PRESS RELEASE

Van Lanschot: strong profit increase and higher dividend

- **Net profit increases to €69.8 million (2015: €42.8 million)**
- **Underlying net result[i] adds 35% to €81.3 million (2015: €60.1 million)**
- **Client assets grow by 10% to €69.4 billion (year-end 2015: €63.0 billion)**
- **Capital base sharply up: CET I ratio[ii] comes in at 19.0% (year-end 2015: 16.3%)**
- **Significantly higher dividend proposed: €1.20 per share (2015: €0.45 per share)**

's-Hertogenbosch, the Netherlands, 9 March 2017

Van Lanschot today released its 2016 annual figures. Karl Guha, Chairman, said: "We are grateful for the loyalty, trust and confidence that our clients place in us. 2016 was a good year for Van Lanschot despite low interest rates, major volatility and global political and social uncertainty. Bolstered by improving economic conditions, the quality of our loan portfolio was up, sparking a significant release from loan loss provisions. This, combined with our solid operational result, boosted our underlying net result to €81.3 million, enabling us to propose a significantly higher dividend of €1.20 per share. What is more, our financial foundations are rock-solid. We therefore reiterate our commitment to return at least €250 million to our shareholders by 2020, based on our current plans and currently known laws and regulations.

"We are well on track in implementing Strategy 2020 as presented in April 2016. The acquisition of Staalbankiers' private banking activities bolsters our market position in the Netherlands by adding a large group of new clients and commercial talent – a fine example of a bolt-on acquisition as part of our growth-driven strategy. Evi van Lanschot has grown into an independent activity that is free to grow in its own way, and by the end of the year it had bagged the Gold Bull (*Gouden Stier*) for best online asset manager. Kempen Capital Management landed several high-profile mandates and made progress in expanding its market reach in fiduciary and institutional asset management. Merchant Banking was particularly successful in the second half in its capacity as adviser to a number of major European transactions in its own niche markets. Key developments for the company as a whole were our strategic update, the secondary market offering of the Delta Lloyd stake and the integration of Van Lanschot and Kempen staff functions.

"When releasing our strategic update we announced our aim to invest in developing our omnichannel private banking model. Today, we are delighted to launch an innovative investment advice app, which will give our clients easy access to their own portfolios and their dedicated investment adviser. And today, we are announcing another key step by teaming up with Fidor, an innovative German fintech player, to outsource our payments activities – which we expect to result in state-of-the-art online and mobile payments for our clients next year.

"Our solid strategic progress also sees us well on course to achieving our 2020 financial targets. We have realised a full-2016 return on equity[iii] of 7.3%, a clear continuation of our upward trend. We are closely watching the development of our efficiency ratio, which came in at 80.3%. Our CET I ratio, finally, is comfortably ahead of our target range of 15-17%, at 19.0%."

Private Banking: profit increases
Assets under management at Private Banking rose to €18.9 billion in 2016 (year-end 2015: €16.7 billion[iv]) primarily on the back of the acquisition of Staalbankiers's private banking activities and a positive market performance. 2016 saw clients searching for ways to optimise returns on their assets, both investments and savings. After client caution in the first half and net inflows in the third quarter, profit-taking by clients in the fourth quarter led to a net outflow of €0.2 billion, particularly at the investment advice and execution-only ends.

Responsible and sustainable investment is an integral part of Van Lanschot's investment service. The sustainable investment offering was expanded in 2016 and a new sustainable option (Duurzaam+) is now available within the discretionary management offering. It is governed by stricter ESG criteria and comprises both internal sustainable investment funds and funds offered by external providers. In addition, investment advice clients have recently gained access to selected external impact investing funds.

Private Banking's loan portfolio contracted by 5% to €7.9 billion, mainly because repayments exceeded new business. It stopped providing mortgage loans in Belgium in 2011 but continued to offer securities loans in line with client needs. In February 2017, it sold off the remaining c. €100 million Belgian mortgage portfolio as part of Van Lanschot's drive to simplify and sharpen its focus.

In line with its funding strategy, Private Banking continues to take a selective approach to savings, which came in at €8.4 billion (2015: €8.2 billion) taking into account the addition of Staalbankiers savings to the tune of €0.3 billion.

