



Van Lanschot

Van Lanschot NV
Financial report
2015 half-year results

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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 shareholders	1,299	1,292	1%	1,268	2%
Equity attributable to minority interests	48	58	-17%	55	-13%
Savings and deposits	9,832	10,499	-6%	10,480	-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 (%)	94.3	95.3	-1%	87.9	7%
Risk-weighted assets¹					
Common Equity Tier I ratio (%) ¹	14.6	14.6	0%	13.8	6%
Tier I ratio (%) ¹	14.6	14.6	0%	13.8	6%
Total capital ratio (%) ¹	15.3	15.2	1%	14.5	6%
Basel III					
Common Equity Tier I ratio (%) (fully loaded) ²	13.6	13.4		11.6	
Liquidity coverage ratio (%)	129.0	125.1		130.6	
Net stable funding ratio (%)	116.2	114.3		96.9	
Leverage ratio (%) (fully loaded)	5.7	5.3		4.9	

(x € billion)	30/06/2015	31/12/2014		30/06/2014	
Client assets					
- Assets under management	48.7	46.9	4%	45.5	7%
- Savings and deposits	9.8	10.5	-7%	10.5	-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 ordinary shares (x1,000)	40,879	40,919	0%	40,951	0%
Earnings per share based on average number of ordinary shares (€) ³	0.75	-0.05		1.14	-34%
Return on average Common Equity Tier I capital 3 (%) ⁴	5.7	4.0	43%	8.1	-30%
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 investments⁶	-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%

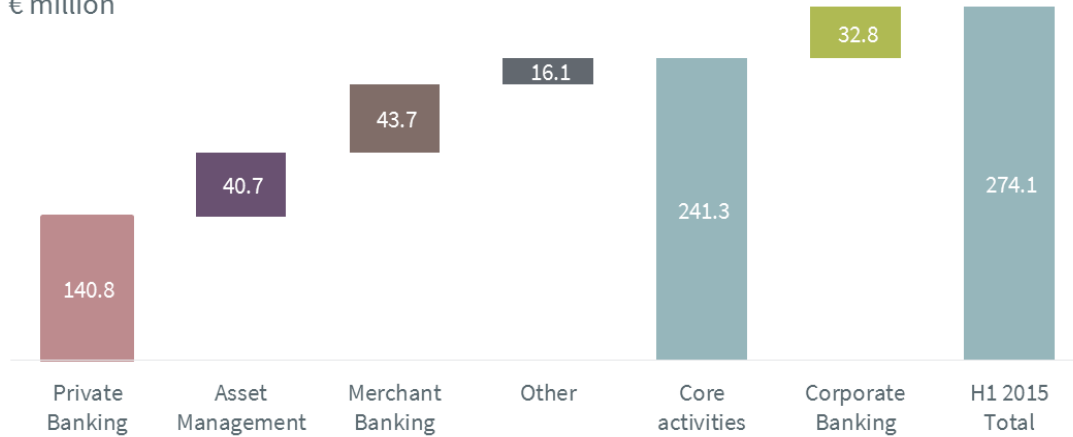
⁶ We have included a number of non-strategic investments in our consolidated figures, which we intend to sell in due course as these do not fit with our wealth management strategy. Gross results from our non-strategic investments are recognised before tax.

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.

