Van Lanschot NV
Financial report
2013 annual results

CONTENTS

KEY DATA

(x € million)					
	2013	**2012[1]**		**H2 2013**	**H1 2013**
Statement of income					
Net result	33.5	-147.3	-	-2.8	36.3
Underlying net result	38.9	11.1	-	-1.4	40.3
Efficiency ratio excluding non-recurring charges (%)	70.8	75.6	-6%	75.4	66.6
(x € million)					
	31-12-2013	**31-12-2012**			**30-6-2013**
Balance sheet and capital management					
Equity attributable to shareholders	1,284	1,262	2%		1,274
Equity attributable to minority interests	55	53	4%		56
Savings and deposits	10,161	11,369	-11%		10,142
Loans and advances to customers	12,491	13,464	-7%		13,086
Total assets	17,670	17,941	-2%		17,054
Funding ratio (%)	81.3	84.4			77.5
Risk-weighted assets	9,003	10,535	-15%		9,505
Core Tier I ratio (%)	13.1	11.0	-		12.5
Tier I ratio (%)	13.1	11.0	-		12.5
BIS total capital ratio (%)	13.9	11.9	-		13.4
Leverage ratio (%)	7.3	7.0	-		7.5
Basel III					
Common equity ratio (%) (fully loaded)	10.5	9.3	-		10.2
Liquidity Coverage Ratio (%)	151.3	126.3	-		86.1
Net Stable Funding Ratio (%)	102.9	101.7	-		98.0
Leverage ratio (%)	5.1	5.1	-		5.3
(x € billion)					
	31-12-2013	**31-12-2012**			**30-6-2013**
Client assets					
Client assets	53.5	52.3	2%		51.3
- Assets under management	43.3	40.9	6%		41.2
- Savings and deposits	10.2	11.4	-11%		10.1
Assets under management	43.3	40.9	6%		41.2
- Discretionary	31.9	29.0	10%		29.8
- Non-discretionary	11.4	11.9	-4%		11.4
	31-12-2013	**31-12-2012**			**30-6-2013**
Key figures					
Weighted average number of outstanding ordinary shares (x 1,000)	40,918	40,883			40,891
Earnings per share based on average number of ordinary shares (€)	0.71	-3.67			0.77
Return on average Core Tier I equity[2] (%)	2.5	-12.7			5.4
Number of staff (FTEs)[3]	1,808	1,862	-3%		1,871

[1] The revised IAS 19 applies to all financial statements as from 1 January 2013. The new standard has consequences for the accounting treatment of employee benefits, including the pension provision. The new standard has been applied with retroactive effect in the financial statements. In addition, the amortisation charge of the macro fair value hedges was reclassified from Profit on financial transactions to Interest. The comparative figures in this document have been restated accordingly.
[2] Annualised on the basis of half-year data.
[3] Number of FTEs excluding non-strategic investments; including additional 54 FTEs following the insourcing of IT activities.

RESULTS

(x € million)	2013	2012		H2 2013	H1 2013
Commission	234.8	216.7	8%	115.3	119.5
Interest	213.9	233.2	-8%	106.0	107.9
Income from securities and associates	14.8	21.1	-30%	3.0	11.8
Profit on financial transactions	66.3	54.3	22%	24.6	41.7
Income from operating activities	**529.8**	**525.3**	**1%**	**248.9**	**280.9**
Staff costs	217.3	207.1	5%	105.6	111.7
Other administrative expenses	135.0	157.6	-14%	70.5	64.5
Depreciation and amortisation	22.6	32.6	-31%	11.6	11.0
Operating expenses	**374.9**	**397.3**	**-6%**	**187.7**	**187.2**
Gross result before non-recurring charges	**154.9**	**128.0**	**21%**	**61.2**	**93.7**
Non-recurring charges	8.0	46.1	-83%	1.9	6.1
Gross result after non-recurring charges	**146.9**	**81.9**	**79%**	**59.3**	**87.6**
Addition to loan loss provision	103.7	115.2	-10%	62.2	41.5
Other impairments	2.4	120.2	-98%	-2.6	5.0
Impairments	**106.1**	**235.4**	**-55%**	**59.6**	**46.5**
Operating result before tax	**40.8**	**-153.5**	**-**	**-0.3**	**41.1**
Operating result before tax of non-strategic investments[4]	**-3.4**	**-11.9**	**-71%**	**-3.6**	**0.2**
Income tax	3.9	-18.1	-	-1.1	5.0
Net result	**33.5**	**-147.3**	**-**	**-2.8**	**36.3**
Underlying net result excluding non-recurring charges	**38.9**	**11.1**	**-**	**-1.4**	**40.3**

(x € million)	2013	2012		H2 2013	H1 2013
Underlying net result excluding non-recurring charges	**38.9**	**11.1**	**-**	**-1.4**	**40.3**
Non-recurring charges	-8.0	-46.1	-83%	-1.9	-6.1
Impairment on goodwill and intangible assets	0.0	-126.6	-	0.0	0.0
Tax effect	2.6	14.3	-82%	0.5	2.1
Net result	**33.5**	**-147.3**	**-**	**-2.8**	**36.3**

[4] A number of non-strategic investments have been included in the consolidated figures of Van Lanschot since 2009. Van Lanschot has stated that it intends to sell these investments in due course as their activities are not in line with the bank's wealth management strategy.

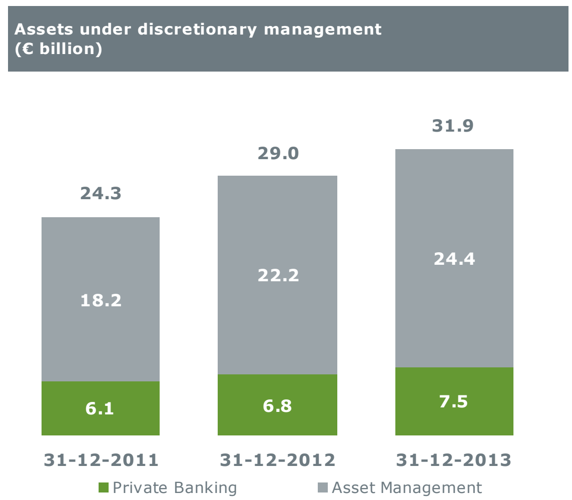
INCOME FROM OPERATING ACTIVITIES

The strategic realignment means that our income more closely resembles that of a wealth manager. Commission became the main source of income in 2013.

