Van Lanschot

Trading update Q1 2016

26 April 2016

Highlights Q1 2016

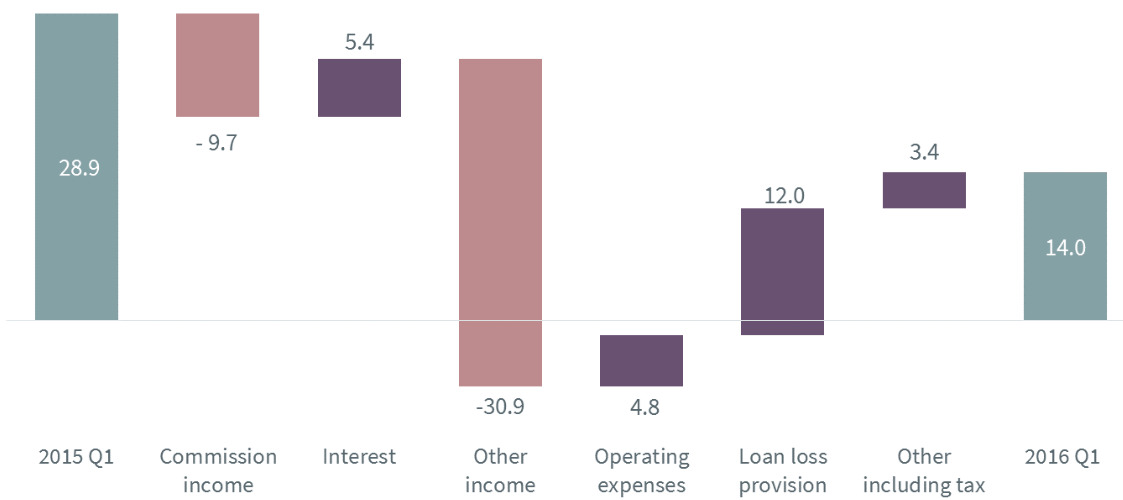
Results	**Positive on quality of income, net result of €14 million** • Overall net result lower, mainly as result of lower profit on financial transactions than Q1 2015, when large gain was realised • Despite volatile market circumstance, securities commission only 6% lower at €50 million • Interest income added 11% to €56 million • Sizeable drop in loan loss provisioning to €3.4 million (Q1 2015: €15.3 million)
Assets under Management	**AuM increases with 5% to €52.7 billion (YE 2015: €50.2 billion)** • €2.3 billion of inflow at Asset Management, mainly from winning two large mandates • Despite stock market jitters, limited outflow in Private Banking of less than €0.1 billion
Capital position	**Rock-solid balance sheet** • CET I ratio (phase-in) reaches 16.9% (FY 2015: 16.3%) • CET I ratio (fully loaded) reaches 16.4% (FY 2015:15.4%) • Fully loaded leverage ratio reaches 6.3% (FY 2015: 6.1%)

Loan loss provisioning significantly lower, but market circumstances impact commission and other income

Our core activities Private Banking, Asset Management and Merchant Banking are all making positive contributions to net profit

- Decrease in commission income as result of lower market activity
- Lower amortisation costs on discontinued interest hedges and active balance sheet management positively impact net interest income
- Lower other income compared to substantial result on financial transactions in Q1 2015 (90% of FY figure realised in Q1 2015)
- Lower operating expenses primarily following from lower staff costs
- Sizeable drop in loan loss provisioning in Private Banking and Corporate Banking

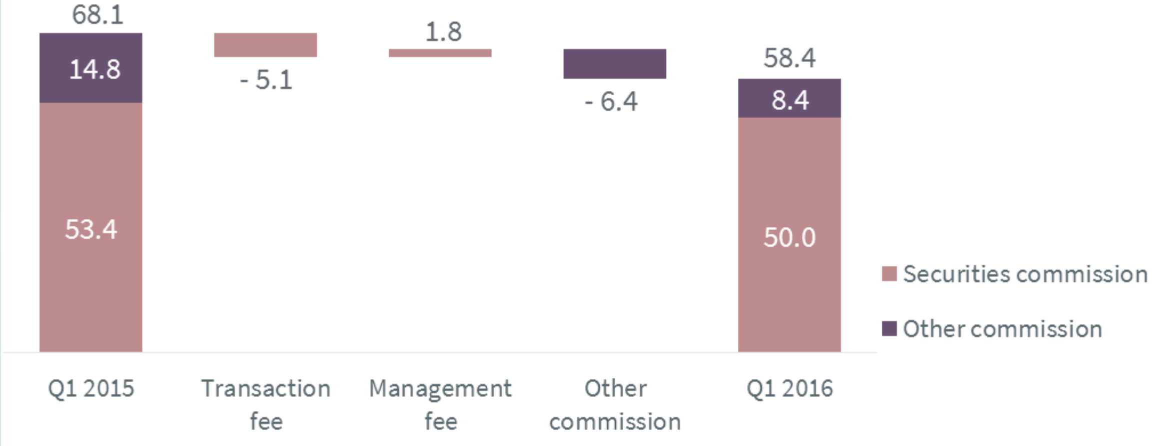
Key drivers of net result in Q1 2016 versus Q1 2015
€ million



