PRESS RELEASE

Van Lanschot: commission income growth improves quality of results

- **Underlying result[i] rises to €60.1 million (2014: €54.2 million)**
- **Net profit works out at €42.8 million (2014: €108.7 million, on the back of a one-off net pension gain of €54.5 million)**
- **Assets under management grow 14% to €50.2 billion (year-end 2014: €44.1 billion) supported by acquisition, favourable stock market climate and net inflows at Private Banking**
- **Capital base increases smartly to a CET I ratio[ii] of 16.3% (year-end 2014: 14.6%)**
- **Ongoing investments in growth likely to push back achievement of efficiency ratio target**
- **Van Lanschot proposes dividend increase: €0.45 per share (2014: €0.40 per share)**

’s-Hertogenbosch, the Netherlands, 9 March 2016

Van Lanschot today released its full-year results for 2015. Karl Guha, Chairman, said: “We’re in good shape. Client satisfaction ratings for our services are improving. We’re well capitalised and the commission income growth improves the quality of our results. Commission now accounts for over half of our income in line with our wealth management strategy. Loan loss provisions for the year were 33% lower than last year, at €51 million. In view of these results we’re proposing an increased dividend payment of €0.45 per share.

“Client assets of both private individuals and institutional clients advanced from €58.5 billion to €62.6 billion, with our assets under management[iii] kicking ahead by 14% from €44.1 billion to €50.2 billion. Positive stock market conditions weren’t the only driver: Private Banking also contributed net inflows of over €300 million and the acquisition of MN UK by Kempen Capital Management added €4.6 billion. At the start of 2016, Asset Management enjoyed the rewards of its 2015 efforts when it was selected for a new fiduciary mandate for Univé as well as a new corporate bonds mandate for FRR. Merchant Banking had an excellent year and bolstered positions in its selected niches: our advisers were involved in larger-sized transactions and in more senior roles. We’ve also made important headway with the run-off of our corporate loan portfolio and have managed to slash its risk-weighted assets to €1.9 billion, which actually exceeded our original run-off target for 2017.

“Our challenge is to accelerate our growth, enhance our returns and to position Van Lanschot as wealth manager for the future. The shift from collective to individual wealth creation in the Netherlands is an example of major new forces in our business. In addition, new technology and digitisation rapidly change client requirements. We need to make additional investment in improvement and innovation if we’re to leverage these trends. And so we’re not merely reducing costs in the short term, we’re also investing in longer-term growth initiatives, having launched a range of new activities including *Evi van Lanschot,* our online savings and investment service. This conscious decision on our part does mean that we expect to achieve our 60-65% efficiency target by a later date than 2017 as originally envisaged. We are currently deepening our wealth management strategy as part of this drive and will explain this in further detail on 26 April 2016.”

Financial markets more volatile; enhanced client focus
2015 saw clearly increased volatility in the financial markets. Although sentiment was generally sanguine, minor changes or uncertainties caused major price swings. Persistently low interest rates encouraged greater interest in investing and Van Lanschot's clients remained firmly focused on the longer term, continuing to chart their chosen investment course even in the poorer months. To support them in their endeavours, Van Lanschot has stepped up its communications about market trends and about its considerations and perspectives.

Asset management inflows and higher commission income at Private Banking
In 2015 Private Banking reaped the benefits of the transformation of the past few years, and Van Lanschot's positioning as an independent specialist wealth manager offering services focused on specific target groups of clients – entrepreneurs, business professionals and executives, health care professionals, and foundations and associations – was rewarded by an inflow of new clients and assets.

In 2015 Private Banking saw its assets under management grow to €17.4 billion (2014: €16.5 billion) on a mostly positive stock market climate and net inflows of over €300 million that got underway in the second quarter. Total assets in *Evi van Lanschot* now amount to €1.5 billion and the share of discretionary management in Private Banking's assets under management kept growing, to reach 52% (2014: 50%). Lower savings rates in keeping with Van Lanschot's funding strategy shaved €0.8 billion off overall savings, bringing these to €8.9 billion (2014: €9.7 billion).

Total income at Private Banking rose to €271.8 million (2014: €263.3 million), with commission income adding 12% and interest income recording a limited fall of 2%. Costs increased to €244.0 million (2014: €230.4 million), with the net outcome of employee reductions at Private Banking resulting in lower staff costs that partially offset additional spending on product and systems development. In Belgium, for instance, Van Lanschot spent 2015 laying the groundwork for the launch of *Evi Beleggen* in February 2016.

