value through profit or loss	19,344	2,174	-	-	-51	881	**22,348**
Available-for-sale investments	213,527	116	-211	46	-15,966	-	**197,512**
Derivatives (receivables)	-	-	-	-	-	-	**-**
Total assets	**233,098**	**2,290**	**-211**	**46**	**-16,021**	**881**	**220,083**

Breakdown of movements in financial liabilities classified under Level 3

	Balance at 1 January 2014	To statement of income	To equity	Issues	Settlements	Transfers	Balance at 30 June 2014
Liabilities							
Financial liabilities designated as at fair value through profit or loss	16,285	389	-	-	-51	-	**16,623**
Derivatives (liabilities)	-	-	-	-	-	-	**-**
Total liabilities	**16,285**	**389**	**-**	**-**	**-51**	**-**	**16,623**

During the first half of 2015, Van Lanschot assessed the non-observable input variable on significancy. As a result of this assessment some financial instruments belonging to Derivatives (receivables and liabilities) or Financial liabilities designated as at fair value through profit or loss has been transferred from Level 2 to Level 3 and vice versa. The transfer from Level 2 to Level 3 includes Derivatives (receivables) €0.3 million, Financial liabilities designated as at fair value through profit or loss €6.5 million and Derivatives (liabilities) €0.5 million. The transfer from Level 3 to Level 2 includes Derivatives (receivables) €5.7 million, Financial liabilities designated as at fair value through profit or loss €48.8 million and Derivatives (liabilities) €0.2 million.

Fair value changes recognised in profit or loss of financial instruments under Level 3	**H1 2015**			**H1 2014**		
	Realised	Unrealised	**Total**	Realised	Unrealised	**Total**
Net interest income	1,211	-	**1,211**	1,286	-	**1,286**
Income from securities and associates	-	819	**819**	-	2,174	**2,174**
Result on financial transactions	-	7,337	**7,337**	-	-389	**-389**
Impairments	-	-100	**-100**	-	-1,170	**-1,170**
Total	**1,211**	**8,056**	**9,267**	**1,286**	**615**	**1,901**

Notes on fair value determation using observable market inputs (Level 2)				
	Fair value (€ thousand)		Valuation method	Key inputs which are market observable
	30/06/2015	**31/12/2014**		
Assets				
Financial assets held for trading	21,497	20,563	- Net Asset Value	- estimate of net asset value of the underlying investments reflecting appropriate generally accepted valuation methods received from fund managers
Financial assets designated as at fair value through profit or loss	19,264	20,150	- Net Asset Value	- most recent published net asset value - market value on measurement date equals market price - fair value reflecting appropriate generally accepted standards
Available-for-sale investments	4,409	3,966	- Net Asset Value	- most recent known closing price fo the underlying assets
Derivatives (receivables)	292,248	252,168	- Discounted cash flow - Option model	- Asset price, interest rate, dividend yield, volatility, realised consumer price index (CPI), seasonality, inflation rate, correlation, FX rates
Total assets	**337,418**	**296,847**		
Liabilities				
Financial liabilities designated as at fair value through profit or loss	665,477	592,214	- Discounted cash flow - Option model	- Interest rate, asset price, dividend yield, volatility, correlation, FX rates
Derivatives (liabilities)	278,045	366,628	- Discounted cash flow - Option model	- Asset price, interest rate, dividend yield, volatility, realised consumer price index (CPI), seasonality, inflation rate, correlation, FX rates
Total liabilities	**943,522**	**958,842**		

Notes on fair value determination using non-observable inputs (Level 3)

	Fair value (€ thousand)		Valuation method	Key inputs which are not market observable
	30/06/2015	**31/12/2014**		
Assets				
Financial assets held for trading	233	219	- Net asset value	- Net asset value - Face value
Financial assets designated as at fair value through profit or loss	12,305	14,081	- Discounted cashflow - Market Multiples - Trade Multiples - Net asset value	- n/a* - Cost or lower market value
Available-for-sale investments **	61,422	62,323	- Discounted cash flow - Net asset value	- Interest rates - Discount rates - Most recent published net asset values of the underlying assets - n/a * - Multiple analyses of comparable companies less a discount of 25% for illiquidity and company size - Most recently known share price - EBITA - Issue or tansfer price - Market price on final trading day - Face value less provisions - Sales growth - EBIT(DA) margin development - Net working capital development - Capital expenditures - Weighted average cost of capital (WACC)
Derivatives (receivables) **	16,910	8,519	- Discounted cash flow - Option model	- Volatility - Correlation
Total assets	**90,870**	**85,142**		
Liabilities				
Financial liabilities designated as at fair value through profit or loss **	105,671	113,698	- Net asset value - Discounted cash flow - Option model	- Fair value Egeria NV and Egeria Private Equity Fund II NV - Own credit risk - Volatility - Correlation
Derivatives (liabilities) **	4,142	1,092	- Discounted cash flow - Option model	- Volatility - Correlation
Total liabilities	**109,813**	**114,790**		

* Van Lanschot receives the valuation from a third party and had no insight into the key observable market inputs.
** The range and sensitivity of these financial instruments are disclosed in table Notes on fair value determination using non-observable market inputs. For other financial instruments no range or sensitivity is available.

