



Van Lanschot NV Financial report 2010 annual results



CONTENTS

KEY DATA	2
RESULTS 2010	3
BALANCE SHEET	9
ASSETS UNDER MANAGEMENT	13
DEVELOPMENTS AT PRINCIPAL INVESTMENTS	14
<i>Financial statements</i>	
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010	15
CONSOLIDATED INCOME STATEMENT FOR 2010	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010	17
SUMMARISED CONSOLIDATED CASH FLOW STATEMENT FOR 2010	17
OPERATING SEGMENTS	18



KEY DATA

Income statement <i>(x € million)</i>	2010	2010 core ¹	2009 core	Δ %	H2 2010 core	H1 2010 core
Income from operating activities	630.9	613.3	568.5	8	325.8	287.5
Operating expenses	439.9	422.3	428.8	-2	216.6	205.7
Gross result	191.0	191.0	139.7	37	109.2	81.8
Addition to loan loss provision	86.5	86.5	113.2	-24	42.6	43.9
Other impairments	16.0	16.0	62.8	-75	8.8	7.2
Operating profit before tax	88.5	88.5	-36.3	-	57.8	30.7
Discontinued operations	1.1	-	-	-	-	-
Net profit	66.7	65.7	-14.8	-	43.6	22.1

BALANCE SHEET <i>(x € million)</i>	31-12-2010	31-12-2010 core	31-12-2009 core	Δ %	30-06-2010 core
Equity attributable to shareholders	1,462	1,462	1,239	18	1,428
Equity attributable to minority interests	323	323	313	3	307
Public and private sector liabilities	13,546	13,546	13,380	1	13,075
Loans and advances to the public and private sectors	15,710	15,710	16,941	-7	16,418
Total assets	20,325	19,590	20,569	-5	19,928

CAPITAL MANAGEMENT	31-12-2010	31-12-2010 core	31-12-2009 core	Δ %	30-06-2010 core
Risk-weighted assets (x € million)	11,752	11,695	13,915	-16	13,459
BIS total capital ratio (%)	13.9	14.2	11.9	-	12.2
BIS Tier I ratio (%)	11.9	12.1	9.8	-	10.3
BIS Core Tier I ratio (%)	9.6	9.6	6.6	-	8.2
Leverage	13.9	13.4	16.6	-	14.0

ASSETS UNDER MANAGEMENT <i>(x € billion)</i>	31-12-2010	31-12-2010 core	31-12-2009 core	Δ %	30-06-2010 core
Total assets under management	35.4	35.4	29.9	18	32.2
Assets under discretionary management	20.9	20.9	16.2	29	18.7
- of which double-counted	0.7	0.7	0.5	40	0.7
Assets under non-discretionary management	14.5	14.5	13.7	6	13.5

KEY FIGURES	31-12-2010	31-12-2010 core	31-12-2009 core		30-06-2010 core
Average number of ordinary shares (x 1,000)	38,367	38,367	34,870		35,901
Earnings per share based on average number of ordinary shares (in euros)	1.47	1.45	-0.72		0.48
Efficiency ratio (%)	69.7	68.9	75.4		71.5
Return on average equity (%)	4.2	4.1	-2.0		2.5
Funding ratio (%)	86.2	86.2	79.0		79.6
Number of staff (FTEs)	2,181.8	2,042.8	2,050.0		2,041.6

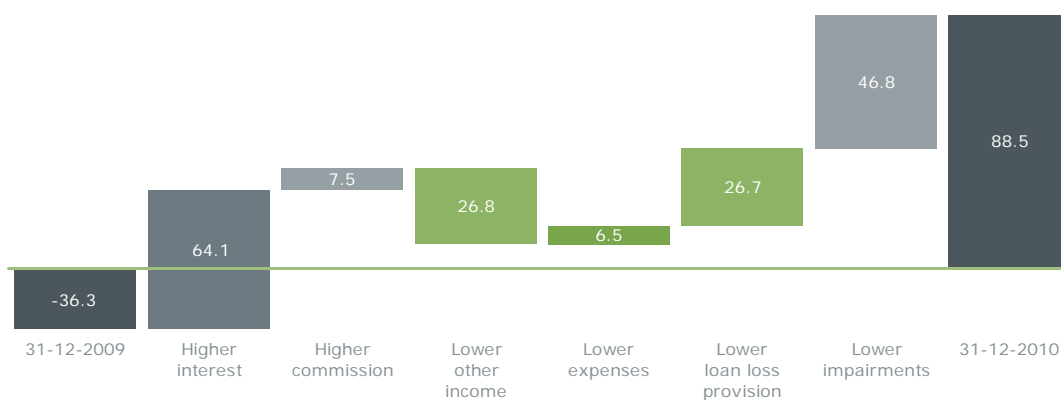
¹ Since 2009, the annual figures have reflected the impact of a number of non-strategic investments. In order to allow an adequate comparison, the figures in this financial report are adjusted for these investments. In all cases, the comparative figures solely concern the core activities.



