



Van Lanschot NV Financial report 2010 half-year results



TABLE OF CONTENTS

	page
KEY DATA	2
RESULTS	3
BALANCE SHEET	7
ASSETS UNDER MANAGEMENT	12
DEVELOPMENTS AT PRINCIPAL INVESTMENTS	13
EXECUTIVE BOARD RESPONSIBILITY STATEMENT	14
<i>HALF-YEAR FINANCIAL STATEMENTS</i>	
CONSOLIDATED BALANCE SHEET	15
CONSOLIDATED INCOME STATEMENT	16
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	17
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS	18
CONSOLIDATED CASH FLOW STATEMENT	19
SUMMARY OF IMPORTANT ACCOUNTING POLICIES	21
NOTES TO THE CONSOLIDATED BALANCE SHEET	22
NOTES TO THE CONSOLIDATED INCOME STATEMENT	29
ADDITIONAL NOTES	32
SEGMENT INFORMATION	33



KEY DATA

INCOME STATEMENT (x € million)	H1 2010	H1 2010 core activities*	H1 2009	Δ %	H2 2009	Δ %
Income from operating activities	356.1	287.5	258.9	11	309.6	-7
Operating expenses	276.2	205.7	220.0	-7	208.8	-2
Gross result	79.9	81.8	38.9	110	100.8	-19
Addition to loan loss provision	43.9	43.9	50.6	-13	62.6	-30
Other impairments	7.7	7.2	48.1	-85	14.7	-51
Operating profit before tax	28.3	30.7	-59.8		23.5	31
Net profit	20.3	22.1	-46.3		31.5	-30

BALANCE SHEET (x € million)	30-6-2010	30-6-2010 core activities	30-6-2009	Δ %	31-12-2009	Δ %
Shareholders' funds attributable to shareholders	1,426	1,428	1,117	28	1,239	15
Shareholders' funds attributable to minority interests	307	307	312	-2	313	-2
Public and private sector liabilities	13,075	13,075	14,721	-11	13,380	-2
Loans and advances to the public and private sectors	16,498	16,418	17,487	-6	16,941	-3
Total assets	20,613	19,928	20,934	-5	20,569	-3

CAPITAL MANAGEMENT	30-6-2010	30-6-2010 core activities	30-6-2009	Δ %	31-12-2009	Δ %
Risk weighted assets (x € million)	13,521	13,459	14,386	-6	13,915	-3
BIS total capital ratio (%)	11.9	12.2	11.2		11.9	
BIS Tier 1 ratio (%)	10.1	10.3	9.2		9.8	
BIS core Tier 1 ratio (%)	8.0	8.2	6.1		6.6	
Leverage	14.5	14.0	18.7		16.6	

ASSETS UNDER MANAGEMENT (x € billion)	30-6-2010	30-6-2010 core activities	30-6-2009	Δ %	31-12-2009	Δ %
Total assets under management	31.6	31.6	25.2	25	29.4	7
Assets under discretionary management	18.1	18.1	13.0	39	15.7	15
Assets under non-discretionary management	13.5	13.5	12.2	11	13.7	-1

KEY FIGURES	30-6-2010	30-6-2010 core activities	30-6-2009	31-12-2009
Average number of ordinary shares (x 1,000)	35,901	35,901	34,856	34,870
Earnings per share based on average number of ordinary shares (€)	0.43	0.48	-1.48	-0.72
Efficiency ratio (%)	77.6	71.5	85.0	75.4
Return on average shareholders' funds (%)	2.3	2.5	-8.6	-2.0
Funding ratio (%)	79.3	79.6	84.2	79.0
Headcount (number of FTEs)	2,230.0	2,041,6	2,122,6	2,050,0

* The impact of the acquisition of a number of non-strategic investments is reflected in the figures as from the second half of 2009. To allow an adequate comparison, the figures in this press release have been adjusted for these investments. The comparative figures in all cases relate solely to the core activities.



RESULTS FOR FIRST HALF OF 2010

	H1 2010	H1 2010 core activities	H1 2009	Δ %	H2 2009	Δ %
<i>(x € million)</i>						
Interest	169.9	160.3	127.3	26	145.5	10
Income from securities and associates	9.1	7.0	5.0	40	21.5	-67
Commission	115.7	115.2	106.8	8	117.9	-2
Profit on financial transactions	4.9	5.0	19.8	-75	24.7	-80
Profit on investments for account and risk of policyholders	-3.2	-	-	-	-	-
Net insurance premium revenue	58.7	-	-	-	-	-
Other income	1.0	-	-	-	-	-
Income from operating activities	356.1	287.5	258.9	11	309.6	-7
Staff costs	112.7	109.1	115.5	-6	103.0	6
Other administrative expenses	80.0	78.6	85.8	-8	87.4	-10
Depreciation and amortisation	20.1	18.0	18.7	-4	18.4	-2
Underwriting expenses	63.4	-	-	-	-	-
Operating expenses	276.2	205.7	220.0	-7	208.8	-2
GROSS RESULT	79.9	81.8	38.9	110	100.8	-19
Addition to loan loss provision	43.9	43.9	50.6	-13	62.6	-30
Other impairments	7.7	7.2	48.1	-85	14.7	-51
Operating profit before tax	28.3	30.7	-59.8		23.5	31
Income tax	8.0	8.6	-13.5		-8.0	
NET PROFIT	20.3	22.1	-46.3		31.5	-30

The discussion of the H1 2010 results below concerns the core activities.

The operating profit before tax for H1 2010 was impacted by a number of exceptional items. Adjusted for these exceptional items, the underlying operating result is as follows:

	H1 2010	H1 2009	H2 2009
<i>(x € million)</i>			
Operating profit before tax	30.7	-59.8	23.5
Accelerated write-off on IT project	-	34.5	4.9
Impairment of investments and shareholdings	7.2	13.6	3.8
Impairment of buildings	-	-	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)	-	-	7.6
Conversion premium (conversion of preference shares into ordinary shares)	4.4	-	-
Underlying operating profit	42.3	-8.1	40.7



INCOME FROM OPERATING ACTIVITIES

<i>(x € million)</i>	H1 2010	H1 2009	Δ %	H2 2009	Δ %
Interest	160.3	127.3	26	145.5	10
Income from securities and associates	7.0	5.0	40	21.5	-67
Commission	115.2	106.8	8	117.9	-2
Profit on financial transactions	5.0	19.8	-75	24.7	-80
Income from operating activities	287.5	258.9	11	309.6	-7

Interest

Since the first quarter of 2009, the interest result has been picking up, thanks to the increase in the interest margin, i.e. from 1.22% for H1 2009, to 1.40% for H2 2009, and 1.59% for H1 2010. Interest included the interest expense on the preference shares issued in December 2008, which were converted into ordinary shares on 1 June 2010. In 2009, an € 11.2 million interest expense was recognised on the preference shares (€ 5.6 million in both H1 2009 and H2 2009). In H1 2010, the interest expense amounted to € 4.7 million.

