



Van Lanschot

Van Lanschot NV
Condensed interim
consolidated financial
statements

31 March 2016

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Consolidated statement of financial position at 31 March 2016

(x€1,000)

		31/03/2016	31/12/2015
Assets			
Cash and cash equivalents and balances at central banks	1	1,072,947	881,024
Financial assets held for trading		11,747	6,863
Due from banks		232,736	200,073
Financial assets designated at fair value through profit or loss	2	504,230	712,578
Available-for-sale investments	3	2,216,462	2,159,141
Held-to-maturity investments	4	521,101	523,639
Loans and advances to the public and private sectors	5	10,123,003	10,168,368
Derivatives	6	377,253	333,411
Investments in associates using the equity method		67,188	56,299
Property and equipment	7	78,232	79,239
Goodwill and other intangible assets	8	174,514	175,122
Current tax assets		1,431	1,916
Deferred tax assets	24	45,912	49,782
Other assets		142,892	148,265
Total assets		15,569,648	15,495,720
Equity and liabilities			
Financial liabilities from trading activities		5,085	418
Due to banks	9	459,719	698,125
Public and private sector liabilities	10	9,300,140	9,572,336
Financial liabilities designated at fair value through profit or loss	11	803,478	804,603
Derivatives	6	434,091	324,760
Issued debt securities	12	2,954,123	2,480,005
Provisions	13	20,782	23,668
Current tax liabilities		1,365	1,611
Deferred tax liabilities		1,792	3,300
Other liabilities		147,585	148,809
Subordinated loans	14	117,999	118,151
Total liabilities		14,246,159	14,175,786
Issued share capital		41,092	41,017
Treasury shares		-2,138	-1,058
Share premium reserve		481,258	479,914
Other reserves	15	742,413	745,322
Undistributed profit attributable to shareholders		13,194	34,163
Undistributed profit of previous year attributable to shareholders		34,163	-
Equity attributable to shareholders		1,309,982	1,299,358
Undistributed profit attributable to equity instruments issued by subsidiaries		-	943
Undistributed profit of previous year attributable to equity instruments issued by subsidiaries		943	-
Equity attributable to equity instruments issued by subsidiaries		943	943
Non-controlling interests		10,082	11,985
Undistributed profit attributable to non-controlling interests		817	7,648
Undistributed profit of previous year attributable to non-controlling interests		1,665	-
Equity attributable to non-controlling interests		12,564	19,633
Total equity		1,323,489	1,319,934
Total equity and liabilities		15,569,648	15,495,720
Contingent liabilities		79,648	82,502
Irrevocable commitments		253,595	492,392
		333,243	574,894

References relate to the relevant notes.

Consolidated statement of income for the three months ended 31 March 2016

(x€1,000)

		Q1 2016	Q1 2015
Income from operating activities			
Interest income		107,665	153,412
Interest expense		52,156	103,454
Net interest income	16	55,509	49,958
Income from associates using the equity method		2,000	1,733
Other income from securities and associates		-745	6,262
Income from securities and associates	17	1,255	7,995
Commission income		59,834	70,088
Commission expense		1,388	1,957
Net commission income	18	58,446	68,131
Result on financial transactions	19	-2,178	22,055
Other income	20	10,422	10,217
Total income from operating activities		123,454	158,356
Expenses			
Staff costs	21	57,795	60,863
Other administrative expenses	22	39,874	40,183
Staff costs and other administrative expenses		97,669	101,046
Depreciation and amortisation		4,047	4,574
Operating expenses		101,716	105,620
Addition to loan loss provision		3,371	15,347
Other impairments		443	350
Impairments	23	3,814	15,697
Total expenses		105,530	121,317
Operating profit before tax		17,924	37,039
Income tax	24	3,913	8,147
Net result		14,011	28,892
Of which attributable to shareholders		13,194	26,850
Of which attributable to equity instruments issued by subsidiaries		-	245
Of which attributable to non-controlling interests		817	1,797
Earnings per ordinary share (€)	25	0.32	0.66
Diluted earnings per ordinary share (€)	26	0.32	0.65

The number beside each item refers to the Notes to the consolidated statement of income.

Consolidated statement of comprehensive income for the three months ended 31 March 2016
(x€1,000)

		Q1 2016	Q1 2015
Net result (as per income statement)		14,011	28,892
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Other comprehensive income through revaluation reserve			
Revaluation of equity instruments		754	1,870
Revaluation of debt instruments		3,388	12,359
Realised return on equity instruments		-	-38
Realised return on debt instruments	19	-3,620	-10,794
Income tax effect		58	-267
Total other comprehensive income through revaluation reserve	15	580	3,130
Other comprehensive income from value changes of derivatives (cash flow hedges)			
Decrease in value of derivatives (cash flow hedges)		-4,076	-2,483
Income tax effect		1,019	621
Total other comprehensive income from value changes of derivatives (cash flow hedges)	15	-3,057	-1,862
Other comprehensive income from currency translation differences		-377	869
Income tax effect		-	-
Total other comprehensive income from currency translation differences	15	-377	869
Total other comprehensive income to be reclassified in subsequent periods to profit or loss		-2,854	2,137
Other comprehensive income not to be reclassified in subsequent periods to profit or loss			
Remeasurement of defined-benefit plans			
Remeasurement of defined-benefit plans		-	-
Income tax effect		-	-
Total remeasurement of defined-benefit plans	15	-	-
Total other comprehensive income not to be reclassified in subsequent periods to profit or loss		-	-
Total other comprehensive income		-2,854	2,137
Total comprehensive income		11,157	31,029
Of which attributable to shareholders		10,340	28,987
Of which attributable to equity instruments issued by subsidiaries		-	245
Of which attributable to non-controlling interests		817	1,797

Consolidated statement of changes in equity for the three months ended 31 March 2016
(x€1,000)

	Share capital	Treasury shares	Share premium reserve	Other reserves	Undistributed profit	Total equity attributable to shareholders	Equity attributable to non-controlling interests	Total equity
At 1 January 2016	41,017	-1,058	479,914	745,322	34,163	1,299,358	20,576	1,319,934
Net profit (as per income statement)	-	-	-	-	13,194	13,194	817	14,011
Total other comprehensive income	-	-	-	-2,854	-	-2,854	-	-2,854
Total comprehensive income	-	-	-	-2,854	13,194	10,340	817	11,157
Shares issued	75	-	1,344	-	-	1,419	-	1,419
Share plans	-	990	-	-38	-	952	-	952
Repurchased equity instruments	-	-2,070	-	-	-	-2,070	-	-2,070
Dividends	-	-	-	-	-	-	-5,831	-5,831
Other changes	-	-	-	-17	-	-17	-	-17
Change in non-controlling interests	-	-	-	-	-	-	-2,055	-2,055
At 31 March 2016	41,092	-2,138	481,258	742,413	47,357	1,309,982	13,507	1,323,489