Solid progress is being made on the Strategy 2020 investment programme and 2016 saw the first steps towards an omnichannel private banking model. A discretionary management app was launched, which received a warm welcome from clients. Today also sees the launch of Van Lanschot's investment advice app, while a new client portal has been put in place in the past few months. Meanwhile, preparations are being made for the transfer of the mortgage back-office to Stater in the course of 2017 and for outsourcing payments to Fidor.

In 2016 Private Banking's underlying net result rose to €37.4 million (2015: €15.1 million). Total income declined to €256.2 million (2015: €266.2 million) in the wake of lower interest income from a smaller loan portfolio as well as reduced fee income due to clients being reluctant to invest. This was offset by a sharply lower addition to loan loss provisions – to €1.2 million compared with €22.1 million in 2015 – and by a 9% fall in costs (€202.9 million as against €222.9 million in 2015).

Evi van Lanschot: start-up phase complete, investment in scalable platform
Since the roll-out of Evi in 2013, Van Lanschot has invested continuously in technology, product development and marketing. Evi4Kids was launched in 2016 – an investment account for clients' children and grandchildren, with a long-term horizon and a focus on the risks associated with investment. Another newcomer was Evi DoelBeleggen, which helps clients identify their financial goals and then achieve them by paying in regularly. Evi Beleggen was rolled out in Belgium at the beginning of 2016, initially targeting Evi savings clients interested in taking their first steps in investing.

These investments are enabling Evi to build a scalable platform, in which additional clients do not translate into additional costs. The service aims to grow the number of clients and the client assets of existing and new clients. Evi's focus in 2017 will be on tailoring its services to reflect its client requirements even better by investing in new processes, infrastructure and online visibility.

Assets entrusted to Evi were fairly stable in 2016 at €1.5 billion. In a volatile investment market, clients placed around €50 million in invested capital with Evi, while withdrawing almost €15 million in savings.

Evi did not yet make a profit in 2016, as it has required capital spending on technology, product development and marketing – taken directly to profit or loss – and has incurred indirect costs. As expected, its underlying net result was negative: - €8.2 million (2015: - €11.1 million).

Asset Management: new mandates drive AuM growth
Kempen Capital Management (KCM) recorded assets under management up by 15% to €37.8 billion (2015: €32.8 billion) on the back of €2.8 billion in net inflows and a positive market performance. Aside from the FRR and Univé mandates, each worth around €1 billion, the remainder of the net inflows primarily derived from bonds-driven investment strategies. In early October, KCM was selected as the independent fiduciary manager for Het nederlandse pensioenfonds, a general pension fund established at the initiative of a.s.r. The migration of KCM London clients was completed successfully in 2016. In fact, all clients stayed on and a new fiduciary client has since come on board, bringing with them a £120 million mandate. KCM got off to a good start in 2017: it was appointed fiduciary manager of pension fund Stichting Bedrijfstakpensioenfonds voor de Banden- en Wielenbranche, with invested capital of €600 million. KCM bolstered its commercial organisation in 2016 and will expand its fiduciary management team by adding four highly experienced professionals from Altis Investment Management.

In 2014, KCM launched global investment strategies targeting small caps and real estate. These have built a great track record – winning first and third place in Mercer's peer group analysis – and have now grown to c. €80 million and over €60 million respectively. New strategies are in the offing: KCM has made good progress in the introduction of 'Focusing capital on the long term' as well as in strategies for multi-asset and European high-yield bonds, which are expected to start being launched in 2017.

Its new mandates and income from KCM London pushed up commission income to €86.2 million (2015: €82.7 million). Average margins, by contrast, contracted in the wake of growing fiduciary management and bond strategy inflows as well as fee pressure on existing mandates. Transition costs and regular costs for KCM London caused costs to increase to €72.5 million (2015: €58.1 million). Asset Management's underlying net result fell as a result, to €10.0 million from €18.6 million in 2015.

Merchant Banking: reduced capital market activity puts pressure on income
In the first half of the year Kempen Corporate Finance faced challenging capital markets, with investors firmly on the sidelines especially around the time of the Brexit vote. This resulted in lower volumes of capital market transactions. The third quarter brought a better economic performance and an improvement in sentiment on the capital markets, and clients took advantage of this stronger sentiment to execute capital market transactions.