Despite volatile market circumstance, securities commission only 6% lower at €50 million

- Despite volatile start of the year in the financial markets, securities commission only 6% lower at €50 million. Higher management fees partly offset the drop in transaction fees
- Other commission income, mainly related to Merchant Banking, declined to €8.4 million as general market activity was slow

Total commission income
€ million



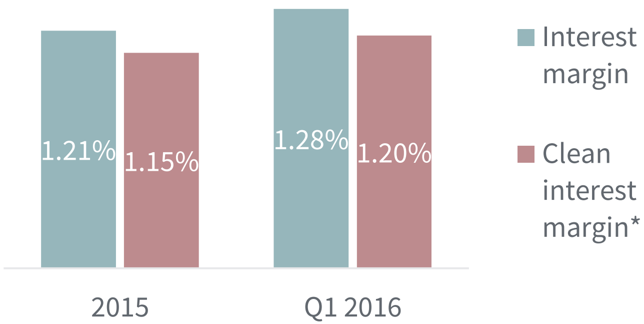
Interest margin increases on the basis of lower cost of hedges and active balance sheet management

Increase in net interest income and net interest margin due to:

- Lower amortisation costs on discontinued interest hedges
- Reduction of loan book
- Lower savings rates
- Active balance sheet management

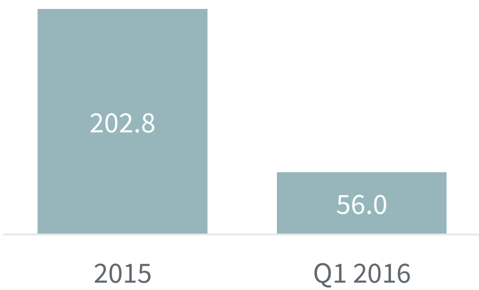
Net interest margin

%



Net interest income

€ million

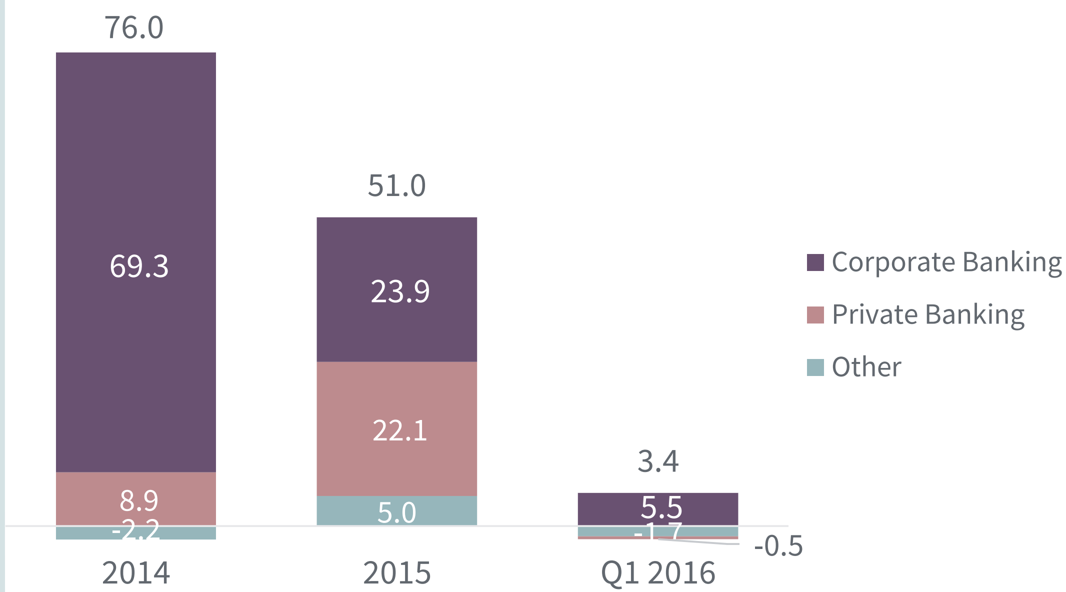


* Clean interest margin is interest margin adjusted for among others initial loan commission and penalty interest