Consolidated statement of changes in equity for the three months ended 31 March 2015
(x€1,000)

	Share capital	Treasury shares	Share premium reserve	Other reserves	Undistributed profit	Total equity attributable to shareholders	Equity attributable to non-controlling interests	Total equity
At 1 January 2015	41,017	-3,639	479,914	675,988	98,994	1,292,274	58,244	1,350,518
Net profit (as per income statement)	-	-	-	-	26,850	26,850	2,042	28,892
Total other comprehensive income	-	-	-	2,137	-	2,137	-	2,137
Total comprehensive income	-	-	-	2,137	26,850	28,987	2,042	31,029
Share plans	-	-	-	558	-	558	-	558
Repurchased equity instruments	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-6,280	-6,280
Other changes	-	-	-	263	-	263	-	263
Change in non-controlling interests	-	-	-	-	-	-	-12,267	-12,267
At 31 March 2015	41,017	-3,639	479,914	678,946	125,844	1,322,082	41,739	1,363,821

Consolidated statement of cash flows for the three months ended 31 March 2016

(x€1,000)

	Q1 2016	Q1 2015
Cash flow from operating activities		
Operating profit before tax	17,924	37,039
Adjustments for		
- Depreciation and amortisation	4,088	4,567
- Cost of share plans	731	566
- Valuation results on associates using the equity method	-2,000	-1,690
- Valuation results on financial assets designated at fair value through profit or loss	-3,202	79,898
- Valuation results on financial liabilities designated at fair value through profit or loss	-12,135	32,501
- Valuation results on derivatives	22,106	-50,628
- Impairments	3,814	15,697
- Changes in provisions	-354	-994
Cash flow from operating activities	30,972	116,956
Net movement in operating assets and liabilities		
- Financial assets/liabilities held for trading	-217	-13,024
- Due from/due to banks	-273,553	-136,690
- Loans and advances to public and private sectors/public and private sector liabilities	-206,343	152,609
- Derivatives	-596	-93,211
- Withdrawals from restructuring provision and other provisions	-2,532	-608
- Other assets and liabilities	4,003	-6,678
- Income taxes paid	-237	-1,583
- Dividends received	323	-
Total movement in assets and liabilities	-479,152	-99,185
Net cash flow from operating activities	-448,180	17,771
Cash flow from investing activities		
Investments and acquisitions		
- Investments in debt instruments	-440,883	-2,022,722
- Investments in equity instruments	-10,316	-9,727
- Investments in associates using the equity method	-9,466	-
- Property and equipment	-2,410	-1,692
- Goodwill and other intangible assets	-64	-570
Divestments, redemptions and sales		
- Investments in debt instruments	628,156	2,058,146
- Investments in equity investments	5,097	20,751
- Investments in associates using the equity method	-377	869
- Property and equipment	-	387
Dividends received	207	-
Net cash flow from investing activities	169,944	45,442

Continued on the next page.

Consolidated statement of cash flows for the three months ended 31 March 2016 (continued)

(x€1,000)

	Q1 2016	Q1 2015
Cash flow from financing activities		
Share plans	278	-
Repurchased equity instruments *	-651	-
Non-controlling interests	-1,929	-9,231
Redemption of subordinated loans	-114	-1,113
Receipts on debt securities	497,953	31,317
Redemption of debt securities	-33,042	-175,237
Receipts on financial liabilities designated at fair value through profit or loss	42,779	88,892
Redemption of financial liabilities designated at fair value through profit or loss	-31,769	-73,949
Dividends paid	-5,831	-6,280
Net cash flow from financing activities	467,674	-145,601
Net change in cash and cash equivalents and balances at central banks	189,438	-82,388
Cash and cash equivalents and balances at central banks at 1 January **	868,662	1,121,931
Cash and cash equivalents and balances at central banks at 31 March **	1,058,100	1,039,543
Additional disclosure		
Cash flows from interest received	126,114	170,163
Cash flows from interest paid	51,748	154,490

* In the first quarter 2016 Van Lanschot unconditionally and conditionally granted rights to acquire depository receipts for Class A ordinary shares for no consideration. To meet open positions Van Lanschot holds depository receipts for Class A ordinary shares and repurchased in the first quarter 2016 depository receipts for Class A ordinary shares.

** In Cash and cash equivalents and balances at central banks is also included amounts due from / to banks available on demand.

Notes to the condensed interim financial statements

General

Van Lanschot NV is an independent wealth manager specialising in the preservation and creation of wealth for its clients. Van Lanschot NV ("Van Lanschot") is the holding company of F. van Lanschot Bankiers NV. The company has its registered office at Hooge Steenweg 29, 5211 JN 's- Hertogenbosch, the Netherlands. Van Lanschot is a public limited company incorporated under Dutch law. Depositary receipts for Class A ordinary shares are publicly traded on the Official Market of the Euronext Amsterdam Stock Exchange.

Basis of preparation

The condensed interim consolidated financial statements of Van Lanschot and its subsidiaries were prepared in accordance with IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements do not include all financial information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements of Van Lanschot NV as at 31 December 2015. The condensed interim consolidated financial statements have been reviewed, not audited. All amounts are denominated in thousands of euros, unless stated otherwise.

Summary of significant accounting policies

Accounting policies

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements Van Lanschot for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

Changes in presentation

The disclosure operating segments is changed as per financial year 2016 to align it in the way the segment information is reported to the Executive Board (EB). The EB controls on interest margin, the breakdown between interest income and interest expense is no longer presented to that reason. In 2016 management of Van Lanschot decided to make a clear distinction between directly influenced own costs and indirect costs. This distinction is now made transparent in the segment information. The comparative figures have been adjusted accordingly.

Significant accounting judgements and estimates

In the process of applying the accounting policies, Van Lanschot uses estimates and assumptions which can have a significant impact on the amounts recognised in the condensed interim financial statements. See for more information paragraph "Significant accounting judgements and estimates" in the annual consolidated financial statements of Van Lanschot NV as at 31 December 2015. These estimates and assumptions are based on the most recent information available and the actual amounts may differ in the future.