Private Banking's mortgage portfolio, which accounted for 73% of its overall loan portfolio in 2015, was unchanged at €6 billion. The volume of new mortgage business accelerated as the year progressed and even started to outstrip (early) repayments by the fourth quarter. Other Private Banking loans also kept an even keel at €2.2 billion.

Private Banking added €6.1 million to the loan loss provision in the second half (H2 2014: €4.8 million), taking the full-year addition to €22.1 million (2014: €8.9 million). The increase in the first half had primarily reflected the one-off impact of stricter provisioning criteria.

Asset Management acquisition prepares ground for growth; new mandates landed
By taking over MN's activities in the United Kingdom, completed on 1 October, Kempen Capital Management set the stage for further growth in fiduciary management. By the end of 2015 its total assets under management, including those arising from the acquisition, stood at €32.8 billion (year-end 2014: €27.5 billion) and international parties accounted for over 20% of its client base. Ignoring favourable stock market conditions, fiduciary mandates were unchanged in terms of size, while Kempen's investment strategies entailed net outflows as clients rebalanced their portfolios to reflect market developments and expectations.

Commission income inched up to €82.7 million from €81.4 million in 2014. The acquisition brought additional costs in its wake, while margins were lower as the AuM breakdown also changed. Overall costs were also up, to €58.1 million (2014: €51 million), and were driven by spending on IT systems giving clients greater insight into their investments and the development of pension product *Evi Pensioen*, as well as by costs arising from the takeover.

At the start of 2016 Kempen Capital Management landed a €1 billion FRR mandate (FRR = Fonds de Réserve pour les Retraites) to actively manage corporate bonds, as well as a Univé fiduciary mandate in excess of €1 billion. Asset Management's investment strategy focusing on corporate bonds generated such substantial inflows that it decided to put in place a soft close at the beginning of 2016. The strategy will remain open to current clients but closed to new clients, at least for the time being, in order to protect the interests of current clients.

Strong year for Merchant Banking
Having enjoyed an excellent first six months of the year, Merchant Banking – i.e. Kempen Securities and Kempen Corporate Finance – was a player in a good many transactions in its selected niche markets in the second half as well. These included the public bid for Deutsche Office, a secondary offering for Probiodrug and the public bid for Grontmij. Total commission income rose by 28% to €66.6 million (2014: €52.1 million) but costs were up less steeply, by 18% to €42.0 million (2014: €35.7 million).

In 2015, Kempen Corporate Finance derived 65% of its commission income from advisory services in areas such as takeovers and debt financing, while brokerage was the key source of income for Kempen Securities, at 57%. Building on its strong positions in European property and life sciences, Merchant Banking expanded its research product to include infrastructure and the food, feed & pharma sector. It also placed €260 million of structured notes through over 50 private placements and a number of public offerings, seeing the share of Van Lanschot clients in these increase.

Less net profit from other activities
Income from securities and associates was down to €27.9 million compared with €52.7 million in 2014, which had included sizeable capital gains. The result on financial transactions was also lower, ending up at €19.4 million (2014: €34.1 million).

Corporate Banking hits original run-off target and keeps going
The corporate portfolio of property and SME loans stood at €1.8 billion by the end of 2015 (year-end 2014: €3.1 billion). Risk-weighted assets amounted to €1.9 billion (year-end 2014: €2.8 billion), comfortably meeting the original target of a run-off down to €2.2 billion by the end of 2017. The steep fall in 2015 was the outcome of a continuation of the gradual wind-down as well as the sale of a portfolio of non-performing commercial property loans to the tune of around €400 million face value. The sale caused a one-off gross charge of €23.2 million and a significant reduction in the risk profile of the corporate loan portfolio.

The loan portfolio run-off pushed down interest income to €55.3 million (2014: €66.8 million), checked by a further interest margin improvement. Corporate Banking has reduced its workforce through natural wastage and in line with the developments in its loan portfolio. As a result, its costs came down to €30.2 million in 2015 from €39.6 million in 2014. The second half also saw it add less to the loan loss provision, which therefore shrank sharply in 2015: to €23.9 million from €69.3 million in 2014. Fewer provisions were required for loans to clients, while the quality of other loans actually improved to the extent of triggering a release of a proportion of provisions.