Income from operating activities by segment

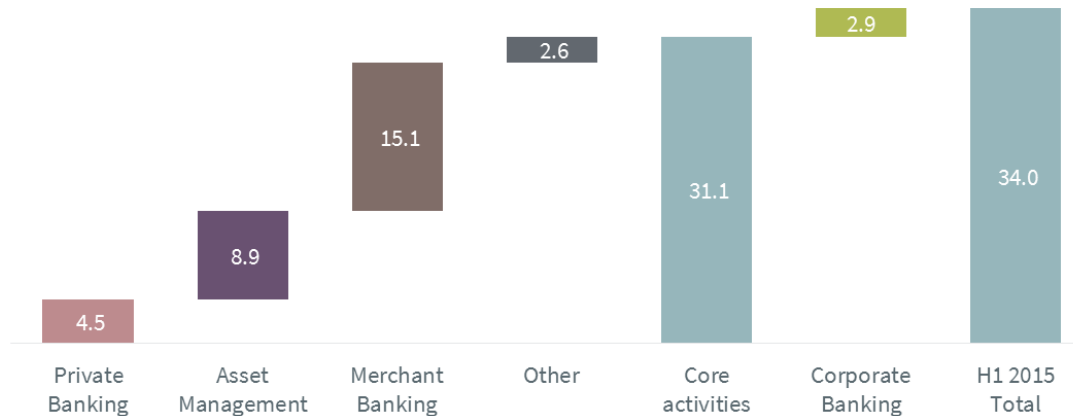
€ million



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

Net result

€ million



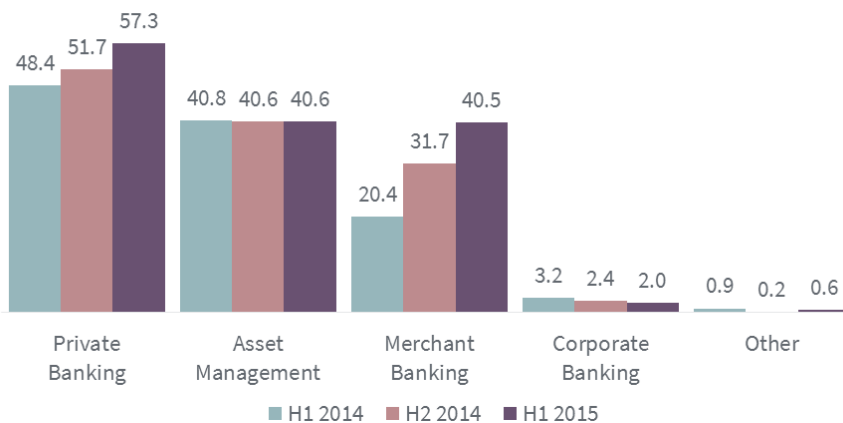
Commission

(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%).

Commission income by segment

€ million

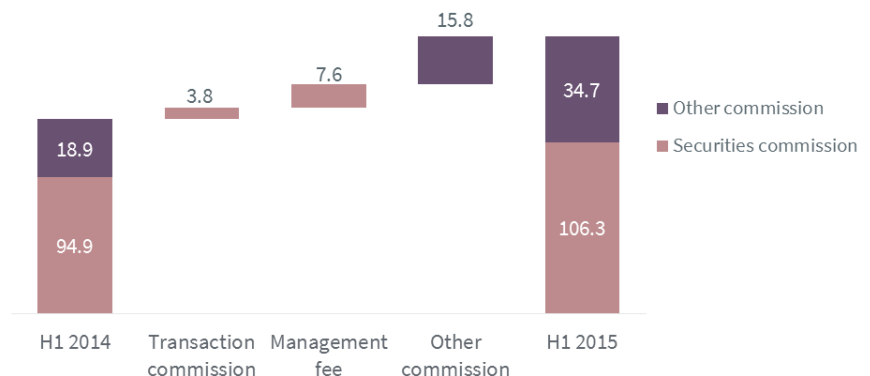


Securities commission staged a clear upturn on both H1 2014 (+12%) and H2 2014 (+10%), underpinned by higher transaction and management fees. Key drivers were higher assets under management and increased trading activity at Merchant Banking. Recurring securities commission as a share of total securities 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.

Commission income

€ million



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 margin⁸ 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:

<i>(x € million)</i>	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 ordinary share	30.6	52.5	46.5
Earnings per ordinary share (€)	0.75	1.28	1.14
Weighted average number of outstanding ordinary shares (x 1,000)	40,879	40,919	40,951

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 shareholders	1,299	1,292	1%	1,268	2%
Equity attributable to minority interests	48	58	-17%	55	-13%
Savings and deposits	9,832	10,499	-6%	10,480	-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 (%)	94.3	95.3	-1%	87.9	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.