RESULTS 2010

	2010	2010 core	2009 core	Δ %	H2 2010 core	H1 2010 core
<i>(x € million)</i>						
Interest	335.9	336.9	272.8	23	176.6	160.3
Income from securities and associates	13.0	14.0	26.5	-47	7.0	7.0
Commission	232.2	232.2	224.7	3	117.0	115.2
Profit on financial transactions	30.2	30.2	44.5	-32	25.2	5.0
Other income	19.6	-	-	-	-	-
Income from operating activities	630.9	613.3	568.5	8	325.8	287.5
Staff costs	236.1	226.4	218.5	4	117.3	109.1
Other administrative expenses	167.1	159.9	173.2	-8	81.3	78.6
Depreciation and amortisation	36.7	36.0	37.1	-3	18.0	18.0
Operating expenses	439.9	422.3	428.8	-2	216.6	205.7
GROSS RESULT	191.0	191.0	139.7	37	109.2	81.8
Addition to loan loss provision	86.5	86.5	113.2	-24	42.6	43.9
Other impairments	16.0	16.0	62.8	-75	8.8	7.2
Operating profit before tax	88.5	88.5	-36.3	-	57.8	30.7
Income tax	22.9	22.8	-21.5	-	14.2	8.6
Discontinued operations	1.1	-	-	-	-	-
NET PROFIT	66.7	65.7	-14.8	-	43.6	22.1

Development operating income before tax (€ million)





The 2010 operating profit before tax was affected by a number of exceptional items. Adjusted for these exceptional items, the underlying profit is as follows:

<i>(x € million)</i>	2010 core	2009 core
Operating profit before tax	88.5	-36.3
Accelerated write-off of IT project	-	39.4
Impairment of investments and shareholdings	15.7	17.4
Capital loss on buildings	0.3	6.0
Restructuring provision	-	3.6
Release of pension provision	-	-4.0
Obligations under deposit guarantee scheme (Icesave)	-	-1.1
Obligations under deposit guarantee scheme (DSB Bank)	-1.1	7.6
Conversion premium (conversion of preference into ordinary shares)	4.4	-
Underlying operating profit	107.8	32.6

INCOME FROM OPERATING ACTIVITIES

<i>(x € million)</i>	2010	2010 core	2009 core	Δ %	H2 2010 core	H1 2010 core
Interest	335.9	336.9	272.8	23	176.6	160.3
Income from securities and associates	13.0	14.0	26.5	-47	7.0	7.0
Commission	232.2	232.2	224.7	3	117.0	115.2
Profit on financial transactions	30.2	30.2	44.5	-32	25.2	5.0
Other income	19.6	-	-	-	-	-
Income from operating activities	630.9	613.3	568.5	8	325.8	287.5

Interest

Interest was 23% higher in 2010 than in 2009. This increase can be attributed to, among other things, the higher interest margin, which climbed from 1.32% in 2009 to 1.68% in 2010, thanks to lower interest rates on funds entrusted and higher margins on loans. Interest also includes the interest expense relating to the preference shares issued in December 2008. On 1 June 2010, these preference shares were converted into ordinary shares. The preference shares led to a € 4.7 million interest expense in 2010 (2009: € 11.2 million).

Income from securities and associates

This item comprises dividends, gains and losses on sales, and valuation results of minority shareholdings held by the bank. Dividends received in 2010 totalled € 18.0 million (2009: € 8.0 million). The valuation result for 2010 was € 5.4 million negative (2009: € 18.5 million positive). The valuation result includes € 0.7 million relating to 49% of the net profit (exclusive of dividend) of Van Lanschot Chabot (2009: € 0.5 million). Gains on sales totalled € 1.4 million for 2010 (2009: nil) and concerned a shareholding and an in-house fund.

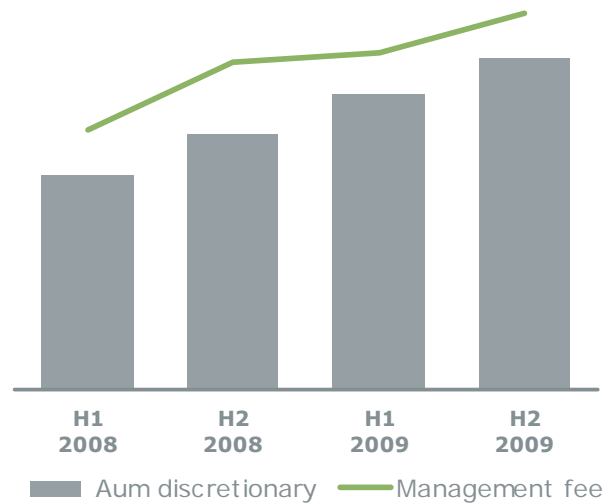


Commission

The increase in commission was chiefly due to securities commission, which was up by € 7.5 million, from € 172.1 million to € 179.6 million, inclusive of performance fees. The performance fees totalled € 7.2 million in 2010 (2009: € 11.6 million). Exclusive of the performance fees, securities commission increased € 11.9 million. This increase was mainly the result of a rise in assets under discretionary management, which in turn led to higher management fees. In 2010, the share of management fees² compared with total securities commission was 64% (2009: 54%). Transaction commission dropped due to lower trading volumes.

Other commission remained at the same level as in 2009 (€ 52.6 million).

Development assets under discretionary management and management fee



Profit on financial transactions

Profit on financial transactions consists of realised and unrealised value changes affecting the trading portfolio, exchange differences, and realised and unrealised gains and losses on hedge accounting. Trends in interest rates, the mood on the stock exchanges and movements in exchange rates have a significant effect on this item. The profit on financial transactions for 2010 was € 30.2 million. This profit includes the results on the sale of bonds from the investment portfolio (2010: € 20.8 million, 2009: € 12.8 million). Furthermore, it includes a charge for the conversion premium paid (€ 4.4 million) upon the conversion of preference shares into ordinary shares.