In 2014 we developed a policy document for the fair value hierarchy. The policy document divides the variables used into observable and non-observable market inputs. If the non-observable input variables are significant, the instrument is classified as Level 3. A non-observable input variable is significant if the change in the fair value due to the application of the variable is greater than the set threshold values. The fair value hierarchy is compiled twice a year. The significance of these nonobservable market input variables is reassessed annually. Valuations are carried out on a daily basis using front office pricing models validated by Risk Management: the option model and the discounted cash flow model.

Notes on fair value determination using non-observable market inputs (Level 3) 30/06/2015	Significant non-observable market inputs	Range	Sensitivity
Assets			
Available-for-sale investments			
Debt instruments: company cumprefs (shareholdings)	Interest rates	6.5% - 12%	change of 1% - change of €0.3 million
	Discount rates	6.5% - 12%	change of 1% - change of €0.3 million
Derivatives (receivables)			
Structured products derivatives			
- Options	Correlation	-25% - 82% (33%)	n/a
	Volatility	14% - 19% (17%)	total impact €2.2 million
- Equity swaps	Correlation	-25% - 90% (38%)	total impact -€0.3 million
	Volatility	7% - 19% (8%)	total impact €0.4 million
- Inflation Linked swaps	Seasonality	-7% - 6% (0%)	n/a
Liabilities			
Financial liabilities designated as at fair value through profit or loss			
Structured debt instruments	Correlation	-33% - 90% (38%)	total impact €0.2 million
	Volatility	14% - 19% (17%)	total impact - €1.2 million
Derivatives (liabilities)			
Structured products derivatives			
- Credit Linked Swaps	Correlation	n/a	n/a
- Options	Correlation	-33% - 35% (0%)	n/a
	Volatility	14% - 19% (17%)	total impact €0.8 million
- Equity Swaps	Correlation	-21% - 68% (22%)	total impact €0.2 million
- Inflation Linked swaps	Seasonality	-7% - 6% (0%)	n/a

Financial instruments not recognised at fair value	30/06/2015		31/12/2014				
	Fair value	Carrying amount	Fair value	Carrying amount	Level	Valuation method	Significant observable and non-observable market inputs
Assets							
Due from banks	227,962	227,954	449,130	449,125	2	Discounted cash flows using applicable money market rates	Interest rate and discount rate
Held-to-maturity investments	555,578	528,690	569,699	533,708	1	Quoted prices in active markets	-
Loans and advances to the public and private sectors	10,792,373	10,432,029	11,410,793	11,021,107	3	Discounted cash flows using current market fees for comparable loans and taking into account the creditworthiness of the counterparty.	Interest rate, discount rate and counterparty credit risk
Investments in associates using the equity method	73,678	53,520	74,444	50,679	3	Capitalisation method, net present value method and disclosed net asset value method.	Discount rate and operational cash flows
Liabilities							
Due to banks	611,389	612,659	879,321	879,972	3	Discounted cash flows using applicable money market rates for liabilities with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Public and private sector liabilities	10,061,943	9,903,024	10,735,038	10,586,250	3	Discounted cash flows using applicable money market rates for liabilities with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Issued debt securities	3,396,413	3,329,961	3,142,392	3,073,410	3	Discounted cash flows using applicable money market rates for debt instruments with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Subordinated loans	140,401	120,226	158,916	121,415	3	Discounted cash flows using applicable money market rates for debt instruments with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk

27 Offsetting of financial assets and financial liabilities

Offsetting financial assets	Gross financial assets	Gross financial liabilities netted in the statement of financial position	Net financial assets presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net 30/06/2015
Total	**2,340,975**	**764,718**	**1,576,257**	**29,429**	**1,546,828**
Derivatives (receivables)	682,451	347,429	335,022	29,429	305,593
Current accounts	1,658,524	417,289	1,241,235	-	1,241,235

Offsetting financial liabilities	Gross financial liabilities	Gross financial assets netted in the statement of financial position	Net financial liabilities presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net 30/06/2015
Totaal	**4,856,827**	**764,718**	**4,092,109**	**29,429**	**4,062,680**
Derivatives (liabilities)	655,092	347,429	307,663	29,429	278,234
Current accounts*	4,201,735	417,289	3,784,446	-	3,784,446

Offsetting financial assets	Gross financial assets	Gross financial liabilities netted in the statement of financial position	Net financial assets presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net 31/12/2014
Total	**2,520,298**	**839,724**	**1,680,574**	**30,037**	**1,650,537**
Derivatives (receivables)	621,823	346,730	275,093	30,037	245,056
Current accounts	1,898,475	492,994	1,405,481	-	1,405,481

Offsetting financial liabilities	Gross financial liabilities	Gross financial assets netted in the statement of financial position	Net financial liabilities presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net 31/12/2014
Totaal	**5,016,386**	**839,724**	**4,176,662**	**30,037**	**4,146,625**
Derivatives (liabilities)	728,043	346,730	381,313	30,037	351,276
Current accounts*	4,288,343	492,994	3,795,349	-	3,795,349

* Current accounts are part of Other funds entrusted.