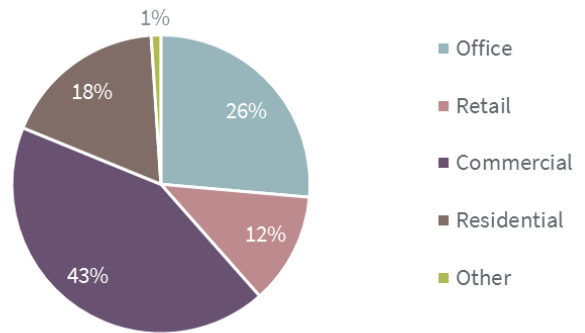
Corporate Banking

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 billion¹⁰ 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.

Property finance by collateral

100% = €1,259 million



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%
Incurring 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 points¹¹ 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

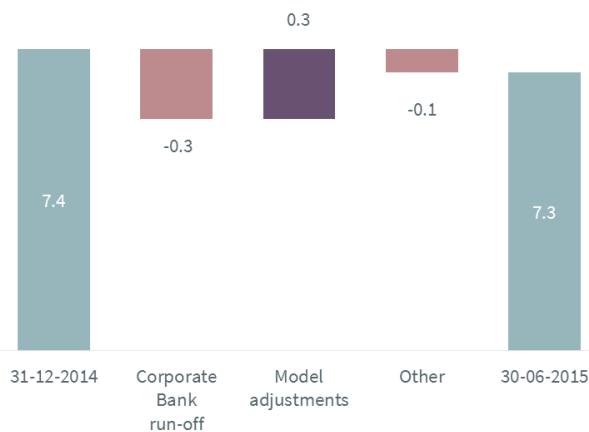
In H1 2015 our capital base was robust, while we further enhanced our funding mix.

(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	14.6	14.6		13.8	
Tier I ratio (%) ¹²	14.6	14.6		13.8	
Total capital ratio (%) ¹²	15.3	15.2		14.5	

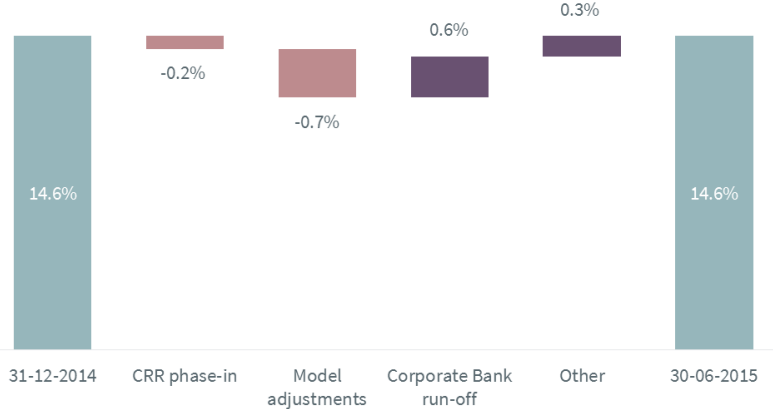
CAPITAL MANAGEMENT

At 14.6% by the end of the first half of 2015, the phase-in Common Equity Tier I ratio¹³ matched 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.