IFRS standards

The following new or revised standards or interpretations became effective as from 1 January 2016 and have an impact on the 31 March 2016 condensed interim report. Application of these standards had no impact on equity or result of Van Lanschot.

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates
The amendments concern issues that have arisen when applying the exemption from preparing consolidated financial statements for investment entities. The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. The amendments also clarify that only subsidiaries that are themselves not investment entities and that provide ancillary services to the parent's investment activities should be consolidated. Other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 mean that where an investor applies the equity method, it may continue to use the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

IFRS 10 Consolidated Financial Statements and IFRS 28 Investments in Associates

The amendments address an acknowledged inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or contribution of assets between an investor and its associate entity or joint venture. The main consequence of the change is that, where a transaction involves an operational activity, the full profit or loss is disclosed, regardless of whether it has been placed within a subsidiary. A partial profit or loss is recognised if the transaction involves assets that do not constitute an operational activity, even where those assets have been placed within a subsidiary.

IFRS 11 Joint Arrangements

The amendments to IFRS 11 require the acquirer of an interest in a joint operation to apply the disclosure requirements as set out in IFRS 3 Business Combinations. The changes also make clear that remeasurement need not be carried out when the interest in an existing joint operation is increased, provided control is still shared.

IAS 1 Presentation of Financial Statements

The amendments clarify the present requirements in relation to the order of presentation of aspects relating to materiality, aggregation and flexibility in the notes to the financial statements. The amendments also clarify the requirements when additional subtotals are presented in the statement of financial position (balance sheet), statement of income (profit and loss) and statement of comprehensive income.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

IAS 27 Equity Method in Separate Financial Statements

The amendments permit entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Annual Improvements to 2012-2014 Cycle
Changes to standards concern:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (changes in methods of disposal)

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. Therefore there is no interruption of the application of the requirements in IFRS 5.

IFRS 7 Financial Instruments: Disclosures (servicing contracts)

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required.

IFRS 7 Financial Instruments: Disclosures (applicability of the amendments to IFRS 7 to condensed interim financial statements)

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

IAS 19 Employee Benefits (discount rate: regional market issue)

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

IAS 34 Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report'

The amendment clarifies that the required interim disclosures must be either in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial, for example in the Report of the Executive Board or the chapter Risk management.

Notes to the statement of financial position

(x€1,000)

1	Cash and cash equivalents and balances at central banks	31/03/2016	31/12/2015
Total		1,072,947	881,024
Cash		204	167
Balances at central banks		990,280	745,013
Statutory reserve deposits at central banks		19,240	19,252
Amounts due from banks		63,223	116,592

2	Financial assets designated at fair value through profit or loss	31/03/2016	31/12/2015
Total		504,230	712,578
Debt instruments			
Government paper and government-guaranteed paper		-	124,206
Covered bonds		422,867	509,470
Companies, listed		1,898	4,690
Total debt instruments		424,765	638,366
Equity instruments			
Shares, listed		45,579	40,342
Shares, unlisted		33,886	33,870
Total equity instruments		79,465	74,212

Financial assets designated at fair value through profit or loss - debt instruments by external rating *	31/03/2016	%	31/12/2015	%
Total	424,765	100%	638,366	100%
AAA	422,867	100%	633,677	100%
AA	1,898	0%	1,901	0%
A	-	0%	2,788	0%

* Most recent Fitch ratings as known to Van Lanschot.

3	Available-for-sale investments	31/03/2016		31/12/2015	
		Fair value	Face value	Fair value	Face value
Total		2,216,462	2,098,722	2,159,141	2,033,107
Debt instruments					
Government paper and government-guaranteed paper		953,344	877,000	1,050,019	963,000
Banks and financial institutions, listed		124,748	123,500	71,309	71,000
Covered bonds		294,514	289,500	190,932	188,000
Asset-backed Securities		800,213	793,763	806,848	799,398
Companies, listed		3,240	3,250	-	-
Company cumprefs (Shareholdings)		9,018	11,709	8,788	11,709
Total debt instruments		2,185,077	2,098,722	2,127,896	2,033,107
Equity instruments					
Shares, unlisted		18,477		17,376	
Shareholdings		12,908		13,869	
Total equity instruments		31,385		31,245	

Available-for-sale investments - debt instruments by external rating *	31/03/2016	%	31/12/2015	%
Total	2,185,077	100%	2,127,896	100%
AAA	1,699,899	78%	1,548,844	73%
AA	121,123	6%	62,332	3%
A	9,448	0%	-	0%
Other	354,607	16%	516,720	24%

* Most recent Fitch ratings as known to Van Lanschot.

4 Held-to-maturity investments	31/03/2016		31/12/2015	
	Carrying value	Face value	Carrying value	Face value
Total	521,101	475,000	523,639	475,000
Debt instruments				
Government paper and government-guaranteed paper	335,138	300,000	337,070	300,000
Banks and financial institutions, listed	185,963	175,000	186,569	175,000

Held-to-maturity investments by external rating *	31/03/2016	%	31/12/2015	%
Total	521,101	100%	523,639	100%
AA	335,138	64%	337,070	64%
A	185,963	36%	186,569	36%

* Most recent Fitch ratings as known to Van Lanschot

5 Loans and advances to the public and private sectors	31/03/2016	31/12/2015
Total	10,123,003	10,168,368
Mortgage loans	6,361,181	6,352,611
Loans	2,473,356	2,623,418
Current accounts	1,022,458	1,013,933
Securities-backed loans and settlement claims	306,829	243,751
Subordinated loans	13,609	14,727
Value adjustment, fair value hedge accounting	126,896	100,198
Impairments	-181,326	-180,270

Movements in impairments	Specific	IBNR	Total
At 1 January 2016	165,717	14,553	180,270
Loans written off	-2,941	-	-2,941
Additions to or release of provision	4,988	-1,617	3,371
Interest charged	626	-	626
At 31 March 2016	168,390	12,936	181,326

6 Derivatives	31/03/2016			31/12/2015		
	Asset	Liability	Contract amount	Asset	Liability	Contract amount
Total	377,253	434,091	8,626,502	333,411	324,760	8,250,126
Derivatives used for trading purposes	24,529	21,447	85,462	28,820	26,994	120,440
Derivatives used for hedge accounting purposes	87,841	150,059	3,319,035	64,954	80,411	3,435,035
Other derivatives	264,883	262,585	5,222,005	239,637	217,355	4,694,651

7 Property and equipment	31/03/2016	31/12/2015
Total	78,232	79,239
Buildings	53,909	54,026
IT, operating system software and communications equipment	6,312	7,067
Other assets	17,993	17,946
Work in progress	18	200

The carrying amount of buildings not in use amounted to €4.6 million (year-end 2015: €4.6 million).