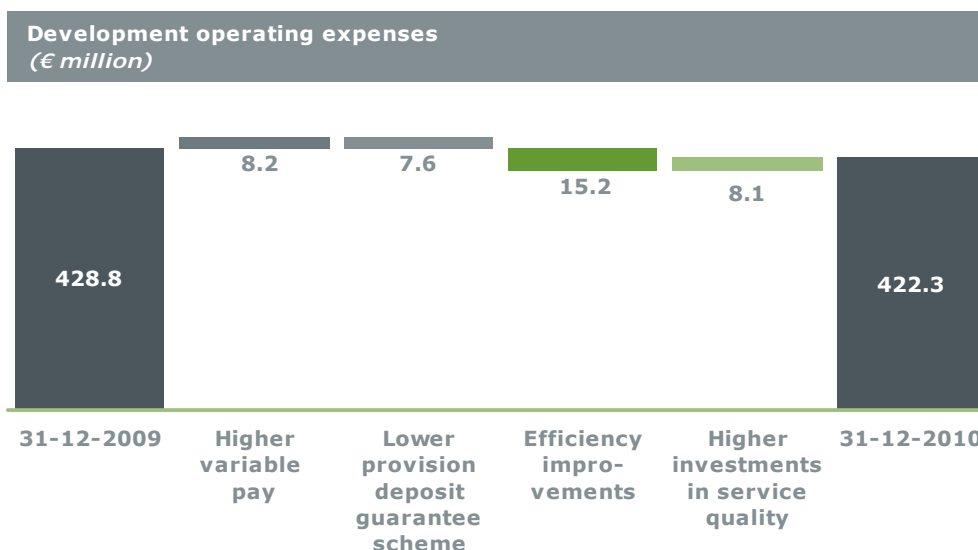
² Management fee inclusive of portfolio commission and custody fee



TOTAL EXPENSES

	2010	2010 core	2009 core	Δ %	H2 2010 core	H1 2010 core
<i>(x € million)</i>						
Staff costs	236.1	226.4	218.5	4	117.3	109.1
Other administrative expenses	167.1	159.9	173.2	-8	81.3	78.6
Depreciation and amortisation	36.7	36.0	37.1	-3	18.0	18.0
Operating expenses	439.9	422.3	428.8	-2	216.6	205.7

The graph below shows the movements in total operating expenses.



Staff costs

Staff costs were up by 4% to € 226.4 million (2009: € 218.5 million), mainly due to variable pay. In 2009 no variable pay was granted due to the negative result. The average number of FTEs in 2010 remained nearly stable at 2,044 FTEs at 31 December 2010 versus 2,143 FTEs at 31 December 2009. The efficiency measures initiated in 2009 led to a 7% cost reduction at Van Lanschot Bankiers in 2010. In line with the strategy, investments were made in core activities.

Other administrative expenses

The other administrative expenses were down 8% to € 159.9 million (2009: € 173.2 million). In 2009, these expenses included € 6.5 million on account of the deposit guarantee scheme. Adjusted for this item, other administrative expenses totalled € 166.7 million in 2009; compared with this amount, other administrative expenses declined by € 6.8 million in 2010. This was caused in particular by lower IT expenses.

Depreciation and amortisation

Depreciation and amortisation decreased to € 36.0 million (2009: € 37.1 million). In both years, € 12.6 million concerned the amortisation of intangible assets as a result of the acquisition of Kempen & Co and CenE Bankiers.

Efficiency ratio

The efficiency ratio, i.e. the ratio of operating expenses to income from operating activities, showed a positive trend, at 68.9% (2009: 75.4%). The improvement over the previous year can be attributed to both the increase in income from operating activities and the decrease in operating expenses.

**IMPAIRMENTS**

(x € million)	2010	2010 core	2009 core	Δ %	H2 2010 core	H1 2010 core
Addition to loan loss provision	86.5	86.5	113.2	-24	42.6	43.9
Accelerated write-off of IT project	-	-	39.4	-	-	-
Impairment of investments and shareholdings	15.7	15.7	17.4	-10	8.5	7.2
Capital loss on buildings	0.3	0.3	6.0	-95	0.3	-
Other impairments	16.0	16.0	62.8	-75	8.8	7.2
IMPAIRMENTS	102.5	102.5	176.0	-42	51.4	51.1

Addition to loan loss provision

The addition to the loan loss provision declined by 24% to € 86.5 million in 2010 (2009: € 113.2 million). For more information, reference is made to the section on the Balance sheet.

Other impairments

In 2010, a shareholding from the participations portfolio was written down by € 13.6 million. In line with the prescribed accounting method, an unrealised negative value change is taken directly to profit or loss, whereas an unrealised positive value change is only taken to profit or loss when realised. On balance, the market value of the participations portfolio remained more or less stable. In addition, an investment fund was written down (€ 2.1 million).

INCOME TAX

Income tax for 2010 totalled € 22.8 million (2009: € 21.5 million negative), representing a tax burden of 25.8% (2009: -59.2%). The high tax burden in 2010 is caused by non-deductible expenses such as impairments on shareholdings to which the equity holding exemption applies and the conversion premium of the preference shares. The negative tax burden in 2009 was caused by the negative result and a tax benefit obtained under the equity holding exemption.



PROFIT APPROPRIATION

The consolidated profit for 2010 will be appropriated as follows:

<i>(x € million)</i>	2010	2009
Net profit	66.7	-15.7

Of which attributable to:

- shareholders of Van Lanschot NV	56.5	-26.1
- holders of perpetual loans	9.7	10.4
- other minority interests	0.5	-

Of the profit attributable to the shareholders of Van Lanschot NV, € 27.9 million will be reserved and it is proposed that € 28.6 million be distributed in the form of dividend. For 2010, a dividend payable in cash of € 0.70 will be proposed to the shareholders of Van Lanschot NV, representing a 51% pay-out ratio.