Risk-weighted assets
€ billion



Common Equity Tier I ratio
%



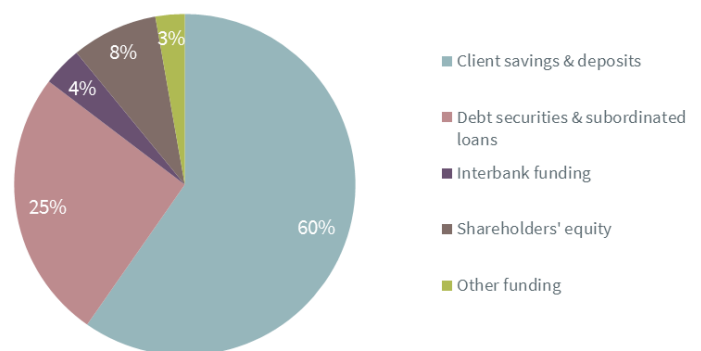
LIQUIDITY AND FUNDING

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 94.3% from 95.3% 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.

Funding mix at 30/06/2015
100% = € 16.5 billion



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 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	13.6	> 9.5
Leverage ratio (fully loaded) (%)	5.7	> 3
Liquidity coverage ratio (%)	129.0	> 100
Net stable funding ratio (%) ¹⁵	116.2	> 100

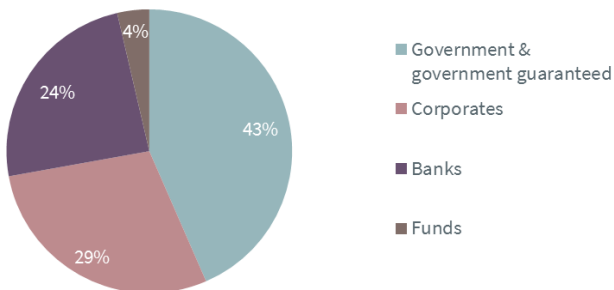
INVESTMENT AND TRADING PORTFOLIO

Our total investment and trading portfolio¹⁶ 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.

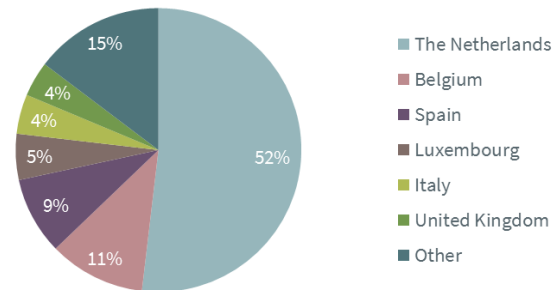
Investment and trading portfolio by counterparty at 30/06/2015

100% = € 3.5 billion



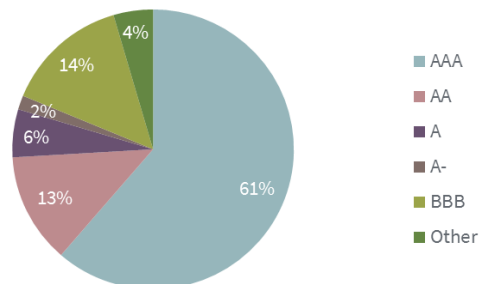
Investment and trading portfolio by country at 30/06/2015

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

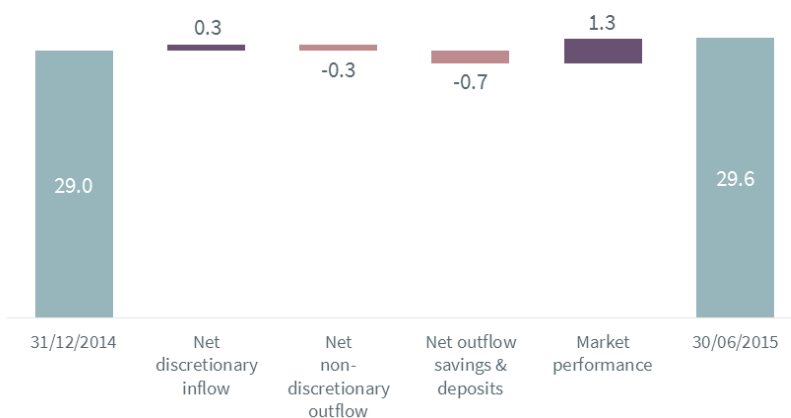
(x € billion)	30/06/2015	31/12/2014		30/06/2014	
Client assets	58.5	57.4	2%	56.0	4%
Assets under management	48.7	46.9	4%	45.5	7%
Savings and deposits	9.8	10.5	-7%	10.5	-7%
Client assets¹⁷	58.5	57.4	2%	56.0	4%
Private Banking	29.6	29.0	2%	28.9	2%
Asset Management	28.2	27.6	2%	26.3	7%
Corporate Banking	0.7	0.8	-13%	0.8	-13%
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	9.8	10.5	-7%	10.5	-7%
Savings	8.9	8.8	1%	8.4	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