8 Goodwill and other intangible assets	31/03/2016	31/12/2015
Total	174,514	175,122
Goodwill	155,149	155,117
Other intangible assets	19,365	20,005

9 Due to banks	31/03/2016	31/12/2015
Total	459,719	698,125
Special loans, European Central Bank	350,000	350,000
Deposits	59,160	77,134
Repo transactions	-	219,047
Securities transactions settlement claims	46,194	47,329
Loans and advances drawn	4,365	4,615

10 Public and private sector liabilities	31/03/2016	31/12/2015
Total	9,300,140	9,572,336
Savings	4,242,801	4,356,513
Deposits	538,079	753,943
Other client assets	4,511,550	4,457,009
Value adjustments fair value hedge accounting	7,710	4,871

11 Financial liabilities designated at fair value through profit or loss	31/03/2016	31/12/2015
Total	803,478	804,603
Unstructured debt instruments	244,091	247,709
Structured debt instruments	559,387	556,894

12 Issued debt securities	31/03/2016	31/12/2015
Total	2,954,123	2,480,005
Bond loans and notes	1,255,135	1,261,729
Covered bonds	994,028	497,257
Notes as part of securitisation transactions	620,189	643,257
Floating-rate notes	54,131	58,602
Medium-term notes	12,500	12,500
Value adjustments fair value hedge accounting	18,140	6,660

End of March 2016 Van Lanschot launched a €500 million 7-year Conditional Pass-Through Covered Bond with a 0.375% coupon. The deal was placed with a broad range of European institutional investors. Some non-European investors also participated.

The bonds are rated AAA by both S&P and Fitch rating agencies. The Van Lanschot Conditional Pass-Through Covered Bond Programme is Dutch law-based and backed by a pool of Dutch residential mortgage loans. It is registered with De Nederlandsche Bank (DNB).

This transaction, which forms part of Van Lanschot's general funding activities, has helped Van Lanschot to attract new external long-term funding, and brings a further strengthening and diversification of the funding profile of Van Lanschot.

13 Provisions	31/03/2016	31/12/2015
Total	20,782	23,668
Provisions for pensions	7,999	10,401
Provision for long-service benefits scheme	2,090	2,063
Provision for employee discounts	3,323	3,249
Other provisions	7,370	7,955

14 Subordinated loans	31/03/2016	31/12/2015
Total	117,999	118,151
Certificates of indebtedness	100,000	100,000
Other subordinated loans	16,790	16,904
Value adjustments fair value hedge accounting	1,209	1,247

15 Other reserves	Revaluation reserve available-for-sale investments		Actuarial results on defined benefit pension scheme	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total
	equity instruments	debt investments					
At 1 January 2016	15,467	9,380	-15,201	1,939	-13,670	747,407	745,322
Net changes in fair value	754	2,541	-	-	-3,057	-	238
Realised gains/losses through profit or loss	-	-2,715	-	-	-	-	-2,715
Dividend	-	-	-	-	-	-	-
Share plans	-	-	-	-	-	-38	-38
Other changes	-	-	-	-377	-	-17	-394
At 31 March 2016	16,221	9,206	-15,201	1,562	-16,727	747,352	742,413
Tax effects	-	58	-	-	1,019	-	1,077

Notes to the consolidated statement of income

(x€1,000)

16 Net interest income	Q1 2016	Q1 2015
Interest income		
Total	107,665	153,412
Interest income on cash equivalents	-	-
Interest income on banks and private sector	78,793	85,672
Interest income on held-to-maturity investments	1,754	1,745
Other interest income	615	6
Interest income on items not recognised at fair value	81,162	87,423
Interest income on available-for-sale investments	3,762	4,117
Interest income on financial assets at fair value through profit or loss	2,588	6,794
Interest income on derivatives	20,153	55,078
Interest expense		
Total	52,156	103,454
Interest expense on banks and private sector	14,794	26,247
Interest expense on issued debt securities	11,726	15,269
Interest expense on subordinated loans	1,457	1,616
Other interest expense	101	124
Interest expense on items not recognised at fair value	28,078	43,256
Interest expense on balances at central banks	301	200
Interest expense on derivatives	23,777	59,998

Net interest income increased by €5.5 million compared with the first quarter of 2015. This increase was primarily due to lower interest income on the Corporate Banking loan portfolio and the investment portfolio, which was more than off-set by lower interest expenses paid on client savings accounts and deposits as a result of lower volumes and lower interest rates.

17 Income from securities and associates	Q1 2016	Q1 2015
Total	1,255	7,995
Income from associates using the equity method	2,000	1,733
Dividend and fees	323	303
Movements in value of investments at fair value through profit or loss	-1,068	5,939
Realised result of available-for-sale equity investments	-	20

18 Net commission income	Q1 2016	Q1 2015
Total	58,446	68,131
Securities commissions	7,463	12,460
Management commissions	42,577	40,890
Cash transactions and funds transfer commissions	2,479	2,662
Corporate Finance and Equity Capital Markets commissions	3,522	10,376
Other commissions	2,405	1,743

Net commission income fell by €9.7 million compared with the first quarter of 2015. This decrease resulted primarily from lower corporate finance commissions as well as lower securities commissions within the Merchant Banking segment as a result of a challenging capital markets environment in the first few months of 2016.

19 Result on financial transactions	Q1 2016	Q1 2015
Total	-2,178	22,055
Profit on securities trading	-987	38
Profit on currency trading	1,778	2,873
Unrealised gains/losses on derivatives under hedge accounting	-3,943	-1,212
Realised and unrealised gains/losses on trading derivatives	1,718	2,059
Realised gains on available-for-sale debt instruments	3,620	10,793
Gains/losses on economic hedges - hedge accounting not applied	-19,149	20,684
Gains/losses on financial assets designated at fair value through profit or loss	14,785	-13,180

Result on financial transactions fell by €24.2 million compared with the first quarter of 2015. This decrease resulted among other things from lower gains and losses on the available for sale investment portfolio. The movement in gains/losses on economic hedges and gains/losses on financial assets at fair value through profit or loss shows the revaluation result due to changing capital market rates on the mark-to market portfolio as well as some derivative positions.