The profit attributable to other minority interests concerns the Management Investment Plan for key staff of Kempen & Co, as introduced in 2010.

EARNINGS PER ORDINARY SHARE

Earnings per ordinary share for 2010 were € 1.47 (2009: € 0.75 negative). Adjusted for non-strategic investments, earnings per ordinary share were € 1.45 (2009: € 0.72 negative).

<i>(x € million)</i>	2010	2010 core	2009 core
Net profit	66.7	65.7	-14.8
Net interest on perpetual loan	-9.7	-9.7	-10.4
Share of other minority interests	-0.5	-0.5	-
Net profit for calculation of earnings per ordinary share	56.5	55.6	-25.2
Earnings per ordinary share (€)	1.47	1.45	-0.72
Weighted average number of ordinary shares outstanding (x 1,000)	38,367	38,367	34,870



BALANCE SHEET

BALANCE SHEET AND CAPITAL MANAGEMENT

(x € million)	31-12-2010 core	31-12-2009 core	Δ %	30-06-2010 core
Equity attributable to shareholders	1,462	1,239	18	1,428
Equity attributable to minority interests	323	313	3	307
Public and private sector liabilities	13,546	13,380	1	13,075
Loans and advances to the public and private sectors	15,710	16,941	-7	16,418
Total assets	19,590	20,569	-5	19,928
Risk-weighted assets (x € million)	11,695	13,915	-16	13,459
BIS total capital ratio (%)	14.2	11.9	-	12.2
BIS Tier I ratio (%)	12.1	9.8	-	10.3
BIS Core Tier I ratio (%)	9.6	6.6	-	8.2
Leverage	13.4	16.6	-	14.0

Total assets at 31 December 2010 came to € 19.6 billion, compared with € 20.6 billion at 31 December 2009. This decline was mainly caused by the € 1.2 billion decrease in loans and advances to the public and private sectors.

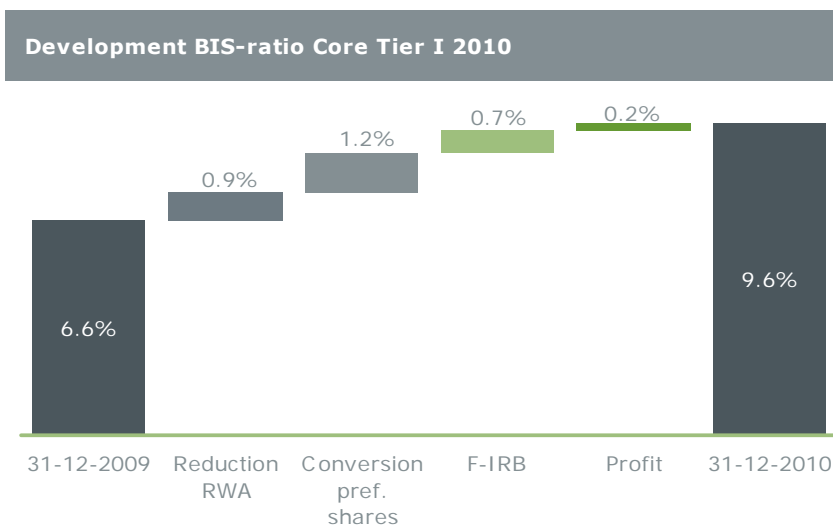
Equity totalled € 1,552 million at year-end 2009 and climbed to € 1,785 million at year-end 2010 as a result of the conversion of the preference shares into ordinary shares and the positive result for 2010. Equity attributable to minority interests, amounting to € 323 million, chiefly comprises the equity of the holders of the perpetual loans.

Duration is a measure of the sensitivity of equity to interest rate fluctuations. The maximum duration of equity considered to be acceptable by Van Lanschot is ten years. In 2010 Van Lanschot actively worked towards a duration of six to seven years, in view of the situation on the money and capital markets and the expectation that long-term interest rates will remain low for some time. The sensitivity analysis of equity is presented below:

	31-12-2010	31-12-2009
Duration (in years)	6.5	6.1
Present value of equity (x € million)	2,033	1,964

With the return to profitability, return on average equity rose to 4.1% for 2010 (2009: 2.0% negative).

Risk weighed assets decreased to € 11.7 billion at year-end 2010 (year-end 2009: € 13.9 billion). This is the result of the transition to F-IRB for the retail portfolio (€ 0.9 billion decline) and the active programme to reduce the risk-weighted assets and stricter focus on the target group clients of the private bank (€ 1.3 billion decrease).



The BIS Core Tier I ratio was 9.6% at year-end 2010, compared with 6.6% at year-end 2009, in part due to the lower risk-weighted assets. Furthermore, the increase was caused by the conversion of preference shares into ordinary shares on 1 June 2010. At year-end, the BIS Tier I ratio rose to 12.1% and the BIS total capital ratio to 14.2%.



The Dutch Central Bank has granted provisional consent to Van Lanschot to switch to the Foundation Internal Rating Based method (F-IRB) for the calculation of the credit risk on the non-retail portfolio for its capital ratios with effect from 1 July 2011. The transition of the non-retail portfolio to F-IRB will hardly impact the capital ratios.