Income from securities and associates

This item comprises dividends, gains and losses on sales and valuation results of minority shareholdings of the bank. In H1 2010, the dividends received totalled € 6.8 million (H1 2009: € 7.7 million; H2 2009: € 0.3 million). The valuation result was € 1.2 million negative in H1 2010 (H1 2009: € 2.7 million negative; H2 2009 € 21.2 million). This valuation result also includes an amount of € 0.4 million relating to the bank's 49% share of the net result, excluding dividend, of Van Lanschot Chabot (H1 2009: € 0.3 million; H2 2009 € 0.2 million). In H1 2010, gains and losses on sales amounted to € 1.4 million (2009: nil), relating to a shareholding and two in-house funds.

Commission

Commission in H1 2010 stood at nearly the same level as in H2 2009 and was higher than in H1 2009. The € 8.4 million increase on H1 2009 was chiefly the result of securities commission, which rose by € 7.8 million to € 88.2 million. This higher securities commission was caused by increased activity on the securities market compared with H1 2009 and a rise in assets under management. Thanks to the increase in assets under discretionary management, non-transaction related securities commission (in particular management fees) also grew. In the first half of 2010, non-transaction related securities commission made up 63% of the total securities commission. In H1 2009, this was 51%. Compared with H2 2009, securities commission declined by € 3.5 million, chiefly due to lower performance fees. In H1 2010, performance fees received totalled € 2.7 million (H1 2009: € 3.9 million; H2 2009: € 5.9 million). These fees resulted from the extremely good performance of several in-house funds compared with the benchmark.

Other commission for H1 2010 was up by approximately 3% on H1 and H2 2009.

Profit on financial transactions

This item consists of the realised and unrealised value changes on the trading portfolio, the exchange differences, and the realised and unrealised gains and losses on hedge accounting. Profit on financial transactions strongly depends on the interest rate trend, the sentiment on the stock exchanges and exchange rate movements. For H1 2010, profit on financial transactions was € 5.0 million. This profit includes the gain on the sale of bonds from the investment portfolio (H1 2010: € 13.4 million, H1 2009: € 6.0 million, H2 2009: € 6.8 million), which was however partially absorbed by the conversion premium paid upon the conversion of preference shares into ordinary shares.



TOTAL EXPENSES

<i>(x € million)</i>	H1 2010	H1 2009	Δ %	H2 2009	Δ %
Staff costs	109.1	115.5	-6	103.0	6
Other administrative expenses	78.6	85.8	-8	87.4	-10
Depreciation and amortisation	18.0	18.7	-4	18.4	-2
Operating expenses	205.7	220.0	-7	208.8	-2

Staff costs

Staff costs totalled € 109.1 million in H1 2010 (H1 2009: € 115.5 million). This amount is lower than in H1 2009 as a result of a lower headcount. The number of FTEs declined from 2,123 at 30 June 2009 to 2,050 at 31 December 2009 and subsequently to 2,042 at 30 June 2010. Staff costs were € 6.1 million higher compared with H2 2009, partly due to a pension premium settlement for 2009 received in 2010 and an accrual for variable remuneration; in 2009, no variable remuneration was paid on account of the negative result.

Other administrative expenses

Other administrative expenses in H1 2010 totalled € 78.6 million, which is below the levels of H1 2009 (€ 85.8 million) and of H2 2009 (€ 87.4 million). This was mainly caused by lower IT expenses. IT costs in H1 2010 were lower than in H2 2009 since there were fewer projects. A number of IT projects will be launched in H2 2010. In addition, the lower office expenses and overhead reflect the tight cost control. In H2 2009, € 6.5 million was recognised for the deposit guarantee scheme. Adjusted for this item, the other administrative expenses totalled € 80.9 million in H2 2009.

Depreciation and amortisation

Depreciation and amortisation amounted to € 18.0 million in H1 2010, compared with € 18.7 million in H1 2009.

Efficiency ratio

The efficiency ratio, i.e. the ratio of operating expenses to income from operating activities, was 71.5% (H1 2009: 85.0%; H2 2009: 67.4%; 2009: 75.4%). This improvement on H1 2009 can be attributed to the increase in income from operating activities as well as to the lower operating expenses. Compared with H2 2009, the efficiency ratio deteriorated due to lower income from operating activities.



IMPAIRMENTS

(x € million)	H1 2010	H1 2009	H2 2009
Addition to loan loss provision	43.9	50.6	62.6
Accelerated write-off on IT project	-	34.5	4.9
Impairment of investments and shareholdings	7.2	13.6	3.8
Impairment on buildings	-	-	6.0
Other impairments	7.2	48.1	14.7
IMPAIRMENTS	51.1	98.7	77.3

Addition to loan loss provision

In H1 2010, € 43.9 million was added to the loan loss provision (H1 2009: € 50.6 million, H2 2009: € 62.6 million). In the course of H1 2010, the composition of this addition shifted from new provisions to an increase in the existing provisions. The addition chiefly concerns corporate loans (refer to the detailed notes on the balance sheet).

Other impairments

In H1 2010 a shareholding in the investment portfolio was written down by € 5.8 million. In addition, two investments were written down (€ 1.4 million).

EARNINGS PER SHARE

Earnings per share for H1 2010 were € 0.43 (H1 2009: € 1.48 negative; H2 2009 € 0.76 positive). Adjusted for a number of consolidated non-strategic investments, including Robein, earnings per ordinary share were € 0.48.