20 Other income	Q1 2016	Q1 2015
Total	10,422	10,217
Net sales	23,894	22,306
Cost of sales	-13,472	-12,089

Other income comprises income from non-strategic investments arising from debt conversion. In certain cases, where a company has not been able to repay a corporate loan from Van Lanschot, the loan has been converted into a shareholding, thus giving the company concerned time to recover. We aim to sell any shares in non-strategic investments in due course.

21 Staff costs	Q1 2016	Q1 2015
Total	57,795	60,863
Salaries and wages	43,603	47,285
Pension costs for defined contribution schemes	4,627	4,667
Pension costs for defined benefit schemes	1,234	852
Other social security costs	5,008	5,056
Share-based payments for variable remuneration	521	565
Other staff costs	2,802	2,438

22 Other administrative expenses	Q1 2016	Q1 2015
Total	39,874	40,183
Accommodation expenses	6,171	5,774
Marketing and communication	2,408	2,812
Office expenses	2,154	2,432
IT expenses	13,604	15,623
External auditor fees	759	604
Consultancy fees	3,790	2,938
Travel and hotel fees	3,135	3,268
Information providers' fees	2,553	2,151
Payment charges	995	903
Other administrative expenses	4,305	3,678

The Belgium 'spartaks' 2016 of €1.2 million is in accordance with IFRIC 21 in its entirety recognised in the first quarter of 2016 under Other administrative expenses.

23 Impairments	Q1 2016	Q1 2015
Total	3,814	15,697
Loans and advances to the public and private sectors	3,371	15,347
Available-for-sale investments	-	100
Investments in associates using the equity method	370	-
Property and equipment	-	90
Assets acquired through foreclosures	73	160

Impairments represent the balance of the required impairments and the release of such impairments.

Impairments on Loans and advances to the public and private sectors fell by €12.0 million compared with the first quarter of 2015. Due on the one hand to a reduced need for loan provisioning and on the other to an improvement in the quality of loans for which a provision had already been formed, thus releasing part of the provision. The sale of non-performing real estate loans also reduced the need to take provisions.

24 Income tax

Deferred tax assets

The decrease in the deferred tax assets is due to the taxable profit achieved in the first quarter of 2016.

Income tax recognized in the statement of income

The following table sets out the principal components of the income tax.

	Q1 2016	Q1 2015
Operating profit before tax from continuing operations	17,924	37,039
Profit before tax from discontinued operations	-	-
Total gross result	17,924	37,039
Prevailing tax rate in the Netherlands	25%	25%
Expected tax	4,481	9,260
Increase/decrease in tax payable due to:		
Tax-free interest	-	-
Tax-free income from securities and associates	-559	-1,581
Taxed release of tax reserves	-	607
Non-deductible impairments	-	-
Non-deductible costs	292	227
Non-deductible losses	112	103
Adjustments to taxes for prior financial years	-	-
Impact of foreign rate tax differences	-233	-112
Other changes	-180	-357
	-568	-1,113
Total tax	3,913	8,147

Additional notes

(x€1,000)

25 Earnings per ordinary share	Q1 2016	Q1 2015
Net result	14,011	28,892
Interest on equity instruments issued by subsidiaries	-	-245
Non-controlling interests	-817	-1,797
Net result attributable to shareholders	13,194	26,850
Weighted average number of ordinary shares in issue	40,996,097	40,826,361
Earnings per ordinary share (€)	0.32	0.66

26 Diluted earnings per ordinary share	Q1 2016	Q1 2015
Net result attributable to shareholders	13,194	26,850
Weighted average number of ordinary shares in issue	40,996,097	40,826,361
Potential ordinary shares	459,193	422,109
Weighted average number of ordinary shares in issue, fully diluted	41,455,290	41,248,470
Diluted earnings per ordinary share (€)	0.32	0.65

27 Fair value

Financial instruments at fair value

A portion of the financial instruments are measured at fair value in the statement of financial position. The fair value is based either on quoted prices in active markets, inputs other than quoted prices that are observable in the market, or input based on data not observable in the market.

In 2014 we developed a policy on the criteria for allocating financial instruments recognised in the statement of financial position at fair value to each of the three levels. The policy document divides the variables used into observable and non-observable market inputs. If the non-observable input variables are significant, the instrument is classified as Level 3. A non-observable input variable is significant if the change in the fair value due to the application of the variable is greater than the set threshold values. In 2016 Van Lanschot has further refined the policy document, the non-observable input variables are assessed on significance each reporting date.

Level 1: Quoted prices in active markets

The fair value of financial instruments traded in an active market is based on the price at the reporting date (market price). The bid price is applied for financial assets and the offer price for financial liabilities. Since these instruments are traded in an active market, their prices adequately reflect current and frequent market transactions between unrelated parties.

Level 2: Inputs observable in the markets

The fair value of financial instruments not traded in an active market (e.g. over-the-counter financial derivatives) is established using cash flow and option valuation models. Based on estimates, Van Lanschot selects a number of methods and makes assumptions based on the market conditions (observable data) at the reporting date. The estimated present value of future cash flows is used to determine the fair value of the other financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows. The discount rate is the same as the market interest rate at the reporting date for a similar instrument subject to the same conditions, taking into account collateral furnished under credit support annexes (CSAs).

The fair value of forward currency contracts is calculated by reference to forward exchange rates at the reporting date.

An assumption is made that the face value (less estimated adjustments) and fair value of trade receivables and liabilities are similar.

Estimates and judgements made are based on past experience as well as other factors, including expectations with respect to future events that could reasonably occur given current circumstances. Estimates and judgements are assessed on an ongoing basis.

Level 3: Input observable in the markets

The financial instruments in this category are assessed on an individual basis. Their valuation is based on the best estimate of management by reference to the most recent prices, prices of similar instruments and, to a not insignificant extent, information not observable in the market.