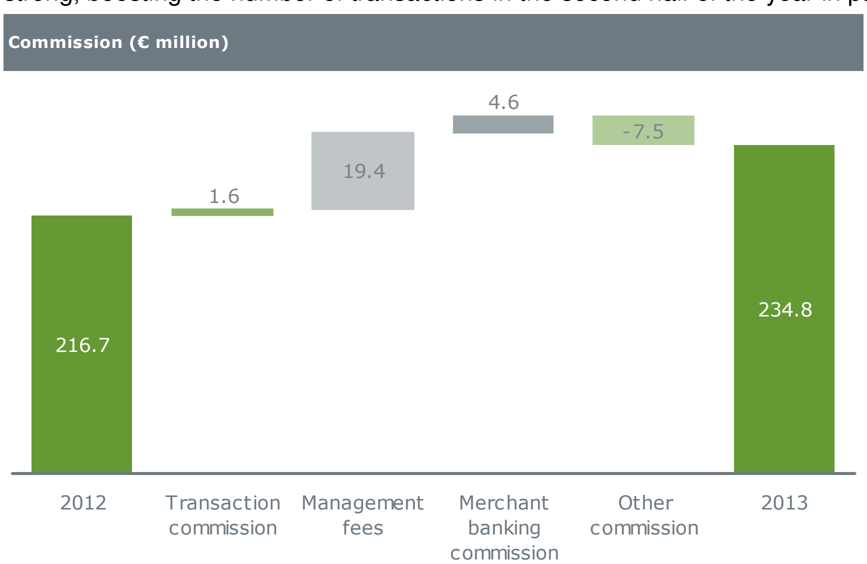
Commission

(x € million)	2013	2012		H2 2013	H1 2013
Securities commission	187.9	166.9	13%	93.0	94.9
- transaction fee	*40.7*	*39.1*	*4%*	*17.7*	*23.0*
- management fee[5]	*146.6*	*125.6*	*17%*	*75.1*	*71.5*
- performance fee	*0.6*	*2.2*	*-73%*	*0.2*	*0.4*
Other commission	46.9	49.8	-6%	22.3	24.6
Commission	**234.8**	**216.7**	**8%**	**115.3**	**119.5**

Securities commission increased by 13% compared with 2012. This rise was due on the one hand to an increase in investment transactions particularly in the first half of 2013, resulting in an increase in transaction fees. On the other hand it was fuelled by an increase in management fees thanks to new discretionary asset management mandates, a shift from assets under non-discretionary management to discretionary management, and the rise in share prices. The share of total securities commission in the form of stable management fees rose in 2013 to 78% (2012: 75%). At present, 40% of total assets under management at Private Banking is under discretionary management (year-end 2012: 36%).



Other commission includes corporate finance commission, which amounted to € 23.5 million in 2013 (2012: € 18.9 million). This increase was due mainly to the strengthening of its position in the core sectors life sciences & healthcare, cleantech and real estate. The climate for capital market transactions was also strong, boosting the number of transactions in the second half of the year in particular.



[5] Management fees include portfolio commission and custody fees

Interest
Net interest income amounted to € 213.9 million in 2013, down 8% on 2012. The interest margin in 2013 was 120 basis points based on the average balance sheet total (2012: 128 basis points). The 'clean' interest margin[6] fell from 133 basis points in 2012 to 122 basis points in 2013.

Net interest income was impacted by a number of positive and negative developments:
- Further repricing of the loan book generated higher interest income.
- A lower deposit volume and lower savings rates led to lower interest charges. In the case of the premium deposit that expired in the spring of 2013, Van Lanschot decided not to extend the deposit at the same high rate. Van Lanschot deliberately does not seek to be a price leader on the savings market and followed the market trend by gradually reducing savings rates over the course of 2013.
- A decline in the volume of mortgage and other loans led to a fall in interest income, as clients used available or released funds to make repayments. The reduction of real estate and corporate loans was also a contributory factor.
- Interest income declined owing to the sale of bonds held in the investment portfolio, mainly at the start of 2013. The gain on the sale of these bonds is included under Profit on financial transactions.
- Van Lanschot completed a number of capital market transactions with a view to funding diversification, which led to a reduction in net interest income (see section on Liquidity and funding).

Income from securities and associates

(x € million)	2013	2012		H2 2013	H1 2013
Dividend	3.0	4.3	-30%	1.4	1.6
Capital gains	1.2	5.3	-77%	0.3	0.9
Valuation gains and losses	10.6	11.5	-8%	1.3	9.3
Income from securities and associates	**14.8**	**21.1**	**-30%**	**3.0**	**11.8**

Dividend consists of dividends received on participations. Valuation gains and losses relate to the revaluation of minority shareholdings, including Van Lanschot's equity stake in De Zonnewijser (formerly Ducatus) (2013: € 0.4 million; 2012: € 5.6 million) and its share in the result of Van Lanschot Chabot (2013: € 0.7 million; 2012: € 0.4 million). The remainder relates to revaluations of the participations portfolio.

A gain was recognised in the first half of 2013 on the IPO of one of the funds of MedSciences Capital, which is part of Kempen. This gain was partially set off in the second half of the year due to a fall in the share price. Part of this result accrues to other external shareholders (see section on Profit appropriation).

Profit on financial transactions

(x € million)	2013	2012		H2 2013	H1 2013[7]
Profit on securities trading	3.4	3.7	-8%	-0.3	3.8
Profit on currency trading	13.1	14.6	-10%	5.5	7.6
Profit on investment portfolio	26.4	26.8	-1%	2.6	23.8
Profit on interest rate hedges	29.3	17.1	71%	20.0	9.3
Other income	-5.9	-7.9	-25%	-3.2	-2.8
Profit on financial transactions	**66.3**	**54.3**	**22%**	**24.6**	**41.7**

The profit on the investment portfolio of € 26.4 million was attributable to the sale of bonds held in portfolio (2012: € 11.3 million).