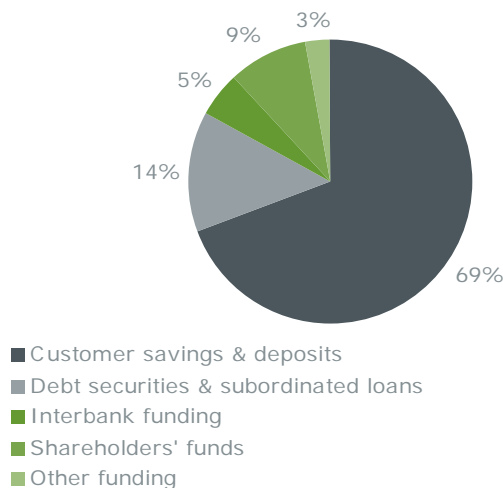
BASEL III

Basel III is a regulatory framework of new global regulatory standards on liquidity and bank capital adequacy. For liquidity, the current proposals comprise the introduction of two new ratios, i.e. the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). For both ratios, the minimum standard will be 100%. Banks have until 2015 to meet the LCR standard and until 2018 to meet the NSFR standard. Based on the current proposals, Van Lanschot is well prepared for Basel III; at year-end 2010 the pro forma LCR was 158% and the pro forma NSFR 98%.

LIQUIDITY AND FUNDING

Van Lanschot further improved its liquidity position and profile in 2010. As a private bank, Van Lanschot's activities have traditionally been financed by funds entrusted by clients. These funds remained virtually unchanged in the reporting year. The bank's funding ratio – the ratio of lending to funds entrusted by clients – was 86.2% at 31 December 2010 (31 December 2009: 79.0%).

Funding mix at 31 December 2010



In addition, the bank was active on the capital market. In part thanks to this, Van Lanschot was able to fully phase out its use of the European Central Bank facilities (year-end 2009: € 1.65 billion).

Van Lanschot managed to lengthen the duration of its funding profile in challenging market conditions. In March, a € 400 million senior bond loan was successfully issued. In September, the bank finalised two Citadel RMBS transactions, which resulted in approx. € 2.4 billion in eligible assets. At year-end 2010, two tranches of the new Citadel notes with an average term of two years (€ 250 million) and five years (€ 500 million) respectively were placed with a wide group of investors. In December, a total of € 410 million in funding was attracted through three repo transactions. The funding has terms from one to three years, for which Citadel notes have been pledged.

Thanks to the bank's healthy funding and liquidity position and good capital position, rating agencies Standard & Poor's (July 2010) and Fitch Ratings (November 2010) reconfirmed the stable outlook Single A minus credit rating of Van Lanschot after their annual review.



LOAN PORTFOLIO

(x € million)	31-12-2010	31-12-2009	Δ %	30-06-2010
Mortgage loans to private individuals	7,650	7,908	-3	7,883
Other private loans	2,124	2,304	-8	2,260
Corporate loans	6,191	6,913	10	6,496
Impairments	-255	-184	39	-221
Total	15,710	16,941	-7	16,418

The lending activities should at all times support the bank's strategy. This means that, even more than before, loans are granted solely to target group clients. A logical consequence of this choice is the sale of the healthcare institutions loan portfolio in 2009 (which was partly completed in 2010) and the scale-down of the portfolio of loans to non-target group clients.

The decline in loans and advances to the public and private sectors in 2010 was mainly caused by the targeted reduction of risk-weighted assets. In addition, the mortgage portfolio decreased by € 0.3 billion.

Concentration of loan portfolio

The graph alongside presents a breakdown of total receivables from the loan portfolio. Nearly half of the portfolio concerns home mortgages. Despite the stagnating residential property market, the mortgage portfolio did not deteriorate in terms of creditworthiness. Losses on mortgages are very limited (4 basis points of the total risk-weighted assets).

The size of the corporate loan portfolio became smaller in 2010 due to the strategy focus. The loan portfolio shows a concentration in commercial property. This almost entirely concerns commercial property in the Netherlands. About three-quarter concerns shops, business premises and residential buildings. Office vacancies in this portfolio are relatively low.

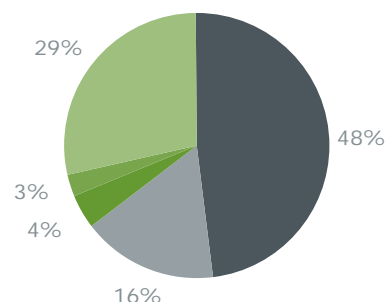
Lending activities to the financial holding company sector is in keeping with Van Lanschot's policy to focus also on the target group business professionals and executives. The interest in the healthcare sector declined considerably in the past few years, due to the aforementioned sale of the healthcare institutions loan portfolio.

Loan portfolio by country

Van Lanschot only runs a very limited country risk. The diagram shows the exposure of the loan portfolio of Van Lanschot, broken down by region.

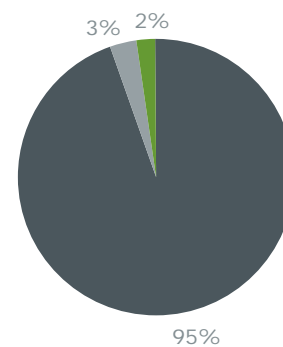
The stress tests performed by Van Lanschot took account of the sovereign risk on the investment and trading portfolios, as well as the bank's loan portfolio. Sovereign risk hardly plays a role at Van Lanschot; the core activities of Van Lanschot take place in its home markets the Netherlands and Belgium.

Corporate loans by sector at 31 december 2010



- Residential Mortgages
- Commercial Property
- Financial Holdings
- Healthcare
- Other

Loans and advances by region at 31 December 2010



- The Netherlands
- Belgium
- Other



PROVISIONS

The addition to the loan loss provision decreased to € 86.5 million (2009: € 113.2 million), i.e. 66 basis points of the average risk-weighted assets (2009: 79 basis points). Loans written off declined to € 15.5 million (2009: € 21.0 million).