More capital spending, higher costs
Costs were up to €387.4 million (2014: €381.7 million) and showed diverging patterns depending on the business. Cost increases at Private Banking due to additional spending on services tailored to our clients – such as the launch of our *Evi Pensioen* pension product and the development of *Evi Beleggen* (*Evi* for investing) in Belgium – were more or less offset by lower expenses at Corporate Banking. Asset Management and Merchant Banking recorded a 16% increase in total costs as more was spent on data suppliers, redundancies at Kempen and add-on charges stemming from the UK operations acquired from 1 October.

Capital position bolstered further, active funding management
Van Lanschot's capital position staged yet another significant improvement in 2015: the Common Equity Tier I ratio[ii] amounted to 16.3% (year-end 2014: 14.6%). The fully loaded Common Equity Tier I ratio[iv] recorded a similar rise to 15.4% (year-end 2014: 13.4%), while the fully loaded leverage ratio also improved, to 6.1% (year-end 2014: 5.3%).

Van Lanschot aims to achieve a balanced funding mix, with adequate diversification in terms of sources, products and maturities. Its growing cash position in the wake of the corporate loan portfolio run-off prompted a cut in savings rates in 2015 and led to an outflow of savings. The funding ratio worked out at 94.1% (year-end 2014: 95.3%). Van Lanschot's only capital market operation in 2015 was the issue of its conditional pass-through covered bond, while it also redeemed its RMBS Citadel 2010 I notes and RMBS Citadel 2010 II notes.

Launch of share repurchase programme to fund remuneration policies and share scheme
On 9 March 2016 Van Lanschot will embark on the repurchase of up to 250,000 of its own shares (depositary receipts for Class A ordinary shares). The share repurchase programme will serve to cover the depositary receipts to be allocated to employees under existing remuneration policies and share schemes.

The share repurchase programme is carried out in accordance with the mandate given by the Annual General Meeting of shareholders of 13 May 2015 and will end on 31 December 2016, or if the maximum number of shares is reached sooner.

Van Lanschot has tasked Rabobank International with the implementation of its share repurchase programme. Rabobank International will make its trading decisions on the basis of share numbers and timing, independently of Van Lanschot.

Updates on the share repurchase programme will be posted on the Van Lanschot website on a weekly basis (corporate.vanlanschot.nl/sharebuyback).

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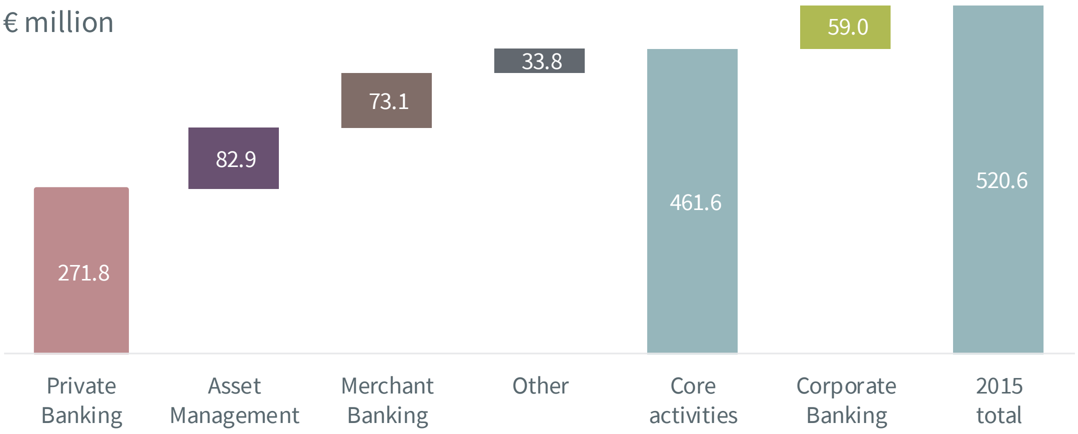
[i] The underlying result in 2014 was the net result adjusted for the one-off pension gain. In 2015 it reflected the net result adjusted for the one-off charge arising from the sale of non-performing property loans.
[ii] Common Equity Tier I ratio phase-in, including retained earnings.
[iii] Assets under management no longer includes the assets under administration. These latter assets are those that are merely administered by Van Lanschot, over which Van Lanschot has little or no control, and on which earnings are relatively limited. Comparative figures have been adjusted accordingly.
[iv] Including retained earnings.

SEGMENT INFORMATION

Van Lanschot's three core activities – Private Banking, Asset Management and Merchant Banking – generated 82% of total income in 2015 (75% in 2014), with Private Banking accounting for 52% and Asset Management and Merchant Banking generating 16% and 14% respectively. Together, these three core activities accounted for 98% of commission income (2014: 97%) and 80% of interest income (2014: 77%).