[6] This is the interest margin adjusted for factors such as loan commission and penalty interest.
[7] The amortisation charge of the macro fair value hedges was reclassified from Profit on financial transactions to Interest. The comparative figures for H1 2013 were restated accordingly, which resulted in a € 1,6 million decline in interest income and a € 5.2 million increase in the profit on financial transactions.

Van Lanschot applies hedge accounting to a number of swaps. These swaps serve to hedge the interest rate risk on fixed-interest mortgage loans in particular. Imperfections in these hedges and shifting interest rate curves cause ineffectiveness which is charged directly to profit.

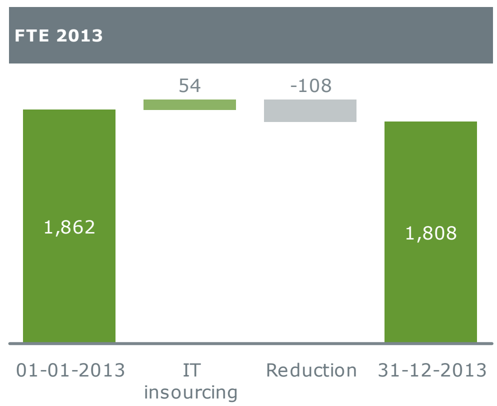
OPERATING EXPENSES

The efficiency measures implemented by the bank during the last two years are reflected in the level of costs. Operating expenses fell by a further 6% compared with 2012 to € 374.9 million. This means that the original target of reaching a cost base for our core activities of € 380 million by 2015 has already been achieved. On 1 January 2013, 54 FTEs were insourced by the IT department. This led to a decline in other administrative expenses and an increase in staff costs.

Staff costs

At year-end 2013, the workforce consisted of 1,808 FTEs (year-end 2012: 1,862 FTEs) excluding non-strategic investments. The increase in the number of FTEs due to IT insourcing was offset by an outflow due to the closure of foreign offices and to the efficiency measures. The implementation of the strategic plans is on track.

Despite the fall in FTEs, staff costs rose 5% in 2013 to € 217.3 million. This was partly due to the fact that the insourcing of IT employees took place at 1 January 2013, while the FTE reduction was mainly in the second half of the year.



Other administrative expenses

Other administrative expenses stood at € 135.0 million, 14% lower than in 2012. This decrease was due in part to the insourcing of IT activities, as a result of which there was a shift in costs from other administrative expenses to staff costs.

Notwithstanding the marketing costs for the media campaign to publicise the introduction of the new online investment product Evi in the second half of the year, total marketing expenses were lower than in 2012. A number of cost reduction and investment initiatives stemming from the strategic review also led to a reduction in other administrative expenses.

Depreciation and amortisation

Depreciation and amortisation stood at € 22.6 million, 31% lower than in 2012. The most significant factor in this reduction was the accelerated amortisation charge recognised at the end of 2012 relating to the goodwill and intangible assets associated with the acquisition of Kempen & Co and CenE Bankiers. In addition, a number of IT projects were fully written down in 2013 on reaching the end of their depreciation period.

Non-recurring charges

Non-recurring charges totalling € 8.0 million were recognised in 2013 (2012: € 46.1 million). These non-recurring charges can be broken down as follows:

(x € million)	**2013**
Accelerated investments in client services	10.1
Additional charges related to headcount reduction	10.2
Other expenses and income related to branch closures and advisory fees	0.9
Gains on sale and impairments of office buildings	-13.2
Non-recurring charges	**8.0**

When the investment and cost reduction programme was announced in early 2012, Van Lanschot stated that it would set aside € 30 million for accelerated investments in IT. Approximately € 6.5 million of this budget is still to be used in 2014.

As part of the focus on strategy and balance sheet optimisation, Van Lanschot decided to enter into sale & leaseback transactions for a number of office buildings. The realised gain was disclosed under Gains on sale and impairments of office buildings. As a consequence, depreciation charges will be lower and lease charges will be higher in the coming years. The result of € 13.2 million also includes the reversal of an impairment on an office building.

Efficiency ratio

The efficiency ratio (the ratio of operating expenses to income from operating activities) improved to 70.8% (2012: 75.6%), thanks to higher income from operating activities and lower operating expenses.

IMPAIRMENTS

(x € million)	2013	2012		H2 2013	H1 2013
Addition to loan loss provision	**103.7**	**115.2**	**-10%**	**62.2**	**41.5**
Impairment of investments and participations	1.6	2.9	-45%	0.0	1.6
Capital loss on buildings and assets obtained through the seizing of collateral	0.5	4.2	-88%	0.5	-
Impairment of goodwill and intangible assets	0.3	113.1		-3.1	3.4
Other impairments	**2.4**	**120.2**	**-98%**	**-2.6**	**5.0**
Total impairments	**106.1**	**235.4**	**-55%**	**59.6**	**46.5**

Addition to loan loss provision

The addition to the loan loss provision stood at € 103.7 million in 2013, 10% less than in 2012, but still at a high level. For further details, reference is made to the section on the Balance sheet.

Other impairments

Impairments to an amount of € 1.1 million were applied to a number of equity stakes held in the participations portfolio in 2013. On balance, the fair value of the participations portfolio increased. A net capital loss on buildings and assets obtained through the seizing of collateral was recognised of € 0.5 million. When seizing collateral, Van Lanschot sometimes acquires the assets. Any subsequent decreases in value are recorded as impairments.

A goodwill impairment was recognised in the first half of the year on a consolidated non-strategic investment (€ 3.4 million). This item was reclassified during the second half of the year as an addition to loan loss provision under the operating results of non-strategic investments.

INCOME TAX

The income tax for 2013 totalled € 3.9 million (2012: tax credit of € 18.1 million). This represents a tax burden of 10.4% (2012: 10.9%). This relatively low tax burden is due to the fact that the equity holding exemption applies to some of the income. This relates specifically to the income from securities and associates and a capital gain on Van Lanschot's former activities in Luxembourg.