An impaired loan is a loan for which a provision has been formed. Of the balance of impaired loans, 38.2% is covered by a provision (year-end 2009: 33.4%). This percentage is the result of a conservative risk policy with adequately secured loans. Total loans and advances to the public and private sectors can be broken down by product and type of client as follows:

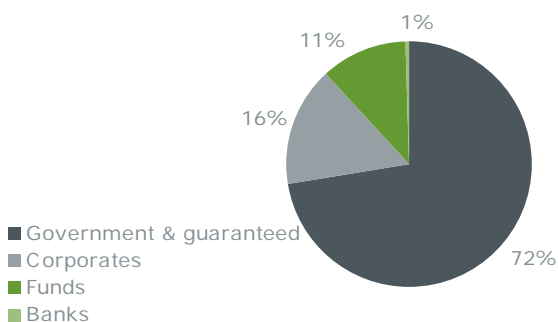
(x € million)	31-12-2010	Impaired loans	Provision on impaired loans
Mortgage loans to private individuals	7,650	151.0	27.4
Other private loans	2,124	133.8	64.2
Corporate loans	6,191	353.9	152.5
Impairments	-255		
Total	15,710	638.7	244.1

INVESTMENT AND TRADING PORTFOLIO OF VAN LANSCHOT

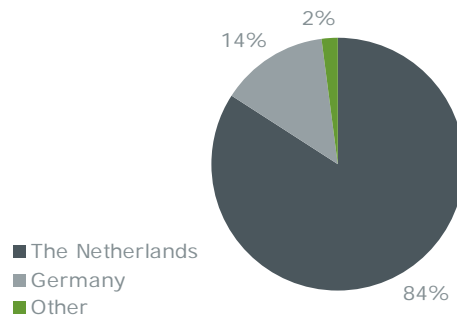
The total investment and trading portfolio³ of Van Lanschot amounted to € 1,424 million at year-end 2010, compared with € 1,178 million at 31 December 2009. The € 246 million increase mainly concerned the balance of Dutch and German government bonds purchased and sold. Of Van Lanschot's available-for-sale investments at year-end 2010, 81% comprised funds with a triple-A rating and 11% funds with a double-A rating.

Van Lanschot does not have any exposure to Greece, Spain, Portugal, Italy and Ireland. The portfolio at 31 December 2010 can be broken down by counterparty and by region as follows:

Investment portfolio (excluding shares) by counterparty at 31 december 2010



Investment portfolio (excluding shares) by region at 31 December 2010



³ The investment and trading portfolio comprises the balance of available-for-sale investments, financial receivables from trading activities and financial assets at fair value through profit or loss.



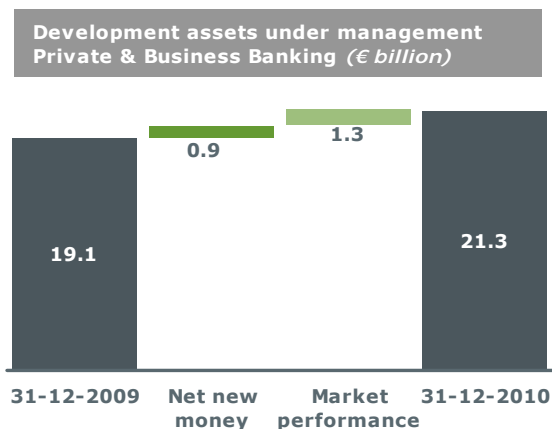
ASSETS UNDER MANAGEMENT⁴

	31-12-2010	31-12-2009	Δ %	30-06-2010
<i>(x € billion)</i>				
Assets under management	35.4	29.9	18	32.2
Assets under discretionary management	20.9	16.2	29	18.7
- of which double-counted	0.7	0.5	40	0.7
Assets under non-discretionary management	14.5	13.7	6	13.5
Assets under management	35.4	29.9	18	32.2
Private & Business Banking	21.3	19.1	12	19.9
Asset Management	14.1	10.8	31	12.3

During 2010, the confidence of private clients in the investment market recovered somewhat. This was favourable for the inflow of assets under management at Van Lanschot. Total assets under management were up 18% from € 29.9 billion at year-end 2009 to € 35.4 billion at year-end 2010. Of this increase, € 3.0 billion resulted from the inflow of new assets and € 2.5 billion from positive market performance.

PRIVATE & BUSINESS BANKING

Assets under management of Private & Business Banking increased in 2010 by € 2.2 billion to € 21.3 billion. This increase can be attributed to a € 0.9 billion inflow and a € 1.3 billion positive market performance. The growth in assets under management was realised while the level of funds entrusted was kept stable.

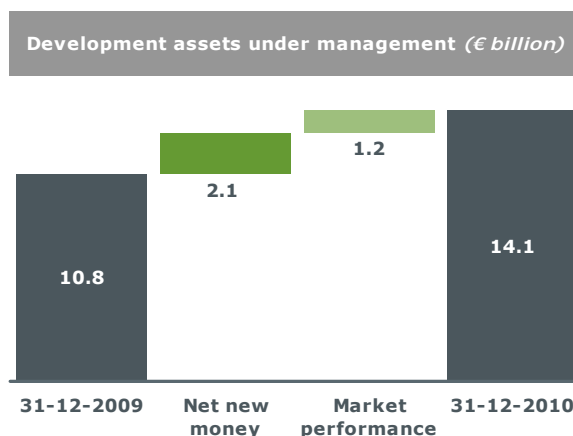


Clients increasingly opt for the benefits of a discretionary mandate. Assets under discretionary management at Private & Business Banking now make up 32% of the total assets under management at Private & Business Banking (31 December 2009: 28%).