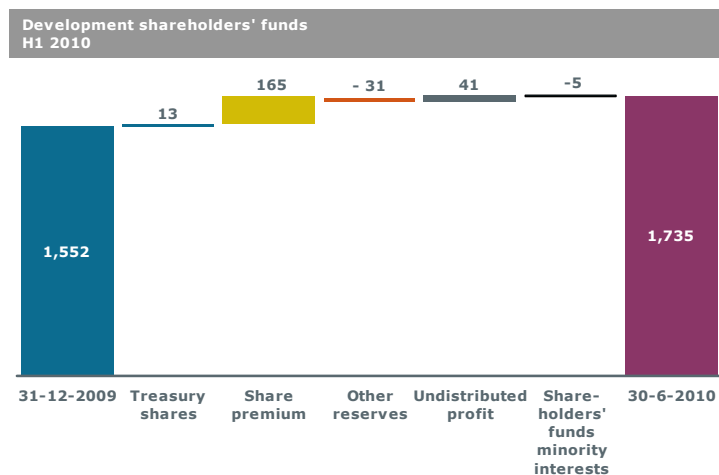
(x € million)	H1 2010	H1 2010 core activities	H1 2009	H2 2009
Net profit	20.3	22.1	-46.3	31.5
Interest on perpetual loan	-5.0	-5.0	-5.3	-5.1
Net profit for calculation of Earnings per ordinary share	15.3	17.2	-51.6	26.4
Earnings per ordinary share (€)	0.43	0.48	-1.48	0.76
Weighted average number of ordinary shares outstanding (x 1,000)	35,901	35,901	34,856	34,870



BALANCE SHEET

BALANCE SHEET AND CAPITAL MANAGEMENT

Total assets at 30 June 2010 came to € 19.9 billion, compared with € 20.6 billion at 31 December 2009. This decline was chiefly the result of a € 0.5 billion decrease in loans and advances to the public and private sectors and a lower interbank position.



Total shareholders' funds amounted to € 1,552 million at the end of 2009, rising to € 1,735 million at the end of June 2010. This increase in shareholders' funds was caused by the conversion of the preference shares into ordinary shares and the positive result for H1 2010. Shareholders' funds attributable to minority interests of € 307 million chiefly comprise the equity of the holders of the perpetual loans.

Duration reflects the sensitivity of shareholders' funds to interest rate fluctuations. A positive duration means that the value of shareholders' funds decreases when interest rates rise. The maximum duration of shareholders' funds considered to be acceptable by Van Lanschot is ten years. In view of the persistent uncertainty on the money and capital market, the Asset & Liability Committee works actively towards a duration, and thus a lower interest rate risk, of about six years. The duration of 6.2 years at 30 June 2010 indicates that the value of shareholders' funds would decline by about 6.2% if interest rates were to go up by 1%. The sensitivity analysis of shareholders' funds can be represented as follows:

	30-6-2010	31-12-2009
Duration (in years)	6.2	6.1
Present value of shareholders' funds (€ million)	2,195	1,964

Return on average shareholders' funds was up to 2.5% positive for H1 2010 from 2.0% negative in 2009.

The BIS total capital ratio climbed from 11.9% at year-end 2009 to 12.2% at the end of June 2010. This rise was chiefly the result of a decrease in risk weighted assets from € 13.9 billion to € 13.5 billion. The BIS Tier I ratio was up from 9.8% at year-end 2009 to 10.3% at 30 June 2010. The bank reported a BIS core Tier I ratio of 8.2% at 30 June 2010, compared with 6.6% at year-end 2009. This increase resulted in part from the conversion of the preference shares into ordinary shares at 1 June 2010.

In July, Van Lanschot performed the European stress test, under the supervision of the Dutch Central Bank. In the adverse scenario Van Lanschot's BIS Tier I ratio would be 9.0% at year-end 2011, well above the threshold of 6.0% applied in this test. The test shows that Van Lanschot is able to weather a serious stress situation well; compared with the other Dutch banks that performed the test, the adverse stress scenario had a relatively limited impact on the BIS Tier I ratio of Van Lanschot, with an impact of 1.1 percentage point. These stress tests also took account of the sovereign risk exposure on the investment and trading portfolios, as well as on the banks' loan portfolios. Sovereign risk exposure hardly plays a role at Van Lanschot; the core activities are performed in our home markets, the Netherlands and Belgium. In addition, 98% of the total sovereign bond portfolio consists of Dutch and German government bonds or bonds guaranteed by the Dutch state. The bank does not have any exposure in the southern European countries. Robein Leven has invested € 13.1 million in southern Europe, in particular in listed Spanish banks. At Van Lanschot, stress testing forms part of the regular risk management procedures.



The Dutch Central Bank has approved Van Lanschot’s transition to the Foundation Internal Rating Based method (F-IRB) for the calculation of credit risk within the capital ratios with effect from 1 July 2010. The transition will take place in phases; the retail portfolio will migrate as at 1 July 2010 and the non-retail portfolio as at 1 July 2011. The transition to F-IRB is an important milestone for Van Lanschot in the further professionalisation of the bank’s risk and capital management. Owing to the recession, downward adjustments have been applied to the ratings of clients and the applied model variables have been adjusted conservatively. The implementation of F-IRB only has a limited positive effect on capital.

LIQUIDITY

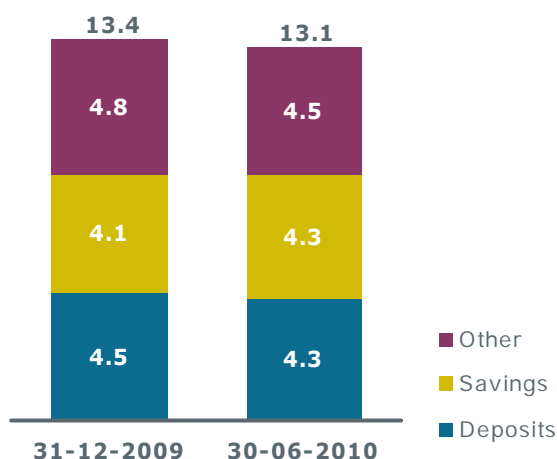
In H1 2010, further improvement of Van Lanschot’s liquidity position was intensively addressed. At 30 June 2010, the bank had a liquidity buffer of over € 1.5 billion.