EARNINGS PER SHARE

(x € million)	2013	2012
Net profit	**33.5**	**-147.3**
Net interest on perpetual loans	-1.1	-1.1
Share of other minority interests	-3.2	-1.7
Net profit for calculation of earnings per ordinary share	**29.2**	**-150.1**
Earnings per ordinary share (€)	**0.71**	**-3.67**
Weighted average number of outstanding ordinary shares (x 1,000)	40,918	40,883

The profit attributable to other minority interests concerns on the one hand the share of other external shareholders in the profit realised by MedSciences Capital (see Income from securities and associates) and on the other hand the Management Investment Plan for key staff of Kempen & Co, introduced in 2010.

A dividend proposal will be made to the shareholders of Van Lanschot NV to distribute a cash dividend of € 0.20 per share. This represents a pay-out ratio of 28%.

BALANCE SHEET

(x € million)	31-12-2013	31-12-2012		30-6-2013	
Balance sheet and capital management					
Equity attributable to shareholders	1,284	1,262	2%	1,274	1%
Equity attributable to minority interests	55	53	4%	56	-2%
Savings and deposits	10,161	11,369	-11%	10,142	0%
Loans and advances to customers	12,491	13,464	-7%	13,086	-5%
Total assets	17,670	17,941	-2%	17,054	4%
Funding ratio (%)	81.3	84.4		77.5	

LOAN BOOK

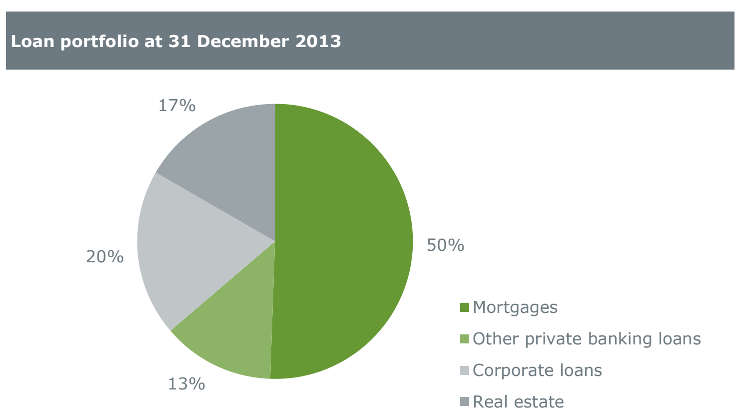
(x € million)	31-12-2013	31-12-2012	
Mortgage loans to private individuals	6,483	6,945	-7%
Other private banking loans	1,690	1,673	1%
Corporate loans	2,516	2,755	-9%
Real estate	2,135	2,401	-11%
Impairments	-333	-310	7%
Total	**12,491**	**13,464**	**-7%**

The loan book fell by 7% in 2013 to € 12.5 billion. In line with general market trends, Van Lanschot saw a further decline in demand for mortgages and corporate loans. In addition, the deleveraging trend among clients continued.

Corporate Banking

As announced as part of the strategic review in mid-2013, in the past year Van Lanschot set up the Corporate Banking business unit, whose team of experts focuses on managing and scaling down the real estate and corporate loan portfolio. The risk-weighted assets in this portfolio were reduced from € 4.6 billion at year-end 2012 to € 4.1 billion at year-end 2013. The reduction in the loan book released risk-bearing capital and also contributes directly to improving the Core Tier I ratio.

Loan portfolio



The adjacent pie chart provides a breakdown of the loan book by sector. Half of the loan book consists of residential mortgage loans with an average Loan-To-Value (LTV) ratio of 81% at the end of 2013 (year-end 2012: 77%). The LTV ratio is calculated on the basis of market value. The increase in the LTV ratio is due to the fall in residential property valuations in the Netherlands. If the more conservative index-linked foreclosure value is used as a basis, the LTV ratio was 95% (year-end 2012: 91%). Besides providing the usual collateral, a large number of the mortgage clients also hold client assets at Van Lanschot. In addition, this portfolio is characterised by limited losses, low levels of default and few foreclosures.

Corporate loans are well diversified across sectors. This loan book reflects our focus on our core target clients: high-net worth individuals, entrepreneurs (director-owners) and their businesses, healthcare professionals, business professionals and executives.

The portfolio consists in part of loans related to real estate. The real estate portfolio, worth € 2.2 billion, is managed by a specialist team, and comprises small-scale properties in the Netherlands. The bank provides hardly any finance for property development. The average LTV ratio based on foreclosure values was 87% at year-end 2013 (year-end 2012: 71%). The increase in the LTV ratio is due to new, lower rental value factors and recent appraisals.

The loan book is concentrated in the Netherlands (95%) and Belgium (2%).

PROVISIONS

The bank has formed provisions for the impaired loans in its loan book. At year-end 2013, impaired loans amounted to € 600 million, of which € 333 million, or 56%, had been provided for (2012: 58%). The table below provides a more detailed breakdown of the loan book and provisions formed at year-end 2013.

(x € million)	Loan book	Impaired loans	Provision for impaired loans	NPL[8]	Coverage ratio
Mortgage loans to private individuals	6,483	107	66	1.7%	62%
Other private banking loans	1,690	135	64	8.0%	47%
Corporate loans	2,516	142	99	5.6%	70%
Real estate	2,135	216	94	10.1%	44%
Impairments	-333	-	-		
Total	**12,491**	**600**	**323**	**4.8%**	**54%**
Incurred But Not Reported (IBNR)			**10**		
Provision including IBNR			**333**		**56%**

Van Lanschot has a diversified loan portfolio with risks that are well under control. However, the portfolio is not immune to economic circumstances. The increase in the number of business failures and bankruptcies was reflected in the level of loan losses, particularly in the corporate loan portfolio. The addition to the loan loss provision, which amounted to € 103.7 million in 2013, was once again high, although it did show a downward trend compared with 2012 (€ 115.2 million). The addition to the loan loss provision for 2013 corresponds to 106 basis points of the average risk-weighted assets (2012: 107 basis points).

An in-depth review of the real estate and corporate loan portfolio (Asset Quality Review, AQR) was conducted together with external parties in the fourth quarter of 2013. The majority of the underlying commercial property was reappraised as part of the AQR. The results of this review confirm that the bank has adequate capital buffers to cover potential credit risks.

CAPITAL AND LIQUIDITY MANAGEMENT

Van Lanschot continued to prioritise reinforcing its capital and liquidity positions in 2013.