Financial instruments at fair value				Q1 2016
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	10,129	1,306	312	11,747
Financial assets designated at fair value through profit or loss	451,967	38,601	13,662	504,230
Available-for-sale investments	2,176,059	-	40,403	2,216,462
Derivatives	23,058	339,944	14,251	377,253
Total assets	2,661,213	379,851	68,628	3,109,692
Liabilities				
Financial liabilities held for trading	4,773	-	312	5,085
Financial liabilities designated at fair value through profit or loss	-	737,304	66,174	803,478
Derivatives	20,846	408,878	4,367	434,091
Total liabilities	25,619	1,146,182	70,853	1,242,654

Financial instruments at fair value				31/12/2015
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	5,206	1,137	520	6,863
Financial assets designated at fair value through profit or loss	659,245	39,177	14,156	712,578
Available-for-sale investments	2,119,108	-	40,033	2,159,141
Derivatives	26,124	297,396	9,891	333,411
Total assets	2,809,683	337,710	64,600	3,211,993
Liabilities				
Financial liabilities held for trading	88	-	330	418
Financial liabilities designated at fair value through profit or loss	-	730,883	73,720	804,603
Derivatives	24,859	295,630	4,271	324,760
Total liabilities	24,947	1,026,513	78,321	1,129,781

During the first quarter of 2016, the valuation technique remain unchanged.

During the first quarter of 2016, Van Lanschot assessed the non-observable input variable on significance. As a result of this assessment some financial instruments belonging to Derivatives (assets and liabilities) or Financial liabilities designated at fair value through profit or loss has been transferred from Level 2 to Level 3 and vice versa. The transfer regarding Derivatives (assets) consists of €1.7 million transfer from Level 2 to Level 3 and €1.9 million transfer from Level 3 to Level 2. The transfer regarding Financial liabilities designated at fair value through profit or loss consists of €14.4 million transfer from Level 2 to Level 3 and €20.6 million transfer from Level 3 to Level 2. The transfer regarding Derivatives (liabilities) consists of a transfer from Level 3 to Level 2.

Breakdown of movements in financial assets classified as Level 3							
	at 1 January 2016	To statement of income	To equity	Purchases	Sales	Transfers	At 31 March 2016
Assets							
Financial assets held for trading	520	-2	-	-	-206	-	312
Financial assets designated at fair value through profit or loss	14,156	-494	-	-	-	-	13,662
Available-for-sale investments	40,033	227	748	75	-680	-	40,403
Derivatives	9,891	1,228	-	3,291	-	-159	14,251
Total assets	64,600	959	748	3,366	-886	-159	68,628

Breakdown of movements in financial liabilities classified as Level 3							
	at 1 January 2016	To statement of income	To equity	Issues	Settlements	Transfers	At 31 March 2016
Liabilities							
Financial liabilities held for trading	330	-	-	-	-18	-	312
Financial liabilities designated at fair value through profit or loss	73,720	-1,317	-	-	-	-6,229	66,174
Derivatives	4,271	1,142	-	-	-	-1,046	4,367
Total liabilities	78,321	-175	-	-	-18	-7,275	70,853

Breakdown of movements in financial assets classified as Level 3							
	At 1 January 2015	To statement of income	To equity	Purchases	Sales	Transfers	At 31 March 2015
Assets							
Financial assets held for trading	219	1	-	-	-25	-	195
Financial assets designated at fair value through profit or loss	14,081	795	-	-	-2,575	-	12,301
Available-for-sale investments	62,325	436	1,797	116	-2,505	-	62,169
Derivatives	8,519	738	-	9,251	-	-	18,508
Total assets	85,144	1,970	1,797	9,367	-5,105	-	93,173

Breakdown of movements in financial liabilities classified as Level 3							
	At 1 January 2015	To statement of income	To equity	Issues	Settlements	Transfers	At 31 March 2015
Liabilities							
Financial liabilities designated at fair value through profit or loss	113,698	7,003	-	14,468	-1,500	-	133,669
Derivatives	1,092	-455	-	3,093	-	-	3,730
Total liabilities	114,790	6,548	-	17,561	-1,500	-	137,399

Fair value changes recognised in profit or loss of financial instruments classified as Level 3	Q1 2016			Q1 2015		
	Realised	Unrealised	Total	Realised	Unrealised	Total
	Net interest income	231	-	231	436	-
Income from securities and associates	-2	-494	-496	1	795	796
Result on financial transactions	-	1,403	1,403	-	-5,810	-5,810
Impairments	-	-4	-4	-	-	-
Total	229	905	1,134	437	-5,015	-4,578

Notes on fair value determination using significant observable market inputs (Level 2)

	Fair value		Valuation method	Significance of observable market inputs
	31/03/2016	31/12/2015		
Assets				
Financial assets held for trading	1,306	1,137	- Net Asset Value	- estimate of net asset value of the underlying investments reflecting appropriate generally accepted valuation methods received from fund managers
Financial assets designated at fair value through profit or loss	38,601	39,177	- Net Asset Value	- most recently known (closing) price of the underlying assets - most recent published net asset value - market value on measurement date equals market price - fair value reflecting appropriate generally accepted standards
Derivatives	339,944	297,396	- Discounted cash flow - Option model	- Underlying value - Interest rate - Dividend yield - Volatility - Realised consumer price index (CPI) - Seasonality - Inflation rate - Correlation - FX rates - CDS spread - Recovery rate
Total assets	379,851	337,710		
Liabilities				
Financial liabilities designated at fair value through profit or loss	737,304	730,883	- Discounted cash flow - Option model	- Interest rate - Asset price - Dividend yield - Volatility - Correlation - FX rates
Derivatives	408,878	295,630	- Discounted cash flow - Option model	- Underlying value - Interest rate - Dividend yield - Volatility - Realised consumer price index (CPI) - Seasonality - Inflation rate - Correlation - FX rates - CDS spread - Recovery rate
Total liabilities	1,146,182	1,026,513		

Notes on fair value determination using non-observable inputs (Level 3)				
	Fair value		Valuation method	Significance of non-observable market inputs
	31/03/2016	31/12/2015		
Assets				
Financial assets held for trading	312	520	- Net asset value	- Net asset value - Face value
Financial assets designated at fair value through profit or loss	13,662	14,156	- Discounted cashflow - Market Multiples - Trade Multiples - Net asset value	- n/a* - Cost or lower market value
Available-for-sale investments **	40,403	40,033	- Discounted cash flow - Net asset value	- Interest rates - Discount rates - Most recent published net asset values of the underlying assets - n/a * - Multiple analyses of comparable companies less a discount of 25% for illiquidity and company size - Most recently known share price - EBITA - Issue or transfer price - Market price on final trading day - Face value less provisions
Derivatives **	14,251	9,891	- Discounted cash flow - Option model	- Volatility - Correlation
Total assets	68,628	64,600		
Liabilities				
Financial liabilities held for trading	312	330	- Net asset value	- Net asset value - Face value
Financial liabilities designated at fair value through profit or loss **	66,174	73,720	- Discounted cash flow - Option model	- Volatility - Correlation
Derivatives **	4,367	4,271	- Discounted cash flow - Option model	- Volatility - Correlation - n/a
Total liabilities	70,853	78,321		

* The valuation is provided by a professional party. Van Lanschot has no insight into the significant non-observable data, range and sensitivity.