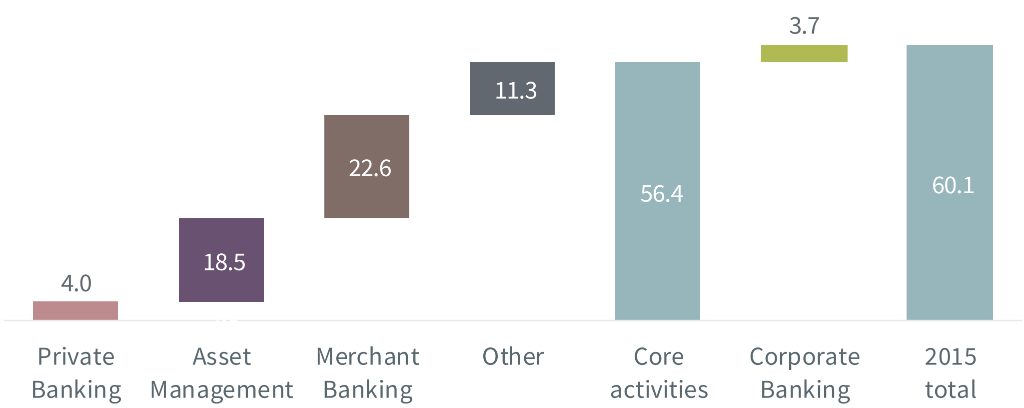
Income from operating activities further improved in terms of quality as an increasingly large proportion is derived from interest and commission income: 90% of total income in 2015, compared with 83% in 2014.

Income from operating activities by segment
€ million



All core activities recorded positive net results in 2015. In the second half of 2015 Van Lanschot sold non-performing commercial property loans to an affiliate of Cerberus Capital Management LP and took a one-off gross charge of €23.2 million. When adjusted for this charge, Corporate Banking also turned in a positive result.

Underlying result
€ million



KEY DATA[1]

(x € million)	2015	2014		H2 2015	H1 2015
Statement of income					
Net result	42.8	108.7	-61%	8.7	34.0
Underlying result	60.1	54.2	11%	26.1	34.0
Efficiency ratio excluding one-off gains/charges (%)	74.4	69.8		78.5	70.7

(x € million)	31/12/2015	31/12/2014		30/06/2015	
Statement of financial position and capital management					
Equity attributable to shareholders	1,299	1,292	1%	1,299	0%
Equity attributable to minority interests	21	58	-64%	48	-57%
Savings and deposits	9,572	10,499	-9%	9,832	-3%
Loans and advances to clients	10,168	11,021	-8%	10,432	-3%
Total assets	15,496	17,259	-10%	16,470	-6%
Funding ratio (%)	94.1	95.3		94.3	
Risk-weighted assets[2]	6.431	7,356	-13%	7,313	-12%
Common Equity Tier I ratio (%)[1]	16.3	14.6		14.6	
Tier I ratio (%)[1]	16.3	14.6		14.6	
Total capital ratio (%)[1]	17.0	15.2		15.3	
Basel III					
Common Equity Tier I ratio (%) (fully loaded)[3]	15.4	13.4		13.6	
Liquidity coverage ratio (%)	139.5	125.1		129.0	
Net stable funding ratio (%)	118.1	114.3		116.2	
Leverage ratio (%) (fully loaded)[2]	6.1	5.3		5.7	

(x € billion)	31/12/2015	31/12/2014		30/06/2015	
Client assets	62.6	58.5	7%	59.2	6%
- Assets under management	50.2	44.1	14%	45.7	10%
- Assets under administration	2.8	3.9	-27%	3.7	-24%
- Savings and deposits	9.6	10.5	-9%	9.8	-2%
Assets under management	50.2	44.1	14%	45.7	10%
- Discretionary	41.9	35.7	17%	36.9	13%
- Non-discretionary	8.4	8.4	0%	8.7	-4%

	31/12/2015	31/12/2014		30/06/2015	
Key figures					
Weighted number of outstanding ordinary shares (x 1,000)	40,920	40,919	0%	40,879	0%
Underlying earnings per share (€)[4]	1.26	1.09	16%	0.75	
Return on average Common Equity Tier I capital (%)[5]	4.9	4.0		5.7	
Number of staff (FTEs)[5]	1,666	1,712	-3%	1,697	-2%

[1] Total figures may not add up due to rounding. Percentages are calculated from unrounded figures.
[2] At 31 December 2015 and 31 December 2014 based on phase-in and including retained earnings; at 30 June 2015 based on phase-in excluding retained earnings.
[3] At 31 December 2015 and 31 December 2014 including retained earnings; at 30 June 2015 excluding retained earnings.
[4] 2014 earnings exclude one-off pension gain; 2015 earnings exclude a one-off charge arising from the sale of non-performing property loans.
[5] FTE numbers exclude non-strategic investments.