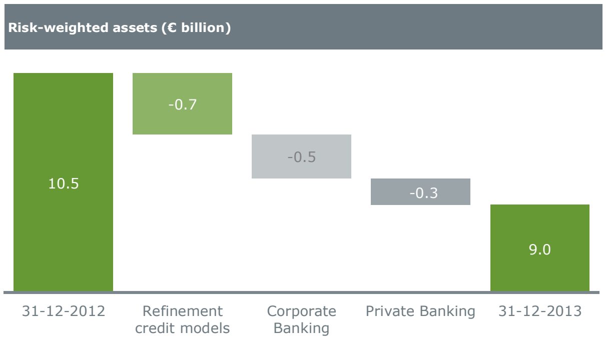
(x € million)	31-12-2013	31-12-2012		30-6-2013	
Risk-weighted assets	9,003	10,535	-15%	9,505	-5%
Core Tier I ratio (%)	13.1	11.0		12.5	
Tier I ratio (%)	13.1	11.0		12.5	
BIS total capital ratio (%)	13.9	11.9		13.4	
Leverage ratio (%)	7.3	7.0		7.5	

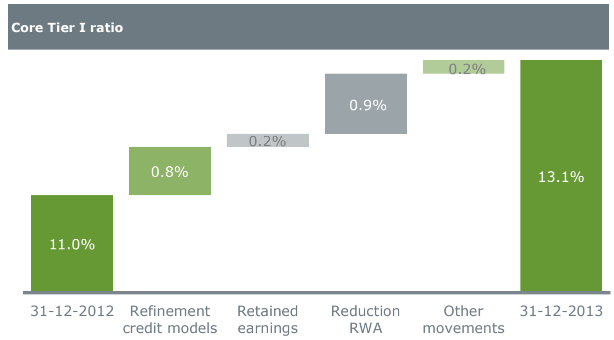
CAPITAL MANAGEMENT

There was a substantial rise in the Core Tier I ratio, from 11.0% at year-end 2012 to 13.1% at year-end 2013, which reflects the bank's strong capital position. Van Lanschot is therefore well on track to achieving its target of a Core Tier I ratio of at least 15% in 2017.

[8] Non-performing loans (NPL) are the impaired loans as a percentage of the total loan portfolio.

The increase in the Core Tier I ratio is primarily attributable to retained earnings and a fall in risk-weighted assets. A number of refinements to the credit models also contributed to the lower risk-weighted assets. For example, the implementation of a new rating model for the SME portfolio in the first half of 2013 improved risk assessment.



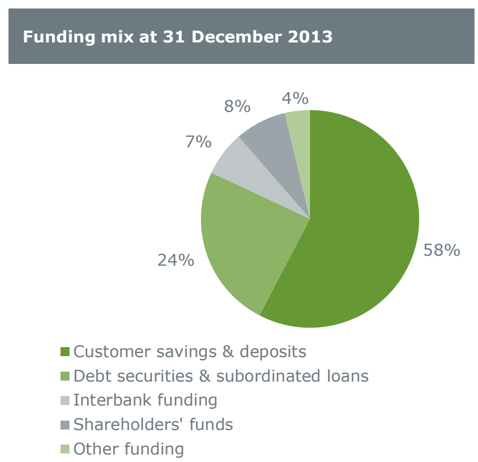


The robust capital base is also reflected in a leverage ratio of 7.3% (year-end 2012: 7.0%).

IAS 19 Employee Benefits (revised)
Van Lanschot is applying the revised accounting standard IAS 19 on employee benefits for the first time, with retroactive effect. The comparative figures have been restated accordingly. The Dutch regulator decided that the impact of this accounting standard on prudential capital requirements would be postponed until 1 January 2014. The accounting standard therefore did not have any impact on the Core Tier I ratio in 2013.

LIQUIDITY AND FUNDING

In 2013, the bank's funding profile was diversified further, in terms of instruments, sources and maturities. For example a number of successful capital market transactions were completed, which resulted in robust funding and liquidity positions. The funding ratio of 81.3% remains strong.



Van Lanschot had a comfortable liquidity position at year-end 2013. During the course of 2013, savings and deposits fell by € 1.2 billion on balance. Almost all of this decrease took place in the first six months of the year. Van Lanschot decided not to extend the premium deposit when it expired in the spring, for reasons related to profitability, which led to an outflow of entrusted funds. Thanks to the easing of competition on the savings market and our comfortable liquidity buffer, we were in a position to reduce savings rates over the course of the year. In addition, more and more clients are using their assets to pay off debts, and many clients have decided to invest on the back of favourable market conditions.

During 2013, Van Lanschot was active on the international capital markets with secured and unsecured funding instruments. The following transactions were completed in 2013:

- April 2013: placement of € 750 million of Triple A-rated RMBS notes (securitisation of mortgage loans) at a spread of 95 basis points
  May 2013: issue of a 5-year institutional senior unsecured bond for an amount of € 300 million and a coupon of 3.125%
- October 2013: placement of € 244 million of Triple A-rated RMBS A1 notes (securitisation of mortgage loans) at a spread of 50 basis points
- October 2013: placement of € 640 million of Triple A-rated RMBS A2 notes (securitisation of mortgage loans) at a spread of 108 basis points
- 2013: Various medium term notes worth a total of some € 79 million, with terms to maturity of 1-7 years, were issued as part of the structured notes programme.