In March 2010, Van Lanschot issued a three-year bond loan of € 400 million to over 80 European investors. July 2010 saw the completion of two mortgage securitisations by Van Lanschot (Citadel 2010-I and Citadel 2010-II) involving € 1.2 billion and € 1.2 billion respectively. The securitisations have not been sold on the market, but are held by Van Lanschot itself for liquidity purposes, since this paper can be used as eligible assets for refinancing purposes. A Van Lanschot bond loan of € 625 million will mature in August. The repayment of this loan has already been financed to a large extent by the issue of the bond loan at the beginning of the year.

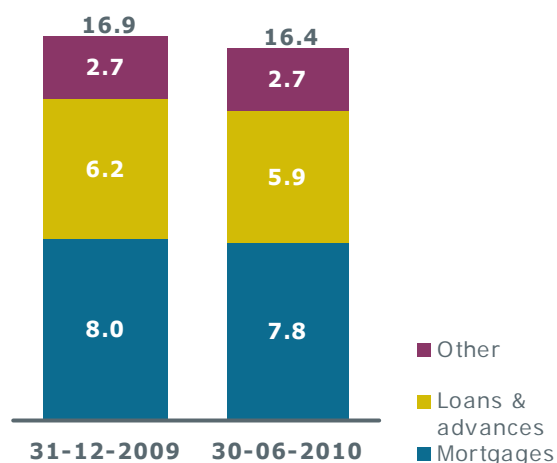
The bank’s funding ratio (the ratio of public and private sector liabilities to total loans and advances to the public and private sectors) was 79.6% at 30 June 2010 (79.0% at year-end 2009).

The bank’s solid funding and liquidity positions and its good capital position formed the base for rating agency Standard & Poor’s to reconfirm the stable outlook Single A minus credit rating of Van Lanschot in July 2010 following their annual review.

Public and private sector liabilities
(€ billion)



Loans and advances to the public and private sectors
(€ billion)



The public and private sector liabilities were down € 0.3 billion in H1 2010. This decline was caused in part by private clients investing their funds (deposits, savings and current accounts) in H1 2010.



LOAN PORTFOLIO

(x € million)	30-6-2010	31-12-2009	Δ %
Mortgages	7.883	8.055	-2
Loans	5.873	6.176	-5
Other	2.883	2.894	0
Loan loss provision	-221	-184	-20
Total loans and advances to the public and private sectors	16.418	16.941	-3

Loans and advances to the public and private sectors were down by 3% in H1 2010, from € 16.9 billion to € 16.4 billion. This decline was due in part to the settlement of the sale of the institutional healthcare portfolio of CenE Bankiers. This sale took place in December 2009, but part of the portfolio was transferred in the course of H1 2010. The mortgage portfolio declined by € 0.2 billion. Mortgages are granted solely to target group clients.

The risk weighted assets were down € 0.4 billion to € 13.5 billion at 30 June 2010.

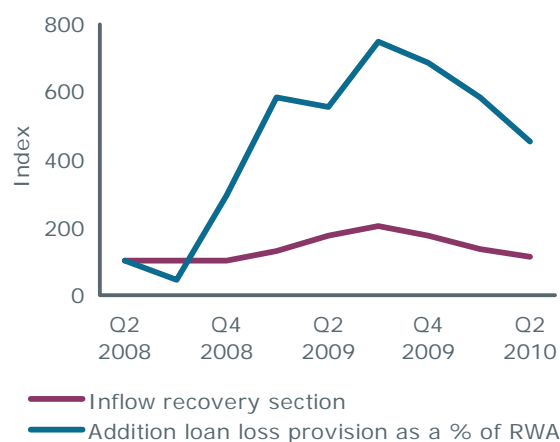
RISK MANAGEMENT

Van Lanschot's policy on credit risks revolves primarily around the counterparty risks associated with lending to Private Banking and Business Banking clients. The majority of the portfolio concerns loans and advances to high net-worth individuals and family businesses.

The quality of the loan portfolio slightly declined in H1 2010. This was mainly caused by the sale of a substantial part of the healthcare portfolio at the end of 2009 and the beginning of 2010, which has an above average risk profile. The quality of the loan portfolio is stable, which is confirmed by the decrease in the number of clients transferred to the Recovery Section during 2010. This applies to both the exposure and the number of clients. Furthermore, the addition to the loan loss provision was down in H1 2010.

Van Lanschot focuses its lending activities primarily on its target group clients. Maintaining the credit quality is a priority. Of this portfolio, 78% had a rating of adequate or higher, compared with 78% at year-end 2009.

Inflow Recovery Section and addition loan loss provision

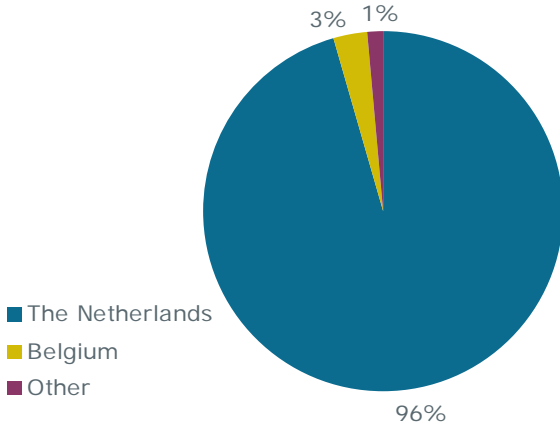




Loans portfolio by region

Van Lanschot has a very limited country risk exposure. The diagram below presents a breakdown of the exposure of Van Lanschot’s loans portfolio by region.

Loans and advances by region



Mortgage portfolio

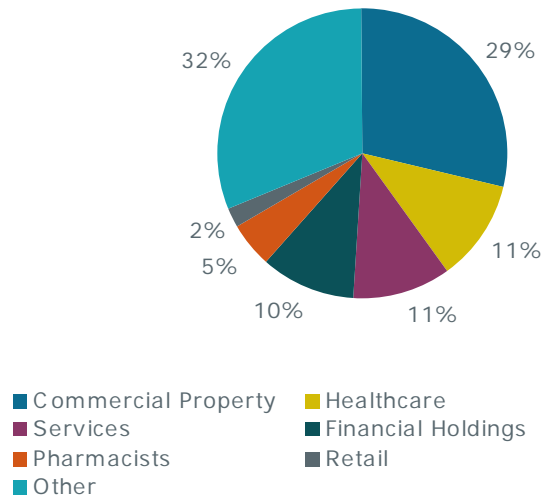
Despite the stagnating residential property market, direct losses on home loans were limited. For the mortgages, a total of € 1.8 million was added to the loan loss provision, i.e. 1 basis point of the average risk weighted assets.