** The range and sensitivity of these financial instruments are disclosed in table Notes on range and sensitivity of non-observable market inputs (Level 3). No range or sensitivity information is available for the other financial instruments.

Notes on range and sensitivity of non-observable market inputs (Level 3)

	Significant non-observable market inputs	Range	Sensitivity
Assets			
Available-for-sale investments			
Debt instruments: company cumprefs (shareholdings)	- Interest rates - Discount rates	7% - 12% 7% - 12%	change of 1% change of €0.1 million change of 1% - change of €0.1 million
Derivatives			
Structured products derivatives			
- Options	- Correlation	-20% - 25% (2%)	total impact €0.5 million
	- Volatility	10% - 20% (16%)	total impact €1.0 million
- Equity swaps	- Correlation	-21% - 28% (3%)	total impact -€0.5 million
	- Volatility		
Liabilities			
Financial liabilities designated at fair value through profit or loss			
Structured debt instruments	- Correlation	-20% - 28% (3%)	total impact -€0.4 million
	- Volatility	14% - 20% (17%)	total impact €0.3 million
Derivatives			
Structured products derivatives			
- Options	- Volatility	14% - 20% (17%)	total impact €0.4 million
- Equity Swaps	- Volatility	14% - 20% (17%)	total impact €0.3 million
	- Correlation	-17% - 22% (3%)	total impact €0.0 million

Financial instruments not recognised at fair value

The value of financial instruments not recognised at fair value is taken as the amount for which the instrument could be exchanged in a commercial transaction between willing parties, other than in a forced or liquidation sale. If there is an active market, Van Lanschot uses the market value to determine the fair value. For financial instruments for which no market prices are available, the fair values are estimated on the basis of the present value or other estimation or valuation methods

Financial instruments not recognised at fair value							
	31/03/2016		31/12/2015				
	Fair value	Carrying amount	Fair value	Carrying amount	Level	Valuation method	Significant observable and non-observable market inputs
Assets							
Due from banks	232,738	232,736	200,094	200,073	2	Discounted cash flows using applicable money market rates	Interest rate and discount rate
Held-to-maturity investments	565,059	521,101	557,396	523,639	1	Quoted prices in active markets	-
Loans and advances to the public and private sectors	10,793,059	10,123,003	10,702,999	10,168,368	3	Discounted cash flows using current market fees for comparable loans and taking into account the creditworthiness of the counterparty.	Interest rate, discount rate and counterparty credit risk
Liabilities							
Due to banks	460,296	459,719	698,209	698,125	3	Discounted cash flows using applicable money market rates for liabilities with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Public and private sector liabilities	9,449,480	9,300,140	9,716,862	9,572,336	3	Discounted cash flows using applicable money market rates for liabilities with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Issued debt securities	3,020,740	2,954,123	2,522,843	2,480,005	3	Discounted cash flows using applicable money market rates for debt instruments with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk
Subordinated loans	134,739	117,999	146,131	118,151	3	Discounted cash flows using applicable money market rates for debt instruments with a comparable term to maturity, taking account of own credit risk.	Interest rate, discount rate and own credit risk

28 Netting of financial assets and financial liabilities

Netting of financial assets					31/03/2016
	Gross financial assets	Gross financial liabilities netted in the statement of financial position	Net financial assets presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Total	2,032,764	633,053	1,399,711	18,411	1,381,300
Derivatives	682,487	305,234	377,253	18,411	358,842
Current accounts	1,350,277	327,819	1,022,458	-	1,022,458

Netting of financial liabilities					31/03/2016
	Gross financial liabilities	Gross financial assets netted in the statement of financial position	Net financial liabilities presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Totaal	5,132,831	633,053	4,499,778	18,411	4,481,367
Derivatives	739,325	305,234	434,091	18,411	415,680
Current accounts*	4,393,506	327,819	4,065,687	-	4,065,687

* Current accounts are part of Other funds entrusted.

Netting of financial assets					31/12/2015
	Gross financial assets	Gross financial liabilities netted in the statement of financial position	Net financial assets presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Total	2,050,008	702,664	1,347,344	66,137	1,281,207
Derivatives	700,020	366,609	333,411	66,137	267,274
Current accounts	1,349,988	336,055	1,013,933	-	1,013,933

Netting of financial liabilities					31/12/2015
	Gross financial liabilities	Gross financial assets netted in the statement of financial position	Net financial liabilities presented in the statement of financial position	Related amounts not netted in the statement of financial position	Net
Totaal	5,078,577	702,664	4,375,913	66,137	4,309,776
Derivatives	691,369	366,609	324,760	66,137	258,623
Current accounts*	4,387,208	336,055	4,051,153	-	4,051,153

* Current accounts are part of Other funds entrusted.

29 Related parties

	Q1 2016			
	Income	Expenses	Amounts receivable	Amounts payable
Total	5,379	5,713	22,735	21,377
Parties with a shareholding in Van Lanschot of at least 5% Associates	5,361	5,713	20,520	19,141
Investments in associates using the equity method	-	-	-	-
	18	-	2,215	2,236

	Q1 2015			
	Income	Expenses	Amounts receivable	Amounts payable
Total	16,400	16,449	78,578	52,475
Parties with a shareholding in Van Lanschot of at least 5% Associates	16,384	16,404	76,096	31,117
Investments in associates using the equity method	-	-	-	-
	16	45	2,482	21,358

For further information regarding to related party transactions see Van Lanschot's annual report 2015 (from page 204).

Segment information

Segmentation of our activities is based on operating segments, as our risk and return profile is chiefly affected by differences in our products and services. Our activities break down into five operating segments, while intrasegment transactions are conducted based on an arm's length basis.