28 Related parties

	H1 2015			
	Income	Expenses	Amounts receivable	Amounts payable
Total	**180**	**86**	**12,172**	**73,910**
Parties with a shareholding in Van Lanschot of at least 5%	-	-	-	70,709
Associates	23	-	13	-
Shareholdings in which Van Lanschot is a participant	157	86	12,159	3,201

	H1 2014			
	Income	Expenses	Amounts receivable	Amounts payable
Total	**348**	**1**	**21,228**	**95,141**
Parties with a shareholding in Van Lanschot of at least 5%	-	-	-	89,751
Associates	26	-	-	-
Shareholdings in which Van Lanschot is a participant	322	1	21,228	5,390

Segment information

Segmentation is based on business units since Van Lanschot's risks and rates of return are affected predominantly by differences in the products and services produced. Van Lanschot's activities are divided into five operating segments. Intra-segment transactions are conducted based on commercial conditions (at arm's length).

Private Banking
Private Banking offers private clients and entrepreneurs a broad range of products in the private banking market, while also focusing on business professionals and executives, healthcare professionals, and associations and charitable societies.

Asset Management
A specialist asset manager, Van Lanschot's Asset Management division focuses on a range of investment strategies while also offering fiduciary services to domestic and international institutional clients such as pension funds and insurers.

Merchant Banking
Merchant Banking offers specialist services including securities and acquisitions & mergers services, capital market transactions and financial advice to institutional investors, corporates, financial institutions and public and semi-public entities.

Corporate Banking
A team of experts within Corporate Banking is engaged in managing and winding down the property and SME loan portfolios not linked to Private Banking clients.

Other activities
These comprise activities in the field of interest rate, market and liquidity risk management, as well as Van Lanschot Participaties.

Operating segments						**H1 2015**
€ million	**Private Banking**	**Asset Management**	**Merchant Banking**	**Corporate Banking**	**Other activities**	**Total**
Statement of income						
Interest income	302.7	-	2.1	55.5	-69.1	**291.2**
Interest expense	220.2	-	0.4	24.7	-55.7	**189.6**
Net interest income	**82.5**	**-**	**1.7**	**30.8**	**-13.4**	**101.6**
Income from securities and associates	-	**0.2**	-	-	**9.3**	**9.5**
Commission income	58.8	40.6	42.2	2.0	1.1	**144.7**
Commission expense	1.5	-	1.7	-	0.5	**3.7**
Net commission income	**57.3**	**40.6**	**40.5**	**2.0**	**0.6**	**141.0**
Profit on financial transactions	1.0	-0.1	1.5	-	19.2	**21.6**
Other income	-	-	-	-	3.1	**3.1**
Total income from operating activities	**140.8**	**40.7**	**43.7**	**32.8**	**18.8**	**276.8**
Of which income from other segments	6.8	5.8	0.5	3.0	-16.1	**0.0**
Staff costs	58.1	19.9	17.0	8.2	8.1	**111.3**
Other administrative expenses	56.9	8.5	5.9	7.2	-0.7	**77.8**
Depreciation and amortisation	3.8	0.4	0.3	0.4	3.4	**8.3**
Impairments	16.1	-	0.4	13.1	5.1	**34.7**
Total expenses	**134.9**	**28.8**	**23.6**	**28.9**	**15.9**	**232.1**
Operating profit before tax	**5.9**	**11.9**	**20.1**	**3.9**	**2.9**	**44.7**
Income tax	1.4	3.0	5.0	1.0	0.3	**10.7**
Net profit	**4.5**	**8.9**	**15.1**	**2.9**	**2.6**	**34.0**
Efficiency ratio (%)	84%	71%	53%	48%	57%	71%
Number of staff (FTE's)	1,049	270	166	143	129	1,757
Statement of financial position						
Investments using the equity method	-	-	-	-	53.5	**53.5**
Investments	1.9	-	0.1	0.2	0.7	**2.9**