Corporate loan portfolio

The corporate loan portfolio broken down by sector is shown in the following graph.

At 29%, the commercial property sector is the largest sector to which loans are granted. The high proportion of property loans is largely the result of the bank’s policy, as a great deal of financing takes place at the interface of Private Banking activities and Business Banking activities. The loan-to-value of the property loan portfolio is approximately 74% (based on the investment value). After commercial property, the healthcare sector is the second largest sector, at 11%. This percentage declined due to the sale of a substantial portion of the institutional healthcare portfolio at year-end 2009, which was partly completed in 2010. Van Lanschot has extensive expertise in the property and healthcare sectors.

Corporate loans by sector at 30 June 2010





PROVISIONS

The addition to the loan loss provision in H1 2010 was € 43.9 million, i.e. 32 basis points of the average risk weighted assets. In H1 2009, the addition was € 50.6 million (full year 2009: € 113.2 million). Loans written off up to and including June 2010 totalled € 5.5 million (full year 2009: € 21.0 million).

An impaired loan is a loan for which a provision has been formed. Of the balance of the impaired loans, 31.7% has been provided for (year-end 2009: 33.3%). This percentage is the result of a conservative risk policy with adequately secured loans.

<i>(x € 1 million)</i>	Total	Impaired loans	Specific provision
Mortgage loans to private clients	7,883	154	25
Other loans to private clients	2,260	132	47
Loans to corporate clients	6,496	362	133
Impairments	-221	-	-
Total	16,418	647	205

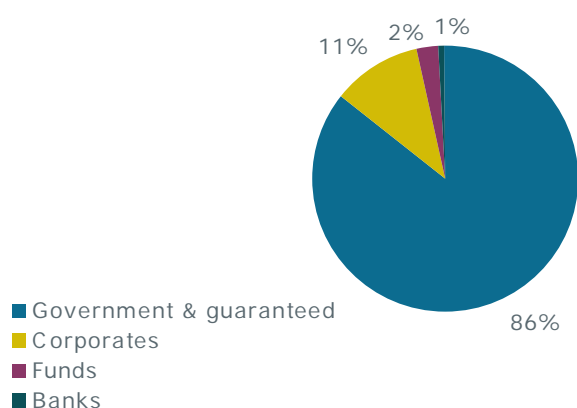
DIRECT INVESTMENTS OF VAN LANSCHOT

Van Lanschot's investment portfolio amounted to € 1,278 million at year-end 2009, compared with € 986 million at 31 December 2009. The € 292 million increase concerns the balance of the purchase and sale of Dutch and German government bonds.

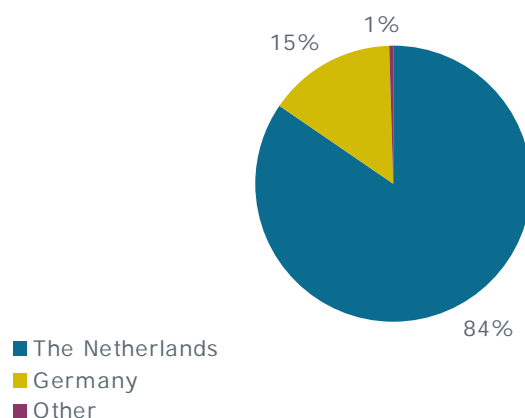
Of Van Lanschot's investment portfolio at 30 June 2010, 79% had a triple A rating, 13% a double A rating and 3% a single A rating.

This portfolio does not contain investments in the subprime sector, or any positions in funds investing in the subprime sector, or CDOs or SIVs. Van Lanschot does not have any exposure in Greece, Spain, Portugal, Italy and Ireland. The breakdowns of the portfolio exclusive of shares at 30 June 2010 by counterparty and by region are provided in the graphs below.

Investment portfolio (excluding shares) by counterparty at 30 June 2010



Investment portfolio (excluding shares) by region at 30 June 2010





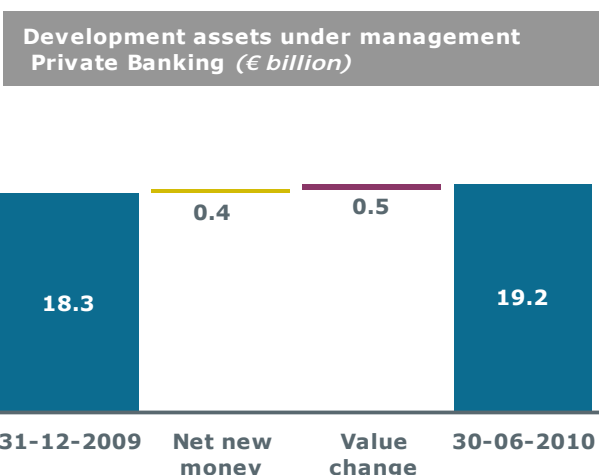
ASSETS UNDER MANAGEMENT

	30-6-2010	31-12-2009	%
<i>(x € 1 billion)</i>			
Assets under management	31.6	29.4	7
Assets under discretionary management	18.1	15.7	15
Assets under non-discretionary management	13.5	13.7	-1
Assets under management[†]	31.6	29.4	7
Private Banking	19.2	18.3	5
Asset Management	11.7	10.3	14
Business Banking [‡]	0.7	0.8	-13

Although private clients are still cautious about the securities market, Van Lanschot posted an inflow in assets under management in H1 2010. Total assets under management were up 7% from € 29.4 billion at year-end 2009 to € 31.6 billion at 30 June 2010. Of this increase, € 1.3 billion can be attributed to the inflow of new assets and € 0.9 billion to positive market performance.

PRIVATE BANKING

Assets under management at Private Banking were up € 0.9 billion to € 19.2 billion in H1 2010. This rise was the result of a € 0.4 billion inflow and a positive value change of € 0.5 billion.