Private Banking

Private Banking offers private clients and entrepreneurs a broad range of products in the private banking market, while also focusing on business professionals & executives, healthcare professionals, and associations and charitable societies.

Asset Management

A specialist asset manager, Asset Management focuses on a range of investment strategies while also offering fiduciary services to domestic and international institutional clients such as pension funds and insurers.

Merchant Banking

Merchant Banking offers specialist services including securities and acquisitions & mergers services, capital market transactions and financial advice to institutional investors, corporates, financial institutions and public and semi-public entities.

Corporate Banking

A team of experts within Corporate Banking is engaged in managing and winding down the property and SME loan portfolios not linked to Private Banking clients.

Other activities

These comprise activities in the field of interest rate, market and liquidity risk management, as well as Van Lanschot Participaties and non-strategic investments.

The operating segments presentation is changed as per financial year 2016 to align it in the way the segment information is reported to the Executive Board (EB). The breakdown between interest income and interest expense is no longer presented, and the same for the split between commission income and commission expense. In 2016 management of Van Lanschot decided to make a clear distinction between directly influenced own costs and indirect costs, this distinction is now visible in the tables below. The figures of the first quarter 2015 have been adjusted accordingly.

Operating segments	Q1 2016					
	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
€ million						
Statement of income						
Net interest income	39.4	-	-	11.9	4.2	55.5
Income from securities and associates	-	-0.2	-	-	1.5	1.3
Net commission income	26.3	21.6	9.6	0.9	-	58.4
Profit on financial transactions	0.3	-	0.4	-	-2.9	-2.2
Other income	-	-	-	-	10.4	10.4
Total income from operating activities	66.0	21.4	10.0	12.8	13.2	123.4
Staff costs	21.6	8.6	4.6	1.2	21.8	57.8
Other administrative expenses	14.2	3.8	1.9	0.3	19.7	39.9
Allocated internal expenses	18.2	3.9	2.2	4.3	-28.6	-
Depreciation and amortisation	0.6	0.1	-	-	3.3	4.0
Impairments	-0.4	-	-	5.5	-1.3	3.8
Total expenses	54.2	16.4	8.7	11.3	14.9	105.5
Operating result before tax	11.8	5.0	1.3	1.5	-1.7	17.9
Income tax	2.9	1.3	0.4	0.4	-1.1	3.9
Net result	8.9	3.7	0.9	1.1	-0.6	14.0
Efficiency ratio (%)	83%	76%	87%	45%		

Operating segments	Q1 2015					
	Private Banking	Asset Management	Merchant Banking	Corporate Banking	Other activities	Total
€ million						
Statement of income						
Net interest income	38.0	-	-	15.3	-3.3	50.0
Income from securities and associates	-	0.1	-	-	7.9	8.0
Net commission income	27.8	20.0	19.0	1.0	0.3	68.1
Profit on financial transactions	0.6	-	0.4	-	21.0	22.0
Other income	-	-	-	-	10.2	10.2
Total income from operating activities	66.4	20.1	19.4	16.3	36.1	158.3
Staff costs	17.8	8.3	7.4	1.8	25.6	60.9
Other administrative expenses	7.1	2.8	2.0	0.2	28.1	40.2
Allocated internal expenses	34.1	3.8	2.4	5.9	-46.2	-
Depreciation and amortisation	1.2	-	-	-	3.3	4.5
Impairments	7.8	-	-	6.4	1.5	15.7
Total expenses	68.0	14.9	11.8	14.3	12.3	121.3
Operating result before tax	-1.6	5.2	7.6	2.0	23.8	37.0
Income tax	-0.5	1.2	1.9	0.5	5.0	8.1
Net result	-1.1	4.0	5.7	1.5	18.8	28.9
Efficiency ratio (%)	91%	74%	61%	48%		

Events after the reporting period

Strategy update

In April 2016, Van Lanschot announced the outcome of a strategic update for the period until and including 2020. The overall approach and mission as defined three years ago remain unchanged. Van Lanschot continues to enhance its strong position as a specialised, independent wealth management firm, with many elements of the transformation fully realised. Now, Van Lanschot starts the next phase of its strategy to incorporate its response to changes in client needs, trends in the industry and challenging economic circumstances. The core of the strategy remains the same: to be the trusted partner of clients in creating and preserving wealth.

The launch of the next steps of our wealth management strategy includes a one-off investment programme of approximately €60 million for the period of 2016 to 2019, to implement an omnichannel Private Banking service model, further develop Evi and finalise the transformation of our IT landscape.

Delta Lloyd

Delta Lloyd has indicated its intention to pursue a sale of its shareholding in Van Lanschot by way of a marketed offering in the course of 2016. Van Lanschot places a high value on having a stable shareholder base that supports its strategy and positioning as a specialised, independent wealth manager, and has therefore agreed to support the intended offering.

Van Lanschot Participaties

In May 2016, Van Lanschot entered into a letter of intent in connection with the proposed acquisition of the shares of a company that provides IT back office solutions to Van Lanschot for a purchase price of €1 plus an earn-out payment by Van Lanschot to the seller upon a future sale of the shares by Van Lanschot. Under the terms of this letter of intent, Van Lanschot will provide capital of €2 million in two tranches.

Other information

Statutory Board Responsibility Statement

The members of the Statutory Board hereby declare, to the best of their knowledge, that the 2016 interim financial statements, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), give a true and fair view of the assets, liabilities, financial position and profit or loss of Van Lanschot NV and its consolidated entities, and that the 31 March 2016 interim report gives a true and fair view of the information to be provided by virtue of Article 5 (25) (d) (8) (9) of the Dutch Financial Supervision Act ("Wft").

's-Hertogenbosch, the Netherlands, 20 May 2016

Statutory Board

Karl Guha, Chairman

Constant Korthout

Richard Bruens

Arjan Huisman

Review report

To: The Executive Board of Van Lanschot N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the three-month period ended 31 March 2016 of Van Lanschot N.V., Den Bosch, which comprises the consolidated statement of financial position as at 31 March 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period then ended and the selected explanatory notes. The Executive Board is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the three-month period ended 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Corresponding figures not audited or reviewed

We have not audited the financial statements of the previous year nor have we performed a review engagement. Consequently the corresponding figures included in the consolidated income statement and the consolidated statement of comprehensive income have not been audited or reviewed.

Amsterdam, 20 May 2016
PricewaterhouseCoopers Accountants N.V.

R.E.H.M. van Adrichem RA