Operating segments						H2 2014
€ million	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
Statement of income						
Interest income	409.0	-	1.9	64.4	-127.2	**348.1**
Interest expense	331.1	-	0.4	32.7	-122.5	**241.7**
Net interest income	**77.9**	**-**	**1.5**	**31.7**	**-4.7**	**106.4**
Income from securities and associates	**-**	**2.5**	**-**	**-**	**10.8**	**13.3**
Commission income	53.4	40.6	33.7	2.4	0.4	**130.5**
Commission expense	1.7	-	2.0	-	0.2	**3.9**
Net commission income	**51.7**	**40.6**	**31.7**	**2.4**	**0.2**	**126.6**
Profit on financial transactions	0.9	-0.1	2.8	-	4.3	**7.9**
Other income	-	-	-	-	6.9	**6.9**
Total income from operating activities	**130.5**	**43.0**	**36.0**	**34.1**	**17.5**	**261.1**
Of which income from other segments	-4.7	7.5	1.6	1.3	-5.7	**-**
Staff costs	59.0	16.5	12.7	10.2	-58.9	**39.5**
Other administrative expenses	52.1	6.9	5.1	9.2	2.7	**76.0**
Depreciation and amortisation	3.4	0.4	0.3	0.1	7.1	**11.3**
Impairments	8.6	-	1.2	38.1	7.5	**55.4**
Total expenses	**123.1**	**23.8**	**19.3**	**57.6**	**-41.6**	**182.2**
Operating profit before tax	**7.4**	**19.2**	**16.7**	**-23.5**	**59.1**	**78.9**
Income tax	0.4	4.8	4.2	-5.8	16.0	**19.6**
Net profit	**7.0**	**14.4**	**12.5**	**-17.7**	**43.1**	**59.3**
Efficiency ratio (%)	88%	55%	50%	57%	-281%	49%
Number of staff (FTE's)	1,017	271	170	169	145	1,772
Statement of financial position						
Investments using the equity method	-	-	-	-	50.7	**50.7**
Investments	10.2	-	-	1.7	1.3	**13.2**

Operating segments						**H1 2014**
€ million	**Private Banking**	**Asset Management**	**Merchant Banking**	**Corporate Banking**	**Other activities**	**Total**
Statement of income						
Interest income	326.4	-	1.7	73.7	-14.5	**387.3**
Interest expense	242.7	-	0.4	38.6	-0.4	**281.3**
Net interest income	**83.7**	**-**	**1.3**	**35.1**	**-14.1**	**106.0**
Income from securities and associates	**-**	**0.1**	**-**	**-**	**41.9**	**42.0**
Commission income	49.7	40.8	23.0	3.2	1.1	**117.8**
Commission expense	1.3	-	2.6	-	0.2	**4.1**
Net commission income	**48.4**	**40.8**	**20.4**	**3.2**	**0.9**	**113.7**
Profit on financial transactions	0.7	0.1	3.5	-	29.8	**34.1**
Other income	-	-	-	-	9.3	**9.3**
Total income from operating activities	**132.8**	**41.0**	**25.2**	**38.3**	**67.8**	**305.1**
Of which income from other segments	2.1	7.2	2.2	3.5	-15.0	**-**
Staff costs	59.9	19.8	12.7	10.0	9.8	**112.2**
Other administrative expenses	52.5	7.0	4.6	10.1	12.7	**86.9**
Depreciation and amortisation	3.5	0.4	0.3	-	7.0	**11.2**
Impairments	4.4	-	0.8	31.3	3.7	**40.2**
Total expenses	**120.3**	**27.2**	**18.4**	**51.4**	**33.2**	**250.5**
Operating profit before tax	**12.5**	**13.8**	**6.8**	**-13.1**	**34.6**	**54.6**
Income tax	3.1	3.4	1.7	-3.3	0.3	**5.2**
Net profit	**9.4**	**10.4**	**5.1**	**-9.8**	**34.3**	**49.4**
Efficiency ratio (%)	87%	66%	70%	52%	44%	69%
Number of staff (FTE's)	1,036	260	158	188	229	1,871
Statement of financial position						
Investments using the equity method	-	-	-	-	41.3	**41.3**
Investments	6.7	-	-	1.2	1.5	**9.4**

Events after balance sheet date

Acquisition of MN UK

Kempen Capital Management (KCM) announced in July 2015 the acquisition of the UK fiduciary management activities of Dutch pensions & investment manager MN. KCM will integrate MN UK into its existing business. Pending regulatory approval, the transaction will be completed on 1 October 2015.

Sale of a portfolio of nonperforming commercial real estate loans

Early August 2015 Van Lanschot has signed an agreement with an affiliate of Cerberus Capital Management LP on the sale of a portfolio of nonperforming commercial real estate loans with a face value of over € 400 million. The sale significantly reduces the risk profile of the corporate banking loan book and will have a positive impact on loan loss provisions going forward. The transaction is expected to result in a one-off charge of approximately €23 million (before tax) in the second half of 2015. The transaction is expected to be completed in the third quarter of 2015.