The new discretionary asset management concepts are a success among private clients. The discretionary assets under these concepts rose from € 0.1 billion at 31 December 2009 to € 2.8 billion at 31 December 2010. All investment profiles outperformed the relevant benchmarks.

ASSET MANAGEMENT

Assets under management at the segment Asset Management increased from € 10.8 billion to € 14.1 billion (31%).



⁴ Assets under management are broken down in a different way in order to bring it more in line with the business model of Van Lanschot. The segments Private Banking and Business Banking have been combined into one segment. If a client's assets are managed by several internal Asset Management desks, the assets are double counted. Previously, the assets under management were adjusted for this, but in the new breakdown this amount is presented separately. The comparative figures have also been adjusted for this.



DEVELOPMENTS AT PRINCIPAL INVESTMENTS

Kempen & Co

As in 2009, Kempen & Co made a positive contribution to the net profit of Van Lanschot NV in 2010. Assets under management showed an upward trend, which is increasingly attributable to a net inflow of new clients. Value changes also contributed positively to the growth of assets under management. This was partly due to the fact that all of Kempen's equity funds outperformed the benchmarks.

Belgium

The second home market, Belgium, saw growth in assets under management and savings accounts and deposits. A significant portion of the growth in deposits was due to an innovative approach to institutional clients. Assets under management and savings accounts and deposits of private individuals also showed strong growth. The excellent performance of assets under discretionary management that was seen in previous years undoubtedly helped attract new assets from both new and existing clients.

The strong growth in savings accounts and deposits led to a sharp increase in interest income. Securities income remained at the same level as in 2009. The gross result improved thanks to the constant focus on cost control.

Robein (non-strategic investment)

Van Lanschot acquired all the shares in Robein Leven in the third quarter of 2009. Van Lanschot's investment in Robein Leven was not of a strategic nature. Instead, these shares had been pledged as collateral for a loan that Van Lanschot had granted. Following the acquisition, Robein Leven continued to operate fully independently from Van Lanschot.

In December 2010, Van Lanschot announced that it had reached an agreement with Ohpen Holding B.V. on the sale of Robein Leven. The transaction has not had a material impact on Van Lanschot's income statement. The gain on the sale of the investment in Robein Leven, which is no longer consolidated, has been included under 'discontinued operations' in the 2010 income statement. The actual transfer of Robein Leven to Ohpen will take place once approval has been obtained from the Dutch Central Bank.

Non-strategic investments

Notwithstanding the sale of Robein Leven, the annual figures for 2010 reflect the impact of the acquisition of a number of non-strategic investments. The results of these investments are fully consolidated. Van Lanschot has stated that it wishes to sell these investments in due course as their activities are not in line with the bank's private banking strategy.

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010**

In thousands of euros

	31-12-2010	31-12-2009
ASSETS		
Cash and deposits at central banks	414,251	554,970
Financial assets held for trading	104,748	127,322
Due from banks	1,040,073	890,596
Available-for-sale investments	1,267,134	1,187,481
Loans and advances to the public and private sectors	15,710,224	17,036,279
Financial assets at fair value through profit or loss	52,267	359,518
Derivatives (receivables)	204,251	218,597
Investments in associates using the equity method	42,044	30,720
Property, plant and equipment	161,122	178,957
Goodwill and other intangible assets	341,499	367,667
Current tax assets	2,604	26,457
Deferred tax assets	46,456	63,490
Assets of operations held for sale	747,582	38,840
Other assets	190,862	183,945
TOTAL ASSETS	20,325,117	21,264,839
EQUITY AND LIABILITIES		
Financial liabilities held for trading	70,135	55,645
Due to banks	945,511	2,520,554
Public and private sectors liabilities	13,545,650	13,380,188
Financial liabilities at fair value through profit or loss	19,157	13,334
Derivatives (liabilities)	294,001	303,980
Issued debt securities	1,945,982	1,387,881
Provisions	16,795	29,328
Current tax liabilities	11,009	28,564
Deferred tax liabilities	36,489	41,633
Liabilities of operations held for sale	756,634	29,018
Other liabilities	477,050	599,569
Insurance contracts	-	730,500
Subordinated loans	421,809	593,321
Total Liabilities	18,540,222	19,713,515
Share capital	41,017	35,194
Treasury shares	-11,018	-18,158
Share premium	479,914	315,406
Other reserves	895,225	932,045
Undistributed profit attributable to shareholders of Van Lanschot NV	56,538	-26,069
Equity attributable to shareholders of Van Lanschot NV	1,461,676	1,238,418
Minority interests (perpetual loans)	300,514	300,761
Undistributed profit attributable to minority interests (holders of perpetual loans)	9,719	10,376
Other minority interests	12,533	1,796
Undistributed profit attributable to other minority interests	453	-27
Equity attributable to minority interests	323,219	312,906
Equity	1,784,895	1,551,324
TOTAL EQUITY AND LIABILITIES	20,325,117	21,264,839