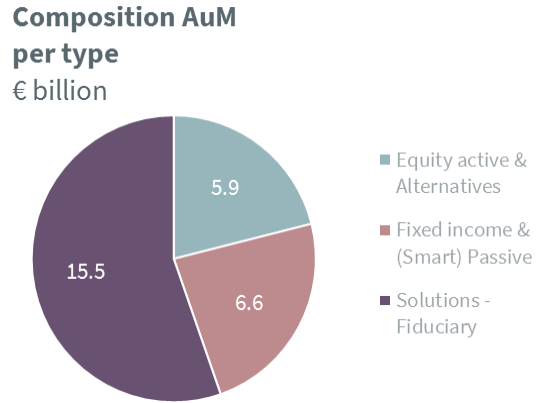
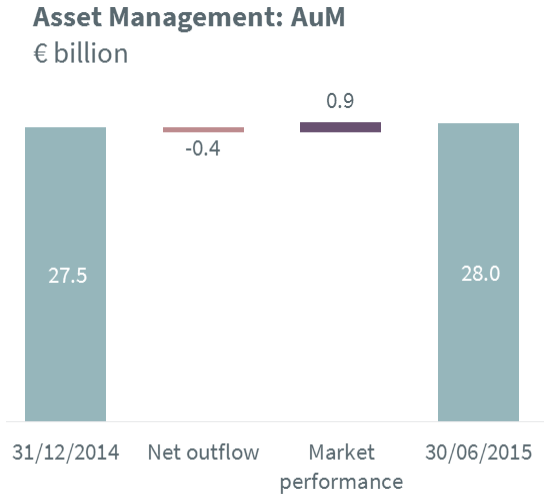


¹⁷ From 2015, €0.2 billion in client deposits (from the Kempen balance sheet) is recognised as client assets under Asset Management. Comparable figures for 31 December 2014 and 30 June 2014 have been revised accordingly and reveal a shift of €0.1 billion and €0.2 billion in client deposits respectively 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 Van Lanschot 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, 24 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.

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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	213,800
Total assets		16,469,776	17,259,438	17,693,787
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	9,832,315	10,499,160	10,480,264
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		123,392	215,809	224,850
Subordinated loans	15	120,226	121,415	123,491
Total liabilities		15,122,958	15,908,920	16,370,465
Issued share capital		41,017	41,017	41,017
Treasury shares		-1,322	-3,639	-1,100
Share premium reserve		479,914	479,914	479,914
Other reserves	16	748,946	675,988	701,980
Undistributed profit attributable to shareholders of Van Lanschot NV		30,607	98,994	46,497
Equity attributable to shareholders of Van Lanschot NV		1,299,162	1,292,274	1,268,308
Equity instruments issued by subsidiaries		27,250	27,250	36,013
Undistributed profit attributable to equity instruments issued by subsidiaries		492	1,110	566
Equity attributable to equity instruments issued by subsidiaries		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		1,346,818	1,350,518	1,323,322
Total equity and liabilities		16,469,776	17,259,438	17,693,787
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	117,825
Commission expense		3,743	3,904	4,117
Net commission income	19	140,965	126,601	113,708
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	305,047
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	54,593
Income tax		10,707	19,658	5,161
Net result		33,966	59,269	49,432
Of which attributable to shareholders of Van Lanschot NV		30,607	52,497	46,497
Of which attributable to equity instruments issued by subsidiaries		492	544	566
Of which attributable to other non-controlling interests		2,867	6,228	2,369
Earnings per ordinary share (€)	25	0.75	1.28	1.14
Diluted earnings per ordinary share (€)	26	0.74	1.27	1.13
Dividend per ordinary share (€)		-	0.40	-