Its Life Sciences team assisted in capital increases by Mainstay (Ireland), Probiodrug (Germany) and Biocartis (Belgium), all companies for which Kempen has coordinated IPOs in recent years. The European Real Estate team engaged in capital market transactions for the likes of ADO Properties (Germany), Hamborner (Germany) and WDP (Belgium). Kempen acted as adviser to Germany's Vonovia in its successful public bid for conwert of Austria. The Benelux team was involved in the secondary placement of Boskalis's 15% stake in Fugro.

Kempen Securities has been preparing for MiFID II coming into force. The new legislation is expected to increase awareness of the costs of research among investors and to lead to a greater emphasis on the relevance of research. By investing in the quality and relevance of its research, Kempen Securities is laying the foundations for a continued robust position in its niches. It is also investing in technology to help better position its research offering and enhance its position in structured products.

Alongside the existing focus on specific niches – European real estate, life sciences & healthcare and corporates in the Benelux region – Merchant Banking started activities in a new specialist niche: financial institutions & fintech. It invested in building a team and network, has since acquired its first mandates and is engaged in step-by-step expansion of its research coverage.

Caution in the capital markets led to a 30% drop in commission income to €46.7 million (2015: €66.7 million), although the second half of 2016 was actually better than the same period in 2015. Costs also came down, but less strongly (-4% to €39.8 million). Merchant Banking's underlying net result worked out at €6.2 million after an exceptionally strong result in 2015 (€20.1 million[v]).

Other activities
The result on financial transactions came in negative at - €7 million in 2016 compared with a positive 2015 contribution of €19.0 million. Market conditions or reduced client activity underpinned lower results on all types of financial transactions.

Income from securities and associates was slightly ahead at €29.5 million (2015: €27.9 million). 2016 was a successful investment year for Van Lanschot Participaties, which focuses on entrepreneurs and owner-directors, both existing Van Lanschot Private Banking clients and entrepreneurs who are potential clients. Three new minority holdings were added – Trophy Assets Holding, Market Food Group and Adomex International – and Van Lanschot Participaties will support these Dutch companies in their growth strategy. In the first quarter of 2017 it recorded a capital gain on the sale of its stake in TechAccess, followed by a potential earn-out payment later in the year.

The run-off of the corporate loan portfolio, improvement in credit quality, and intensive and preventive credit management meant that a lower IBNR provision of only €7.0 million was required and €7.5 million could be released.

Corporate Banking: continued run-off and further improvement of credit quality
The corporate portfolio of real estate and SME loans had contracted to €1.4 billion by the end of 2016 (year-end 2015: €2.0 billion) and risk-weighted assets were down to €1.2 billion (year-end 2015: €1.9 billion). The reduction of the risk-weighted assets by €690 million continued the gradual wind-down of the previous years.

The ever smaller loan portfolio and reduction in the numbers of people dealing with it have cut income and costs by 19% and 22% respectively. This run-off together with the improved quality of the remaining loans cut the eventual addition to loan loss provisions to nil (2015: €23.9 million), enabling Corporate Banking's underlying net result to shoot up to €18.1 million (2015: €3.6 million). In 2016, the underlying net result was adjusted for the one-off charge related to the derivatives recovery framework.

In July 2016, Van Lanschot agreed to abide by the uniform recovery framework for SME clients with interest rate derivatives. In 2016 it recognised a provision of €8.0 million, taking the total provision to €9.7 million. We expect this to be adequate to offer affected clients a courtesy payment in 2017.

Costs: lower recurrent costs offset increased regulatory expenses and KCM London costs
In 2016, our total operating costs dipped below those in 2015: to €386.8 million from €387.4 million. The underlying picture is one of structural cost savings, mainly on reduced IT costs, both for maintenance and project costs. Depreciation costs were also down, while other operating expenses rose by €17.7 million due to higher regulatory costs and a full year of KCM London costs. In 2017, costs are expected to go up because of transition expenses and regular costs related to the takeover of Staalbankiers' private banking activities, while cost reduction initiatives will also continue.