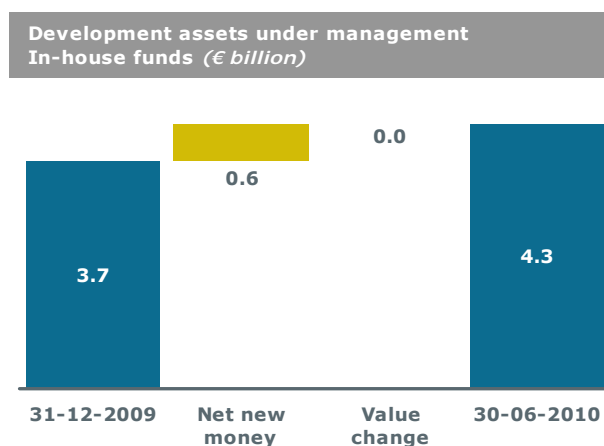
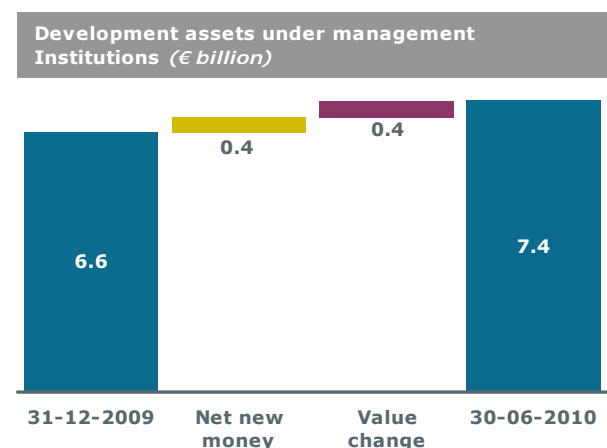


Clients increasingly opt for the benefits of a discretionary mandate. Assets under discretionary management at Private Banking now make up 33% of total assets under management at Private Banking (31 December 2009: 30%).

The new discretionary asset management concepts A La Carte and Select are well-received among private clients. The assets managed under A La Carte and Select were up from € 0.1 billion at 31 December 2009 to € 1.6 billion at 30 June 2010, thanks to an inflow of net assets and from existing management concepts.

ASSET MANAGEMENT

Assets under management at Asset Management rose from € 10.3 billion to € 11.7 billion (14%). The breakdown and developments are presented in the graphs below.



[†] As a result of a better allocation of assets under management, a reclassification has been made from Asset Management to Private Banking. The comparative figures have been restated accordingly.

[‡] Assets under Management at Business Banking were previously included under Institutional (Asset Management).



DEVELOPMENTS AT PRINCIPAL INVESTMENTS

Kempen & Co

As in H1 and H2 2009, Kempen & Co made a positive contribution to Van Lanschot NV's net profit for H1 2010. Assets under management have been on an upward trend since 30 June 2009. This can be attributed to both a net inflow of new clients and market performance.

Van Lanschot plans to introduce a Management Investment Plan for key officers of Kempen & Co in the near future. With this plan, Van Lanschot aims to enable Kempen & Co to retain and recruit professionals and engage them for the long term. Under this plan, a select group of Kempen & Co employees will have the opportunity to invest (from their own resources) in a special class of shares in Kempen & Co's equity. These shares will entitle the holders to a payment contingent on the net profit of Kempen & Co. Van Lanschot will retain 100% control of Kempen & Co.

Belgium

Client assets increased further in H1 2010, mainly in funds entrusted by clients, and to a lesser extent in assets under management. The growth resulted from a net inflow of new clients and a positive market performance. The growth was most prominent among high net-worth individuals, causing a modest rise in the number of target group clients.

The recovery of interest income, which started in H2 2009, continued into H1 2010, while commission income was virtually stable. Operating expenses were up, chiefly due to a higher contribution to the deposit guarantee scheme. The recovery of income brought about a rise in the operating result before impairments and tax compared with H1 2009.

Robein (non-strategic investment)

Van Lanschot's 2010 half-year figures include the consolidated results of a number of non-strategic investments, of which Robein is the largest. Robein operates as an independent company and is not integrated with Van Lanschot. Van Lanschot intends to sell these investments in due course.

Robein Leven is a Dutch life assurance company specialised in annuities, wealth creation and wealth management. The market share in new annuity production was almost 3% in the first half of 2010, i.e. a fraction lower than in 2009. The cost ratio (operating costs compared to premium income plus investment income) was less than 8.0% in the first half of 2010, which is low for the sector.

Robein focuses on investment annuities and asset management. Within this scope, in cooperation with BinckBank, Robein introduced the Annuity Management Policy at the end of June. This new proposition allows independent asset managers to also manage their clients' annuity capital falling in tax box 1. Robein expects to reinforce its market position further with this product.



EXECUTIVE BOARD RESPONSIBILITY STATEMENT

The members of the Board of Managing Directors hereby declare, to the best of their knowledge, that the 2010 half-year 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 half-year 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").



CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2010

	30-6-2010	31-12-2009	30-6-2009
<i>In thousands of euros</i>			
ASSETS			
Cash and cash equivalents	699,376	204,970	460,452
Financial receivables from trading activities	92,174	127,322	97,340
Banks	296,313	1,240,596	897,846
Available-for-sale investments 1	1,497,591	1,187,481	859,613
Loans and advances to the public and private sectors 2	16,498,059	17,036,279	17,486,718
Financial assets at fair value through profit or loss 3	363,665	359,518	47,410
Derivatives 4	225,556	218,597	220,014
Investments in associates using the equity method 5	40,555	30,720	35,106
Property, plant and equipment 6	170,580	178,957	181,418
Goodwill and other intangible assets 7	360,181	367,667	346,725
Current tax assets	26,729	26,457	128,445
Deferred tax assets	59,511	63,490	3,777
Assets of operations held for sale	72,377	38,840	-
Prepayments and accrued income	144,654	137,808	109,671
Other assets	65,270	46,137	58,974
TOTAL ASSETS	20,612,591	21,264,839	20,933,509
EQUITY AND LIABILITIES			
Financial liabilities from trading activities	40,829	55,645	48,411
Banks	1,886,843	2,520,554	1,852,824
Public and private sectors liabilities 8	13,074,944	13,380,188	14,721,036
Financial liabilities at fair value through profit or loss 9	15,606	13,334	22,449
Derivatives 10	374,775	303,980	305,959
Issued debt securities 11	1,749,306	1,387,881	1,261,822
Provisions 12	25,160	29,328	21,690
Current tax liabilities	32,626	28,564	6,735
Deferred tax liabilities	48,058	41,633	43,847
Liabilities of operations held for sale	46,467	29,018	-
Accruals and deferred income	371,375	530,383	468,336
Other liabilities	59,285	69,186	94,035
Insurance contracts 13	715,743	730,500	-
Subordinated loans 14	438,177	593,321	597,689
Total liabilities	18,879,194	19,713,515	19,444,833
<i>Share capital</i>	41,017	35,194	35,190
<i>Treasury shares</i>	-11,206	-18,158	-18,023
<i>Share premium</i>	479,914	315,406	315,293
<i>Other reserves 15</i>	900,915	932,045	895,934
<i>Undistributed profit attributable to shareholders of Van Lanschot NV</i>	15,293	-26,069	-51,547
<i>Shareholders' funds attributable to shareholders of Van Lanschot NV</i>	1,425,933	1,238,418	1,176,847
<i>Minority interests (perpetual loans)</i>	300,761	300,761	305,193
<i>Undistributed profit attributable to minority interests (holders of perpetual loans)</i>	4,958	10,376	5,254
<i>Other minority interests</i>	1,745	1,796	1,382
<i>Undistributed profit attributable to other minority interests</i>	-	-27	-
<i>Shareholders' funds attributable to minority interests</i>	307,464	312,906	311,829
Shareholders' funds	1,733,397	1,551,324	1,488,676
TOTAL EQUITY AND LIABILITIES	20,612,591	21,264,839	20,933,509
Contingent liabilities	330,350	359,053	362,485
Irrevocable commitments	301,793	786,926	579,345
	632,143	1,145,979	941,830