BASEL III

Stricter capital and liquidity requirements are being imposed on banks under the new Basel III rules. The new standards are being introduced in stages. The Basel III guidelines include the Common equity ratio, the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR) and a stricter definition of the leverage ratio. These are future ratios which the banking sector gradually has to comply with over the period from 2014 to 2018. At year-end 2013, the ratios based on the rules as currently known were as follows:

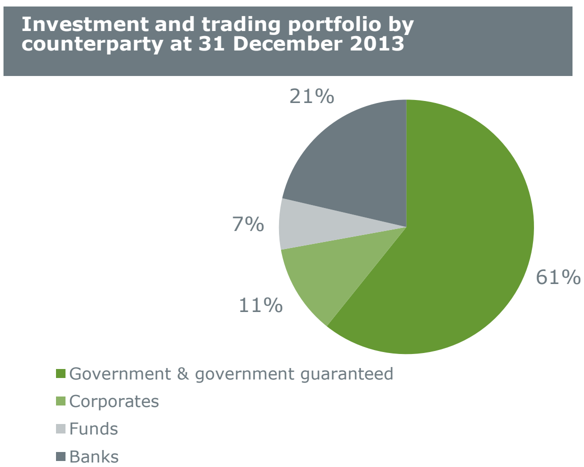
	31-12-2013	Norm
Common equity ratio (fully loaded) (%)	10.5	> 9.5[9]
Liquidity Coverage Ratio (%)	151.3	> 100
Net Stable Funding Ratio (%)	102.9	> 100
Leverage ratio (%)	5.1	> 3

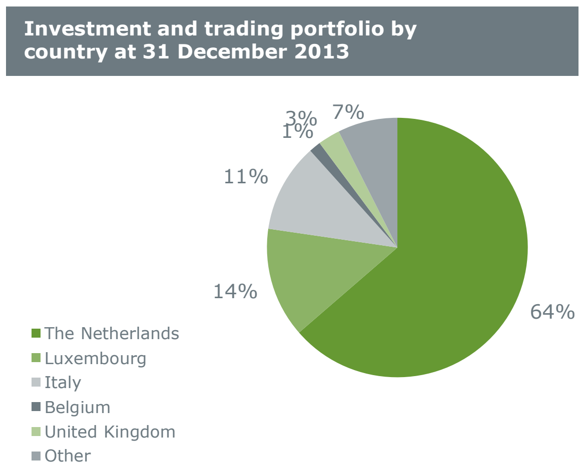
The Common equity ratio at 1 January 2014 under the Basel III phase-in rules was 12.6%.

INVESTMENT AND TRADING PORTFOLIO

Van Lanschot's total investment and trading portfolio[10] stood at € 2.0 billion at year-end 2013, compared with € 1.6 billion at year-end 2012. This increase was mainly due to the purchase of Dutch and other European government bonds. These portfolios also include the investment portfolio set up with the money Van Lanschot raised by participating in the second tranche of the LTRO in March 2012 for an amount of € 750 million.

In the context of asset and liability management, the portfolios are held predominantly for liquidity purposes and therefore contain highly liquid and low-risk instruments. The following diagrams show the portfolio at year-end 2013, broken down by counterparty and country.





[9] This norm comprises the following buffers: standard (4.5%), conservation (2.5%) and countercyclical (between 0% and 2.5%).
[10] The investment and trading portfolio comprises the balance of available-for-sale investments, financial receivables from trading activities and financial assets designated at fair value through profit or loss.

CLIENT ASSETS

(x € billion)	31-12-2013	31-12-2012		30-6-2013	
Client assets	**53.5**	**52.3**	**2%**	**51.3**	**4%**
Assets under management	43.3	40.9	6%	41.2	5%
Savings and deposits	10.2	11.4	-11%	10.1	1%
Assets under management	**43.3**	**40.9**	**6%**	**41.2**	**5%**
Assets under discretionary management	31.9	29.0	10%	29.8	7%
- of which double-counted	*1.6*	*1.8*	*-11%*	*1.7*	*-6%*
Assets under non-discretionary management	11.4	11.9	-4%	11.4	0%
Assets under management	**43.3**	**40.9**	**6%**	**41.2**	**5%**
Private Banking	18.9	18.7	1%	18.3	3%
Asset Management	24.4	22.2	10%	22.9	7%
Savings and deposits	**10.2**	**11.4**	**-11%**	**10.1**	**1%**
Savings	7.7	7.8	-1%	7.4	4%
Deposits	2.5	3.6	-31%	2.7	-7%

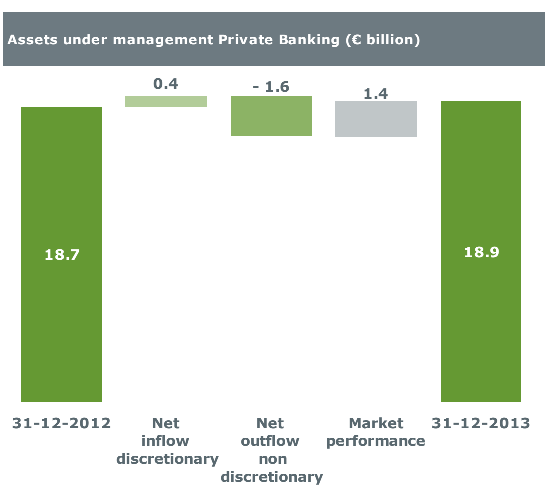
The increase in client assets was due to an inflow of assets under management, a positive market performance and a fall in savings and deposits from private and corporate clients.

ASSETS UNDER MANAGEMENT

Total assets under management were up 6%, from € 40.9 billion at year-end 2012 to € 43.3 billion at year-end 2013. This € 2.4 billion increase is thanks to an inflow of net new money of € 0.4 billion and a positive market performance of € 2.0 billion.

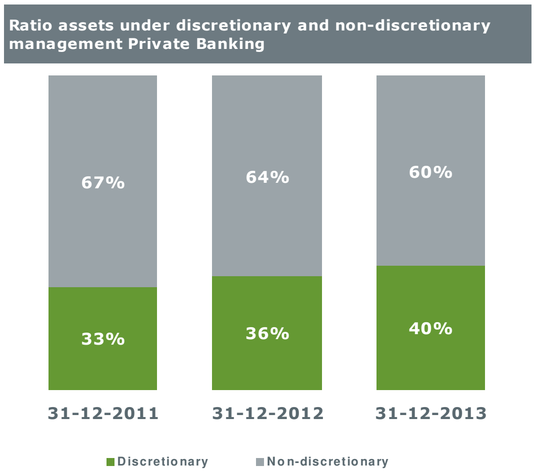
PRIVATE BANKING

Assets under management at Private Banking increased by € 0.2 billion to € 18.9 billion in 2013. There was an inflow of € 0.4 billion in discretionary assets under management.



The outflow in non-discretionary assets related partly to custody deposits with relatively low fees for an amount of € 0.2 billion. In addition, there was an outflow of € 0.3 billion in discretionary and non-discretionary assets due to the termination of the activities in Luxembourg and Curacao.