Capital position steeply up

The continued run-off of the corporate loan portfolio combined with improved credit quality to further reduce total risk-weighted assets to €5.6 billion (year-end 2015: €6.4 billion), once again improving the capital position. The Common Equity Tier I ratio[ii] worked out at 19.0% (year-end 2015: 16.3%), comfortably ahead of the 15-17% target range. The fully loaded Common Equity Tier I ratio[vi] also rose, to 18.6% (year-end 2015: 15.4%), while the fully loaded leverage ratio improved to 6.9% (year-end 2015: 6.1%). In November 2016, Van Lanschot successfully placed a €50 million Tier 2 capital instrument. This placement further diversifies the capital base and strengthens its bail-in buffer, providing more flexibility in its capital strategy.

Client assets nearly at €70 billion

In 2016, client assets grew to €69.4 billion from €63.0 billion, with assets under management adding 14% to €57.5 billion (from €50.3 billion) on the back of a positive market performance of €2.9 billion, €2.7 billion in net inflows at Asset Management and €1.7 billion in investments of Staalbankiers' private banking clients. Assets under screening – i.e. assets screened on ESG criteria – as a percentage of total assets under management, rose further to 82% (2015: 78%).

Giving back: inception of Van Lanschot Kempen Foundation

To enhance the impact and visibility of community activities, the Van Lanschot Kempen Foundation was set up in 2016. It will deploy financial resources and employees' know-how to benefit a wide range of community projects and pursue initiatives in the Netherlands in four specific areas: (financial) education and talent development; art and culture; healthcare; and social cohesion (through sport).

Sponsorship is an integral part of the market positioning of Van Lanschot and Kempen as a wealth manager. The support given to the arts, artists and museums helps to both preserve and expand our cultural heritage. In addition, the Van Lanschot Art Prize is presented each year to a contemporary artist whose work best conveys the spirit of the age to future generations. Mirjam Offringa was the winner in 2016 with her video artwork *Contact*. Van Lanschot and Kempen support a variety of cultural, community and sporting initiatives in the Netherlands, and identify with the mindset of top sportspeople, with their focus on outstanding performance in a highly international and competitive field.

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[i] The 2016 underlying net result comprises the net result excluding the one-off charge of €8 million for the derivatives recovery framework and costs incurred for the Strategy 2020 investment programme. In 2015 it excluded a one-off charge in connection with the sale of non-performing real estate loans.

[ii] Common Equity Tier I ratio phase-in, including retained earnings.

[iii] Return on average Common Equity Tier I based on underlying net result.

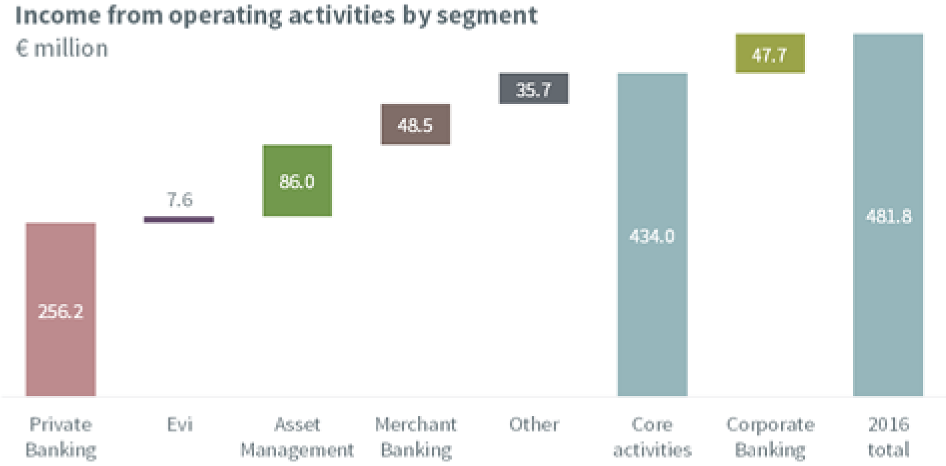
[iv] Evi van Lanschot is presented in the annual report as an independent business from 2016 onwards. All relevant comparative figures for Private Banking have been adjusted accordingly.

[v] Results for Kempen Dutch Inflation Fund I NV were recognised under Merchant Banking up to and including 2015; this has moved to Other activities as from 2016. All relevant comparative figures have been adjusted accordingly.