RESULTS

(x € million)	2015	2014		H2 2015	H1 2015
Commission	265.6	240.3	11%	124.6	141.0
- Of which securities commission	*207.8*	*191.1*	*9%*	*101.5*	*106.3*
- Of which other commissions	*57.8*	*49.2*	*17%*	*23.1*	*34.7*
Interest	202.8	213.7	-5%	100.8	102.0
Income from securities and associates	28.1	51.1	-45%	18.6	9.5
Result on financial transactions	24.1	41.9	-43%	2.5	21.6
Income from operating activities	**520.6**	**547.0**	**-5%**	**246.5**	**274.1**
Staff costs	212.0	210.2	1%	103.3	108.7
Other administrative expenses	160.0	150.7	6%	82.7	77.3
Depreciation and amortisation	15.5	20.8	-26%	7.6	7.9
Operating expenses	**387.4**	**381.7**	**2%**	**193.5**	**193.9**
Gross result before one-off gains/charges	**133.1**	**165.3**	**-19%**	**52.9**	**80.2**
One-off gains/charges (-)	-30.4	60.3	-	-29.7	-0.7
Gross result after one-off gains/charges	**102.7**	**225.6**	**-54%**	**23.2**	**79.5**
Gross result before tax of non-strategic investments[6]	**10.6**	**3.4**	**-**	**10.7**	**-0.1**
Addition to loan loss provision	51.0	76.0	-33%	19.1	31.9
Other impairments	8.0	19.5	-59%	5.2	2.8
Impairments	**59.0**	**95.5**	**-38%**	**24.3**	**34.7**
Operating result before tax	**54.3**	**133.5**	**-59%**	**9.6**	**44.7**
Income tax	11.5	24.8	-54%	0.8	10.7
Net result	**42.8**	**108.7**	**-61%**	**8.7**	**34.0**
Underlying result[7]	**60.1**	**54.2**	**11%**	**26.1**	**34.0**

(x € million)	2015	2014		H2 2015	H1 2015
Underlying result	**60.1**	**54.2**	**11%**	**26.1**	**34.0**
One-off pension gain	0.0	72.7	-	0.0	0.0
One-off charge on the sale of non-performing property loans	-23.2	0.0	-	-23.2	0.0
Tax effects	5.9	-18.2	-	5.9	0.0
Net result	**42.8**	**108.7**	**-61%**	**8.7**	**34.0**

[6] The consolidated figures include a number of non-strategic investments which Van Lanschot intends to sell in due course as these do not fit into its wealth management strategy. Gross results from non-strategic investments are recognised before tax.
[7] The underlying result in 2014 was the net result adjusted for the one-off pension gain. In 2015 it reflected the net result adjusted for the one-off charge arising from the sale of non-performing property loans.

ADDITIONAL INFORMATION

For additional information, please visit https://corporate.vanlanschot.nl/financial.

FINANCIAL REPORT/PRESENTATION

For a detailed discussion of Van Lanschot's results and balance sheet, please refer to our 2015 financial report and presentation of our 2015 full-year results at https://corporate.vanlanschot.nl/results.

2016 FINANCIAL CALENDAR

Publication of 2015 annual report	18 March 2016
Publication of 2015 annual report in English	19 April 2016
Publication of 2016 Q1 trading update	26 April 2016
Strategy update	26 April 2016
Annual General Meeting of Shareholders	19 May 2016
Publication of 2016 half-year results	24 August 2016
Publication of 2016 Q3 trading update	4 November 2016

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Van Lanschot NV is the holding company of F. van Lanschot Bankiers NV, the oldest independent bank in the Netherlands with a history dating back to 1737. Van Lanschot, a wealth manager operating under the Van Lanschot and Kempen & Co brand names, is active in Private Banking, Asset Management and Merchant Banking, with the aim of preserving and creating wealth for its clients. Van Lanschot NV is listed on Euronext Amsterdam.

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 that by their very nature fall outside the control of Van Lanschot and its management. 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 and business 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.

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