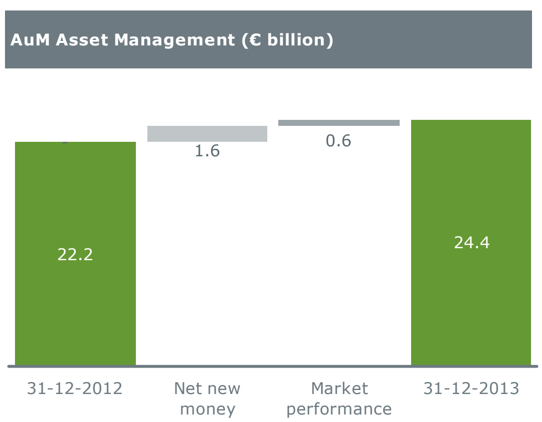
In 2013, the trend of opting for the benefits of a discretionary mandate continued. The share of discretionary assets increased from 36% to 40%.



In mid October, Evi, Van Lanschot's online coach for savings and investments, was introduced in the Netherlands, opening the gates for those starting out on the wealth management market. What makes this product special is the combination of an online offering with personal attention and specialist knowledge available within the bank. Evi is available in three forms: asset management (*Beheer*), investment advice (*Advies*) and savings (*Sparen*). The Evi savings module was also introduced in Belgium in December.

ASSET MANAGEMENT

Assets under management at the Asset Management segment were up 10%, from € 22.2 billion to € 24.4 billion. This increase was primarily attributable to an inflow of net new money of € 1.6 billion. Net inflows were seen in client solutions and in niche strategies, i.e. investment strategies such as small caps, real estate, high dividend shares, fixed-income investments and funds of hedge funds.



SUBSEQUENT EVENTS

Van Lanschot's results for the first half of 2014 will be impacted by a material gain on the sale of the 21% equity stake held by Van Lanschot Participaties in DORC Holding B.V.

DISCLAIMER

Forward-looking statements
This document contains forward-looking statements concerning future events. Those forward-looking statements are based on the current information and assumptions of the Van Lanschot management concerning known and unknown risks and uncertainties. Forward-looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to Van Lanschot's expectations regarding such matters as the assessment of market risk or income growth or, more generally, the economic climate and changes in the law and taxation. Van Lanschot cautions that expectations are only valid on the specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like. The financial data regarding forward-looking statements concerning future events included in this document have not been audited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2013

(€ thousand)	31-12-2013	31-12-2012 *
Assets		
Cash and cash equivalents and balances withdrawable with central banks	1,999,963	1,647,231
Financial assets held for trading	47,083	52,427
Due from banks	429,215	430,850
Financial assets designated at fair value through profit or loss	725,938	631,411
Available-for-sale investments	1,197,731	913,079
Loans and advances to the public and private sectors	12,490,723	13,464,234
Derivatives (receivables)	208,134	213,623
Investments in associates using the equity method	50,385	46,443
Property, plant and equipment	84,638	100,366
Goodwill and other intangible assets	172,431	173,875
Current tax assets	13,616	2,552
Deferred tax assets	59,797	69,698
Other assets	190,711	195,076
Total assets	**17,670,365**	**17,940,865**
Equity and liabilities		
Financial liabilities held for trading	798	382
Due to banks	1,175,422	1,522,640
Public and private sectors liabilities	10,161,397	11,368,814
Financial liabilities designated at fair value through profit or loss	357,633	214,355
Derivatives (liabilities)	299,662	364,568
Issued debt securities	3,849,119	2,543,905
Provisions	35,910	77,938
Current tax liabilities	22,904	7,397
Deferred tax liabilities	8,358	22,533
Other liabilities	291,978	370,643
Subordinated loans	128,218	132,482
Total liabilities	**16,331,399**	**16,625,657**
Issued share capital	41,017	41,017
Treasury shares	-2,135	-3,638
Share premium	479,914	479,914
Other reserves	735,461	895,138
Undistributed profit attributable to shareholders of Van Lanschot NV	29,230	-150,083
Equity attributable to shareholders of Van Lanschot NV	**1,283,487**	**1,262,348**
Equity instruments issued by subsidiaries	36,063	36,063
Undistributed profit attributable to equity instruments issued by subsidiaries	1,125	1,132
Equity attributable to equity instruments issued by subsidiaries	**37,188**	**37,195**
Other minority interests	15,140	13,995
Undistributed profit attributable to other minority interests	3,151	1,670
Equity attributable to other minority interests	**18,291**	**15,665**
Total equity	**1,338,966**	**1,315,208**
Total equity and liabilities	**17,670,365**	**17,940,865**
Contingent liabilities	177,912	217,874
Irrevocable commitments	447,342	1,033,277
	625,254	**1,251,151**

* Differences between the above 2012 figures and those reported in the press release on the 2012 annual results are caused by adjustments made for IAS 19R Employee Benefits.

CONSOLIDATED STATEMENT OF INCOME FOR 2013

(€ thousand)	2013	2012 *
Income from operating activities		
Interest income	780,728	917,465
Interest expense	568,517	685,286
Net interest income	**212,211**	**232,179**
Income from associates using the equity method	10,602	6,901
Other income from securities and associates	6,524	14,187
Income from securities and associates	**17,126**	**21,088**
Commission income	240,294	224,170
Commission expense	7,017	7,384
Net commission income	**233,277**	**216,786**
Profit on financial transactions	**66,273**	**54,256**
Other income	**22,306**	**17,455**
Total income from operating activities	**551,193**	**541,764**
Expenses		
Staff costs	239,662	236,845
Other administrative expenses	153,081	181,636
Staff costs and other administrative expenses	**392,743**	**418,481**
Depreciation and amortisation	**15,890**	**30,719**
Operating expenses	**408,633**	**449,200**
Addition to loan loss provision	102,385	113,365
Other impairments	2,732	144,656
Impairments	**105,117**	**258,021**
Total expenses	**513,750**	**707,221**
Operating result before tax	**37,443**	**-165,457**
Income tax	**3,937**	**-18,176**
Net result from continuing operations	**33,506**	**-147,281**
Discontinued operations	**-**	**-**
Net result	**33,506**	**-147,281**