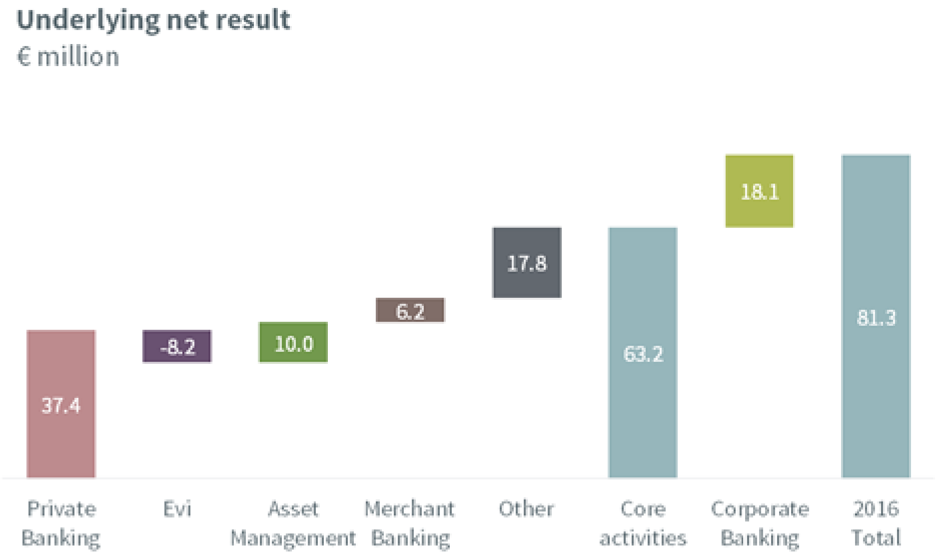
[vi] Including retained earnings.

SEGMENT INFORMATION

Private Banking, Evi, Asset Management and Merchant Banking generated 83% of total income, with Private Banking accounting for 53%, Evi – previously reported under Private Banking – for 2%, and Asset Management and Merchant Banking generating 18% and 10% respectively. These core activities accounted for 99% of commission income (2015: 98%) and 73% of interest income (2015: 78%).



Evi is still loss-making, as it has required capital spending on technology, product development and marketing and was allocated internal expenses. All other activities make positive contributions. In the underlying net result, the 2016 net result has been adjusted for the one-off charge related to the derivatives recovery framework (€8.0 million gross) and costs related to the Strategy 2020 investment programme (€7.3 million gross).



KEY DATA[1]

(x € million)	2016	2015		H2 2016	H1 2016
Statement of income					
Net result	69.8	42.8	63%	38.3	31.5
Underlying net result	81.3	60.1	35%	43.6	37.7
Efficiency ratio excluding one-off charges (%)	80.3	74.4		79.5	81.1

(x € million)	31/12/2016	31/12/2015		30-06-2016	
Statement of financial position and capital management					
Equity attributable to shareholders	1,340	1,299	3%	1,301	3%
Equity attributable to non-controlling interests	13	21	-35%	13	5%
Savings and deposits	9,680	9,908	-2%	9,686	0%
Loans and advances to clients	9,624	10,504	-8%	10,305	-7%
Total assets	14,877	15,832	-6%	15,433	-4%
Funding ratio (%)	100.6	94.3		94.0	
Risk-weighted assets	5.623	6,431	-13%	6,091	-8%
Common Equity Tier I ratio (%)[2]	19.0	16.3		17.3	
Tier I ratio (%)[2]	19.0	16.3		17.3	
Total capital ratio (%)[2]	20.9	17.0		18.2	
Basel III					
Common Equity Tier I ratio (%) (fully loaded)[3]	18.6	15.4		16.9	
Liquidity coverage ratio (%)	156.6	139.5		140.2	
Net stable funding ratio (%)	130.6	118.1		121.2	
Leverage ratio (%) (fully loaded)[3]	6.9	6.1		6.4	

(x € billion)	31/12/2016	31/12/2015		30-06-2016	
Client assets	69.3	63.0	10%	66.2	5%
- Assets under management	57.5	50.3	14%	54.3	6%
- Assets under administration	2.1	2.8	-25%	2.2	-2%
- Savings and deposits	9.7	9.9	-2%	9.7	0%

	31/12/2016	31/12/2015		H1 2016	
Key figures					
Weighted average of outstanding ordinary shares (x1.000)	40,908	40,920		40,959	
Underlying earnings per share (€)	1.89	1.26		0.88	
Return on average Common Equity Tier I capital (%)[4]	7.3	4.9		6.8	
Number of staff (FTEs at period end)	1,670	1,666		1,646	

[1] Total figures in this document may not add up due to rounding. Percentages are calculated from unrounded figures.
[2] At 31 December 2015 and 2016 based on phase-in and including retained earnings. At 30 June 2016 based on phase-in and excluding retained earnings.
[3] At 31 December 2015 and 2016 including retained earnings. At 30 June 2016 excluding retained earnings.
[4] Based on underlying net result.