The number beside each item refers the relevant note.



CONSOLIDATED INCOME STATEMENT

FOR THE FIRST HALF OF 2010

<i>In thousands of euros</i>	H1 2010	H2 2009	H1 2009
INCOME FROM OPERATING ACTIVITIES			
Interest income	408,701	442,025	519,778
Interest expense	238,798	289,054	392,522
Interest 16	169,903	152,971	127,256
Income from associates using the equity method	2,141	-1,698	5,122
Other income from securities and associates	7,011	24,151	-113
Income from securities and associates 17	9,152	22,453	5,009
Commission income	119,494	127,479	110,028
Commission expense	3,798	9,127	3,250
Commission 18	115,696	118,352	106,778
Profit on financial transactions 19	4,950	24,668	19,833
Insurance premium revenue	58,723	43,041	-
Reinsurance premiums	-60	-73	-
Net insurance premium revenue 20	58,663	42,968	-
Profit on investments for account and risk of policyholders 21	-3,234	53,335	-
Other income	963	29	-
TOTAL INCOME FROM OPERATING ACTIVITIES	356,093	414,776	258,876
EXPENSES			
Staff costs 22	112,652	105,835	115,478
Other administrative expenses 23	80,041	88,685	85,756
Staff costs and other administrative expenses	192,693	194,520	201,234
Underwriting expenses 24	63,372	99,106	-
Depreciation and amortisation	20,085	20,094	18,743
Operating expenses	276,150	313,720	219,977
Impairments on loans and advances to the private sector	43,872	62,591	50,580
Other impairments	7,772	14,792	48,080
Impairments 25	51,644	77,383	98,660
TOTAL EXPENSES	327,794	391,103	318,637
Operating profit before tax	28,299	23,673	-59,761
Income tax	8,048	-6,904	-13,464
Net profit from continuing operations	20,251	30,577	-46,297
Discontinued operations	-	-	-
NET PROFIT	20,251	30,577	-46,297
Of which attributable to shareholders of Van Lanschot NV	15,293	25,482	-51,551
Of which attributable to holders of perpetual loans	4,958	5,122	5,254
Of which attributable to other minority interests	-	-27	-
Earnings per ordinary share in euros 26	0.43	0.73	-1.48
Diluted earnings per ordinary share in euros 27	0.42	0.73	-1.47
Earnings per ordinary share in euros from continuing operations	0.43	0.73	-1.48
Diluted earnings per ordinary share in euros from continuing operations	0.42	0.73	-1.47

The number beside each item refers the relevant note.

Not audited



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST HALF OF 2010

<i>In thousands of euros</i>	H1 2010	H1 2009
Net profit as per income statement	20,251	-46,297
Other comprehensive income		
Other comprehensive income through the revaluation reserve		
Revaluation of equity investments	-9,854	-8,938
Revaluation of other investments	21,307	11,407
Realised return on equity investments	-456	1,862
Realised return on other investments	-4,135	-5,945
Impairments of shares through profit or loss	7	13,555
Impairments of other investments through profit or loss	-	-
Total other comprehensive income through the revaluation reserve	6,869	11,941
Other comprehensive income from value changes of derivatives (cash flow hedges)		
Increase in value of derivatives directly added to shareholders' funds	5,514	5,087
Decrease in value of derivatives directly charged against shareholders' funds	-6,879	-8,432
Realisation recognised through profit or loss	1,213	-
Total other comprehensive income from value changes of derivatives (cash flow hedges)	-152	-3,345
Other comprehensive income from currency translation differences	981	-1,629
Tax on other comprehensive income	626	353
Total other comprehensive income	8,324	7,320
Total comprehensive income	28,575	-38,977
Of which attributable to shareholders of Van Lanschot NV	23,617	-44,231
Of which attributable to holders of perpetual loans	4,958	5,254
Of which attributable to other minority interests	-	-



CONSOLIDATED STATEMENT OF SHAREHOLDERS' FUNDS

AT 30 JUNE 2010

Shareholders' funds attributable to holders of equity instruments of Van Lanschot								H1 2010
	Share capital	Treasury shares	Share premium	Other reserves	Undistributed profit	Shareholders' funds attributable to shareholders	Shareholders' funds attributable to minority interests	Total shareholders' funds
<i>In thousands of euros</i>								
At 1 January	35,194	-18,158	315,406	932,045	-26,069	1,238,418	312,906	1,551,324
Net profit as per income statement	-	-	-	-	15,293	15,293	4,958	20,251
Total other comprehensive income	-	-	-	8,324	-	8,324	-	8,324
Total comprehensive income	-	-	-	8,324	15,293	23,617	4,958	28,575
Shares issued	5,823	-	164,508	-	-	170,331	-	170,331
Options exercised	-	7,678	-	-8,573	-	-895	-	-895
Share-based payment	-	-	-	-	-	-	-	-
To other reserves	-	-	-	-26,069	26,069	-	-	-
Treasury shares	-	-726	-	-	-	-726	-	-726
Cancelled items	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-10,376	-10,376
Other changes	-	-	-	-4,812	-	-4,812	-	-4,812
Acquisition of/change in minority interests	-	-	-	-	-	-	-24	-24
At 30 June	41,017	-11,206	479,914	900,915	15,293	1,425,933	307,464	1,733,397