* Differences between the above 2012 figures and those reported in the press release on the 2012 annual results are caused by adjustments made for IAS 19R Employee Benefits.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2013

(€ thousand)	2013	2012 *
Opening balance	**1,315,208**	**1,565,868**
Changes in accounting policies regarding IAS 19 Revised Employee Benefits	-	-45,913
Opening balance (restated*)	**1,315,208**	**1,519,955**
Net result for the year	33,506	-147,281
Revaluation of shares, investments and derivatives (other comprehensive income)	-8,977	-33,168
Dividends	-2,802	-25,058
Movements by virtue of share option plan	1,038	793
Repurchased equity instruments	-	-
Acquisition of/change in minority interests	1,145	127
Others	-152	-160
Closing balance	**1,338,966**	**1,315,208**

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT FOR 2013

(€ thousand)	2013	2012 *
Cash and cash equivalents at 1 January	**1,670,625**	**1,210,702**
Net cash flow from operating activities	-813,298	141,648
Net cash flow from investing activities	-320,935	-37,086
Net cash flow from financing activities	1,449,645	355,361
Cash and cash equivalents at 31 December	**1,986,037**	**1,670,625**

* Differences between the above 2012 figures and those reported in the press release on the 2012 annual results are caused by adjustments made for IAS 19R Employee Benefits.

SEGMENT INFORMATION

Operating segments 2013 *(€ million)*	Private Banking	Corporate Banking	Asset Management	Merchant Banking	Other activities	**Total**
Statement of income						
Interest income	765.6	143.2	-	3.2	-131.3	**780.7**
Interest expense	613.1	88.1	-	0.8	-133.5	**568.5**
Net interest income	**152.5**	**55.1**	**-**	**2.4**	**2.2**	**212.2**
Income from securities and associates	-	-	-	-	17.1	**17.1**
Commission income	107.3	7.5	75.9	47.1	2.5	**240.3**
Commission expense	2.4	-	-	2.2	2.4	**7.0**
Net commission income	**104.9**	**7.5**	**75.9**	**44.9**	**0.1**	**233.3**
Profit on financial transactions	1.3	-	-0.1	2.8	62.3	**66.3**
Other income	-	-	-	-	22.3	**22.3**
Total income from operating activities	**258.7**	**62.6**	**75.8**	**50.1**	**104.0**	**551.2**
Of which income from other segments	-17.1	-	14.2	3.9	-1.0	**-0.0**
Staff costs	122.9	20.2	37.8	28.7	30.1	**239.7**
Other administrative expenses	96.1	13.7	14.2	6.6	22.5	**153.1**
Depreciation and amortisation	16.2	2.3	0.7	0.9	-4.2	**15.9**
Impairments	34.7	74.7	-	1.4	-5.7	**105.1**
Total expenses	**269.9**	**110.9**	**52.7**	**37.6**	**42.7**	**513.8**
Operating result before tax	**-11.2**	**-48.3**	**23.1**	**12.5**	**61.3**	**37.4**
Income tax	-2.9	-12.0	8.2	1.7	8.9	**3.9**
Net result	**-8.3**	**-36.3**	**14.9**	**10.8**	**52.4**	**33.5**
Efficiency ratio (%)	91%	58%	70%	72%	47%	**74%**
Staff (number of FTEs)	1,057	200	173	115	447	**1,992**
Statement of financial position						
Total assets	**8,725.9**	**3,614.1**	**153.8**	**377.5**	**4,799.1**	**17,670.4**
of which investments using the equity method	-	-	-	-	50.4	**50.4**
Total liabilities	**10,999.8**	**1,343.4**	**134.2**	**100.3**	**3,753.7**	**16,331.4**
Investments	10.0	0.6	-	-	19.9	**30.5**

Operating segments 2012 *(€ million)*	Private Banking	Corporate Banking	Asset Management	Merchant Banking	Other activities	**Total**
Statement of income						
Interest income	905.1	178.4	-	3.4	-169.4	**917.5**
Interest expense	738.9	122.3	-	1.0	-176.9	**685.3**
Net interest income	**166.2**	**56.1**	**-**	**2.4**	**7.5**	**232.2**
Income from securities and associates	3.8	-	-	-	17.3	**21.1**
Commission income	114.8	8.7	59.7	38.5	2.4	**224.1**
Commission expense	2.2	-	-	1.5	3.7	**7.4**
Net commission income	**112.6**	**8.7**	**59.7**	**37.0**	**-1.3**	**216.7**
Profit on financial transactions	1.7	-	-	1.1	51.5	**54.3**
Other income	-	-	-	-	17.5	**17.5**
Total income from operating activities	**284.3**	**64.8**	**59.7**	**40.5**	**92.5**	**541.8**
Of which income from other segments	-7.4	-	10.2	3.4	-6.2	**-**
Staff costs	148.0	19.1	30.4	23.8	15.6	**236.9**
Other administrative expenses	120.3	21.7	10.4	7.4	21.9	**181.7**
Depreciation and amortisation	9.4	-	1.0	1.0	19.3	**30.7**
Impairments	151.0	75.5	-	0.5	31.0	**258.0**
Total expenses	**428.7**	**116.3**	**41.8**	**32.7**	**87.8**	**707.3**
Operating result before tax	**-144.4**	**-51.5**	**17.9**	**7.8**	**4.7**	**-165.5**
Income tax	-28.1	-12.8	6.3	0.9	15.5	**-18.2**
Net result	**-116.3**	**-38.7**	**11.6**	**6.9**	**-10.8**	**-147.3**
Efficiency ratio (%)	98%	63%	70%	80%	61%	**83%**
Staff (number of FTEs)	1,170	215	169	113	343	**2,010**
Statement of financial position						
Total assets	**9,756.2**	**3,674.9**	**102.4**	**407.8**	**3,999.6**	**17,940.9**
Of which investments using the equity method	-	-	-	-	46.4	**46.4**
Total liabilities	**10,553.1**	**1,603.8**	**138.6**	**85.5**	**4,244.7**	**16,625.7**
Investments	7.0	0.9	0.1	-	2.5	**10.5**