Sizeable drop in loan loss provisioning

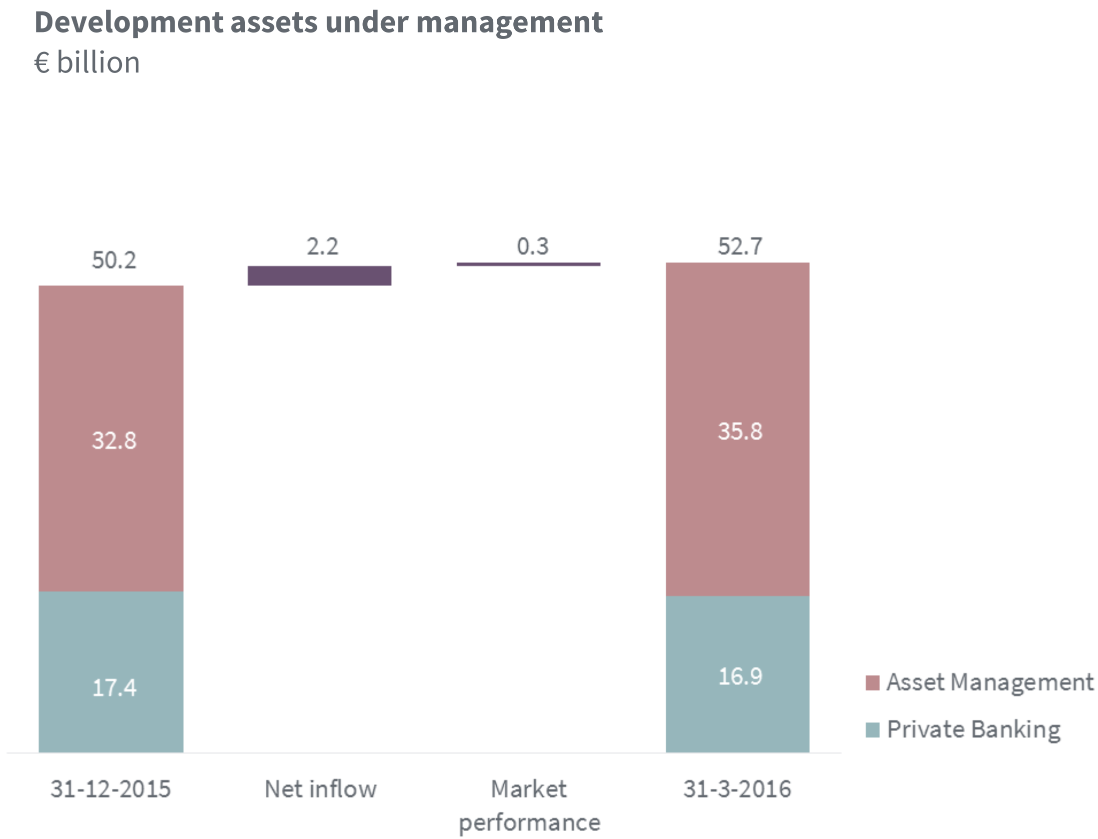
- The improving economy and the changing characteristics of the corporate loan book, following the run-off and the sale of non-performing real estate loans, are the key drivers of the drop in loan loss provisioning

Additions to loan loss provision
€ million



Assets under management grow 5% to €52.7 billion

- Net inflow strongly supported by two new mandates won by Asset Management
- Despite challenging market circumstances only limited outflow at Private Banking of less than €0.1 billion

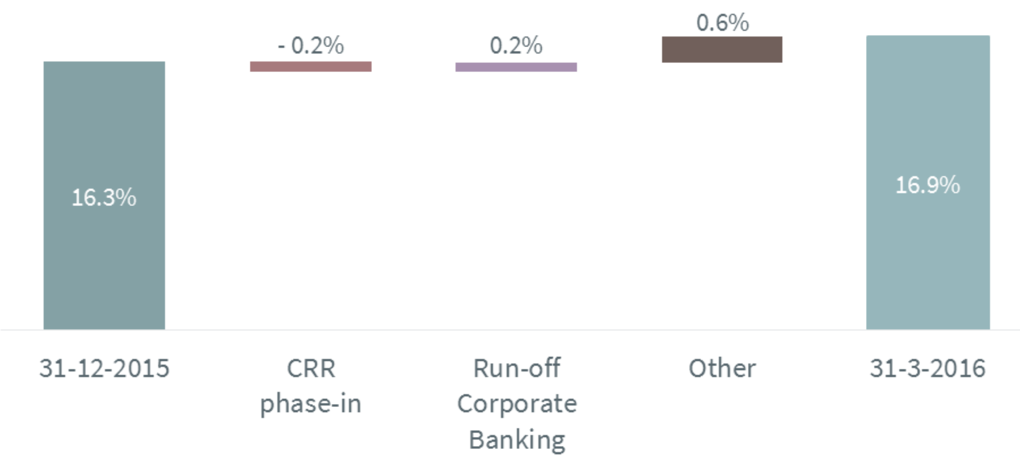


Strengthening of capital position continues

- The phase-in of capital requirement regulation (CRR) has a negative effect on CET I ratio
- The run-off at Corporate Banking continues with loan book reduction €0.1 billion in Q1
- In addition the quality of the loan book has improved, leading to a further improvement of the capital ratio

Development of Common Equity Tier I ratio phase-in

%



In summary

- Overall net result lower, mainly as result of lower profit on financial transactions than Q1 2015, when large gain was realised
- Securities commission and net interest income show resilience, despite volatile market environment
- Sizeable drop in loan loss provisioning
- Growth of assets under management continues
- Capital position strengthened further

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