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	49,432
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	-5,546
Of which attributable to shareholders of Van Lanschot NV	21,107	-8,481
Of which attributable to equity instruments issued by subsidiaries	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 holders of equity instruments of Van Lanschot NV								30/06/2015
	Share capital	Treasury shares	Share premium reserve	Other reserves	Undistributed profit	Total equity attributable to shareholders	Equity attributable to third parties	Total equity
Position as at 1 January 2015	41,017	-3,639	479,914	675,988	98,994	1,292,274	58,244	1,350,518
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	-	2,317	-	-429	-	1,888	-	1,888
Profit appropriation	-	-	-	82,628	-82,628	-	-	-
Dividends	-	-	-	-	-16,366	-16,366	-7,390	-23,756
Other changes	-	-	-	259	-	259	-	259
Acquisition of/change in non-controlling interests	-	-	-	-	-	-	-6,557	-6,557
Position as at 30 June 2015	41,017	-1,322	479,914	748,946	30,607	1,299,162	47,656	1,346,818

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

(x €1,000)

Equity attributable to holders of equity instruments of Van Lanschot NV								30/06/2014
	Share capital	Treasury shares	Share premium	Other reserves	Undistributed profit	Total equity attributable to shareholders	Equity attributable to third parties	Total equity
Position as at 1 January 2014	41,017	-2,135	479,914	735,461	29,230	1,283,487	55,479	1,338,966
Net profit (as per income statement)	-	-	-	-	46,497	46,497	2,935	49,432
Total other comprehensive income	-	-	-	-54,978	-	-54,978	-	-54,978
Total comprehensive income	-	-	-	-54,978	46,497	-8,481	2,935	-5,546
Options exercised	-	1,035	-	441	-	1,476	-	1,476
Profit appropriation	-	-	-	21,037	-21,037	-	-	-
Repurchased equity instruments	-	-	-	-	-	-	-50	-50
Dividends	-	-	-	-	-8,193	-8,193	-4,764	-12,957
Other changes	-	-	-	19	-	19	-	19
Acquisition of/change in non-controlling interests	-	-	-	-	-	-	1,414	1,414
Position as at 30 June 2014	41,017	-1,100	479,914	701,980	46,497	1,268,308	55,014	1,323,322

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	54,593
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	77,465
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	-410,771	844,460
- Derivatives (receivables and liabilities)	-79,460	31,449
- Withdrawals from restructuring provision and other provisions	-427	-7,290
- Other assets and liabilities	-82,957	-87,409
- Income taxes paid	-1,630	-227
- Dividends received	2,038	2,522
Total movement in assets and liabilities	-608,570	705,954
Net cash flow from operating activities	-453,154	783,419
Cash flow from investing activities		
Investments and acquisitions		
- Investments in debt instruments	-2,967,901	-2,495,506
- 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	-1,356,181

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	881	545
Equity instruments issued by subsidiaries	-	-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	-23,756	-12,957
Net cash flow from financing activities	291,201	-342,395
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

Van Lanschot is an independent wealth manager specialising in the preservation and creation of wealth for its clients. Van Lanschot NV is the holding company of F. van Lanschot Bankiers 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.

Valuation policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Van Lanschot's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. Insofar as subsequent changes are considered necessary, the comparative figures have been restated.

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.

Changes in the presentation

In the consolidated statement of cash flows the cash flows regarding financial assets designated as at fair value through profit or loss have been reclassified from net cash flow from operating activities to net cash flow from investing activities.

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.