**CONSOLIDATED INCOME STATEMENT FOR 2010**

In thousands of euros

	2010	2009
INCOME FROM OPERATING ACTIVITIES		
Interest income	912,509	952,332
Interest expense	576,588	679,533
Interest	335,921	272,799
Income from associates using the equity method	6,397	3,424
Other income from securities and associates	6,619	23,090
Income from securities and associates	13,016	26,514
Commission income	238,162	237,000
Commission expense	5,973	12,301
Commission	232,189	224,699
Profit on financial transactions	30,164	44,455
Other income	19,597	-
INCOME FROM OPERATING ACTIVITIES	630,887	568,467
EXPENSES		
Staff costs	236,093	218,529
Other administrative expenses	167,147	173,181
Staff costs and other administrative expenses	403,240	391,710
Depreciation and amortisation	36,653	37,092
Operating expenses	439,893	428,802
Addition to loan loss provision	86,508	113,171
Other impairments	15,950	62,872
Impairments	102,458	176,043
TOTAL EXPENSES	542,351	604,845
OPERATING PROFIT BEFORE TAX	88,536	-36,378
Income tax	22,943	-20,442
NET PROFIT from continuing operations	65,593	-15,936
Discontinued operations	1,117	216
NET PROFIT	66,710	-15,720



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010

In thousands of euros

	2010	2009
OPENING BALANCE	1,551,324	1,544,110
Profit for the year	66,710	-15,720
Revaluation of shares and investments (other comprehensive income)	-152	37,972
Share issue	170,331	117
Dividends	-10,376	-20,625
Movements by virtue of share option plan	919	2,792
Perpetual loans	-247	-4,432
Acquisition of/change in minority interests	10,764	51
Other changes	-4,378	7,059
CLOSING BALANCE	1,784,895	1,551,324

SUMMARISED CONSOLIDATED CASHFLOW STATEMENT FOR 2010

In thousands of euros

	2010	2009
CASH AND CASH EQUIVALENTS AT 1 JANUARY	476,054	538,027
Net cashflow from operating activities	-343,075	455,805
Net cashflow from discontinued operations	18,460	21,756
Net cashflow from investing activities	-305,561	-142,221
Net cashflow from financing activities	543,119	-397,313
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	388,997	476,054



OPERATING SEGMENTS

Operating segments 2010

In millions of euros

	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other Activities	Total
Income statement					
Interest income	847.4	0.3	2.9	61.9	912.5
Interest expense	453.3	-	-	123.3	576.6
Interest	394.1	0.3	2.9	-61.4	335.9
Income from securities and associates	9.4	-0.3	-0.3	4.2	13.0
Commission income	135.7	49.9	51.3	1.3	238.2
Commission expense	4.2	0.1	1.6	0.1	6.0
Commission	131.5	49.8	49.7	1.2	232.2
Profit on financial transactions	8.9	-	7.3	14.0	30.2
Other income	-	-	-	19.6	19.6
INCOME FROM OPERATING ACTIVITIES	543.9	49.8	59.6	-22.4	630.9
Of which income from other segments	7.3	-3.6	8.4	-12.1	-
Staff costs	164.9	25.4	29.4	16.4	236.1
Other administrative expenses	131.4	9.8	12.2	13.7	167.1
Depreciation and amortisation	19.8	1.2	1.2	14.5	36.7
Impairments	100.5	-	1.9	0.1	102.5
TOTAL EXPENSES	416.6	36.4	44.7	44.7	542.4
OPERATING PROFIT BEFORE TAX	127.3	13.4	14.9	-67.1	88.5
Income tax	31.9	5.0	1.8	-15.8	22.9
NET PROFIT from continuing operations	95.4	8.4	13.1	-51.3	65.6
Discontinued operations	-	-	-	1.1	1.1
NET PROFIT	95.4	8.4	13.1	-50.2	66.7

Balance sheet

Total assets	16,689.9	84.6	369.3	3,181.3	20,325.1
of which investments using the equity method	29.8	-	-	12.2	42.0
Total liabilities	14,643.1	279.8	142.9	3,474.4	18,540.2
Investments	33.7	-0.1	-0.1	4.9	38.4

Operating segments 2009

In millions of euros

	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other Activities	Total
Income statement					
Interest income	826.3	0.2	1.2	124.6	952.3
Interest expense	479.4	-	-	200.1	679.5
Interest	346.9	0.2	1.2	-75.5	272.8
Income from securities and associates	4.0	-	-0.1	22.6	26.5
Commission income	146.3	42.6	46.9	1.2	237.0
Commission expense	9.3	0.2	2.5	0.3	12.3
Commission	137.0	42.4	44.4	0.9	224.7
Profit on financial transactions	6.1	-0.2	6.3	32.3	44.5
Other income	-	-	-	-	-
INCOME FROM OPERATING ACTIVITIES	494.0	42.4	51.8	-19.7	568.5
Of which income from other segments	1.0	-3.1	6.6	-4.5	-
Staff costs	161.1	23.6	27.5	6.3	218.5
Other administrative expenses	141.1	9.5	10.4	12.2	173.2
Depreciation and amortisation	20.7	0.4	0.2	15.8	37.1
Impairments	120.2	-	0.7	55.1	176.0
TOTAL EXPENSES	443.1	33.5	38.8	89.4	604.8
OPERATING PROFIT BEFORE TAX	50.9	8.9	13.0	-109.1	-36.3
Income tax	14.6	4.0	2.1	-41.1	-20.4
NET PROFIT from continuing operations	36.3	4.9	10.9	-68.0	-15.9
Discontinued operations	-	-	-	0.2	0.2
NET PROFIT	36.3	4.9	10.9	-67.8	-15.7

Balance sheet

Total assets	17,888.0	114.0	355.0	2,907.8	21,264.8
of which investments using the equity method	15.2	-	-	15.5	30.7
Total liabilities	14,539.0	216.0	127.0	4,831.5	19,713.5
Investments	8.0	0.1	-	57.3	65.4