RESULTS

(x € million)	2016	2015		H2 2016	H1 2016
Commission	243.7	265.6	-8%	126.3	117.4
- Of which securities commissions	*200.5*	*207.8*	*-4%*	*100.2*	*100.3*
- Of which other commissions	*43.2*	*57.8*	*-25%*	*26.1*	*17.1*
Interest	212.9	202.8	5%	102.6	110.3
Income from securities and associates	29.2	28.1	4%	20.7	8.5
Result on financial transactions	-3.9	24.1		-8.0	4.0
Income from operating activities	**481.8**	**520.6**	**-7%**	**241.6**	**240.2**
Staff costs	219.7	212.0	4%	112.5	107.2
Other administrative expenses	154.2	160.0	-4%	73.1	81.1
Depreciation and amortisation	12.9	15.5	-17%	6.4	6.5
Operating expenses	**386.8**	**387.4**	**0%**	**192.0**	**194.8**
Gross result	**95.0**	**133.1**	**-29%**	**49.6**	**45.4**
Addition to loan loss provision	-6.9	51.0		-5.1	-1.7
Other impairments	1.1	8.0	-87%	0.6	0.5
Impairments	**-5.8**	**59.0**		**-4.5**	**-1.3**
Operating profit before tax of non-strategic investments	7.4	10.6	-30%	4.3	3.1
Operating profit before one-off charges and tax	**108.2**	**84.7**	**28%**	**58.4**	**49.8**
Loss on sale of non-performing real estate loans	-	23.2		-	-
Derivatives recovery framework	8.0	-		-	8.0
Other one-off charges	7.2	7.2		5.1	2.0
Strategy 2020 investment programme	7.3	-		7.0	0.3
Operating result before tax	**85.8**	**54.3**	**58%**	**46.3**	**39.5**
Income tax	16.0	11.5	39%	8.0	8.0
Net result	**69.8**	**42.8**	**63%**	**38.3**	**31.5**
Underlying net result[5]	**81.3**	**60.1**	**35%**	**43.6**	**37.7**

[5] The underlying net result in 2016 is the net profit adjusted for the one-off charge related to the derivatives recovery framework and the cost incurred for the Strategy 2020 investment programme. For 2015 the net result was adjusted for the one-off charge arising from the sale of non-performing real estate loans.

Van Lanschot

(x € million)	2016	2015		H2 2016	H1 2016
Net result	**69.8**	**42.8**	**63%**	**38.3**	**31.5**
One-off charge on the sale of non-performing real estate loans	-	23.2		-	-
One-off charge related to derivatives recovery framework	8.0	-		-	8.0
Costs of Strategy 2020 investment programme	7.3	-		7.0	0.3
Tax effects	-3.8	-5.9		-1.7	-2.1
Underlying result	**81.3**	**60.1**	**35%**	**43.6**	**37.7**

FINANCIAL REPORT/ PRESENTATION/ WEBCAST

For a detailed discussion of Van Lanschot's results and balance sheet, please refer to our 2016 financial report and presentation of our 2016 annual results at https://corporate.vanlanschot.nl/results.

In a conference call for analysts on 9 March at 9.00 am CET, we will discuss our 2016 figures in greater detail. This may be viewed live at https://corporate.vanlanschot.nl/results and played back at any later date.

ADDITIONAL INFORMATION

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

2017 FINANCIAL CALENDAR

Publication of 2016 annual report	16 March 2017
Publication of 2017 Q1 trading update	18 May 2017
Annual General Meeting of Shareholders	18 May 2017
Publication of 2017 half-year results	29 August 2017
Publication of 2017 Q3 trading update	3 November 2017

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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, Kempen & Co and Evi van Lanschot 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.