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 1 July 2014 and Van Lanschot adopts these 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 segments

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 reconciliation of the segment 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 prospectively. 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 segment liabilities to total liabilities is not reported to the Executive Board and therefore not included anymore in the note Operational segments.

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 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 investment 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.

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 provisions 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	9,832,315	10,499,160
Savings	4,693,480	4,680,470
Deposits	951,641	1,705,745
Other client assets	4,182,759	4,106,370
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	663,587	675,988
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	-	-	-	-	-	82,628	82,628
Share-based payments	-	-	-	-	-	-429	-429
Other changes	-	-	-	-	-	259	259
Position as at 30 June 2015	18,947	8,210	14,251	848	-10,853	746,045	748,946
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	113,708
Securities commissions	21,764	17,040
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 impairments and the release of such impairments.

Additional notes

(x €1,000)

25 Earnings per ordinary share	H1 2015	H1 2014
Net result	33,966	49,432
Interest on equity instruments issued by subsidiaries	-492	-566
Non-controlling interests	-2,867	-2,369
Net result attributable to shareholders of Van Lanschot NV	30,607	46,497
Weighted average number of ordinary shares outstanding	40,878,879	40,950,980
Earnings per ordinary share (€)	0.75	1.14

26 Diluted earnings per ordinary share	H1 2015	H1 2014
Net result attributable to shareholders of Van Lanschot NV	30,607	46,497
Weighted average number of ordinary shares outstanding	40,878,879	40,950,980
Potential ordinary shares	437,646	335,175
Weighted average number of ordinary shares outstanding fully diluted	41,316,525	41,286,155
Diluted earnings per ordinary share (€)	0.74	1.13

27 Fair value

Financial instruments at fair value	H1 2015			Total
	Level 1	Level 2	Level 3	
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			Total
	Level 1	Level 2	Level 3	
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 significance. 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. More information on determination of fair values of financial assets and liabilities is disclosed in Van Lanschot's 2014 Annual report (from page 145).

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 determination 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 for 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 transfer 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

* 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 (Level 3). 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 Discount rates	6.5% - 12% 6.5% - 12%	change of 1% change of €0.3 million 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				Significant observable and non-observable market inputs
	Fair value	Carrying amount	Fair value	Carrying amount	Level	Valuation method	
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	9,991,234	9,832,315	10,647,948	10,499,160	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

28 Offsetting of financial assets and financial liabilities

Offsetting financial assets					30/06/2015
	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
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					30/06/2015
	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
Totaal	4,786,118	764,718	4,021,400	29,429	3,991,971
Derivatives (liabilities)	655,092	347,429	307,663	29,429	278,234
Current accounts*	4,131,026	417,289	3,713,737	-	3,713,737

Offsetting financial assets					31/12/2014
	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
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					31/12/2014
	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
Totaal	4,929,296	839,724	4,089,572	30,037	4,059,535
Derivatives (liabilities)	728,043	346,730	381,313	30,037	351,276
Current accounts*	4,201,253	492,994	3,708,259	-	3,708,259

* Current accounts are part of Other funds entrusted.

29 Related parties

	H1 2015			
	Income	Expenses	Amounts receivable	Amounts payable
Total	32,405	35,600	66,405	34,129
Parties with a shareholding in Van Lanschot of at least 5% Associates	32,225	35,514	54,233	30,928
Shareholdings in which Van Lanschot is a participant	23	-	13	-
	157	86	12,159	3,201

	H1 2014			
	Income	Expenses	Amounts receivable	Amounts payable
Total	32,543	40,655	128,526	81,605
Parties with a shareholding in Van Lanschot of at least 5% Associates	32,195	40,654	107,298	76,215
Shareholdings in which Van Lanschot is a participant	26	-	-	-
	322	1	21,228	5,390

For further information regarding to related party transactions see Van Lanschot's annual report 2014 (from page 198).

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					
	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
€ million						
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					
	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
€ million						
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					
	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
€ million						
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 part of 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.