Shareholders' funds attributable to holders of equity instruments of Van Lanschot								H1 2009
	Share capital	Treasury shares	Share premium	Other reserves	Undistributed profit	Shareholders' funds attributable to shareholders	Shareholders' funds attributable to minority interests	Total shareholders' funds
<i>In thousands of euros</i>								
At 1 January	35,190	-21,854	315,293	878,452	19,266	1,226,347	317,763	1,544,110
Net profit as per income statement	-	-	-	-	-51,547	-51,547	5,254	-46,293
Total other comprehensive income	-	-	-	7,320	-	7,320	-	7,320
Total comprehensive income	-	-	-	7,320	-51,547	-44,227	5,254	-38,973
Shares issued	-	3,951	-	-	-	3,951	-	3,951
Options exercised	-	-	-	-2,712	-	-2,712	-	-2,712
Share-based payment	-	-	-	-	-	-	-	-
To other reserves	-	-	-	19,266	-19,266	-	-	-
Treasury shares	-	-120	-	-	-	-120	-	-120
Cancelled items	-	-	-	-	-	-	-	-
Dividends	-	-	-	-9,800	-	-9,800	-10,858	-20,658
Other changes	-	-	-	3,408	-	3,408	-	3,408
Acquisition of/change in minority interests	-	-	-	-	-	-	-330	-330
At 30 June	35,190	-18,023	315,293	895,934	-51,547	1,176,847	311,829	1,488,676



CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST HALF OF 2010

<i>In thousands of euros</i>	H1 2010	H1 2009
Cash flow from operating activities		
Net profit before tax	28,299	-59,761
Adjustments for:		
- Depreciation and amortisation	20,085	18,743
- Valuation results on associates using the equity method	-2,141	2,820
- Impairments	51,644	98,660
Cash flows from operating activities	97,887	60,462
Net increase/(decrease) in operating assets and liabilities		
- Financial receivables/liabilities from trading activities	20,332	-326
- Financial receivables/liabilities at fair value through profit or loss	-1,875	4,968
- Banks	347,610	1,332,280
- Loans and advances to the public and private sectors/Public and private sector liabilities	182,619	-1,062,192
- Derivatives	63,836	-17,976
- Provisions	-4,168	1,518
- Insurance contracts	-14,757	-
- Other assets and liabilities	-29,035	2,015
- Accrued assets and liabilities	-145,523	19,222
- Deferred tax assets/liabilities	10,404	-712
- Current tax assets/liabilities	-4,258	-39,103
Total movement in assets and liabilities	425,185	239,694
Net cash flow from operating activities	523,072	300,156
Net cash flow from discontinued operations	-9,603	-
Cash flow from investing activities		
Investments and acquisitions		
- Investments in capital instruments	-574,880	-289,334
- Equity investments	-7,452	12,034
- Investments in associates	-13,402	-30,586
- Property, plant and equipment	-4,571	-6,052
- Intangible assets	-4,824	-8,069
Divestments, repayments and sales		
- Investments in capital instruments	249,592	297,357
- Equity investments	16,883	1,414
- Investments in associates	4,228	2,713
- Property, plant and equipment	3,836	4,373
- Intangible assets	792	-
Net cash flow from investing activities	-329,798	-16,150

CONTINUED ON THE NEXT PAGE

**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE FIRST HALF OF 2010

<i>In thousands of euros</i>	H1 2010	H1 2009
Cash flow from financing activities		
Share issue and share premium	-	3,831
Changes in treasury shares	6,952	-
Changes in other reserves	-10,018	2,766
Perpetual loans	-5,418	-5,604
Minority interests	-24	-330
Additions to subordinated loans	-5,144	100,000
Repayments on subordinated loans	-	-132,617
Additions to debt securities	441,425	80,000
Repayments on debt securities	-80,000	-579,320
Dividends paid	-	-9,800
Net cash from financing activities	347,773	-541,074
Net increase in cash and cash equivalents	531,444	-257,068
Cash and cash equivalents at 1 January	144,054	538,027
Cash and cash equivalents at 30 June	675,498	280,959
Supplementary disclosure		
Cash flows from interest income	415,660	601,744
Cash flows from interest expense	410,034	490,118
Cash flows from income tax	-4,258	-39,103
Cash flows from dividends received	10,003	7,660



Summary of significant accounting policies

Basis of preparation

Van Lanschot's consolidated interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated interim report does not contain all financial information as disclosed in the financial statements. The consolidated interim report should therefore be read in conjunction with the financial statements of Van Lanschot at 31 December 2009, as audited by the external auditor. This interim report has not been audited. All amounts are denominated in thousands of euros, unless stated otherwise.

Valuation policies

The accounting policies applied in this consolidated interim report are in accordance with those applied in the financial statements of Van Lanschot at 31 December 2009.

Estimation uncertainty

In the process of applying Van Lanschot's accounting policies, estimates and assumptions are made which have significant impact on the amounts shown in the interim report. The estimates and assumptions are based on the most recent information available. Actual amounts in the future may differ from the estimates and assumptions.

IFRS standards

Several new or revised standards or interpretations became compulsory as of 1 January 2010. They have been applied in Van Lanschot's 2010 interim financial statements. Application of these standards or revisions to these standards did not have a significant effect on the bank's equity or profits. The most relevant are listed below.

IFRS 2 Share-based Payment (amendment)

The IASB published an amendment to IFRS 2 in June 2009. This amendment concerns the disclosure by Van Lanschot of cash-settled share-based payment transactions. This amendment applies to reporting periods commencing on or after 1 January 2010. In addition, this amendment replaces IFRIC 8 and IFRIC 11.

IAS 39 Financial Instruments: Recognition and Measurement - Exposures Qualifying for Hedge Accounting

This change was published in July 2008 and applies to reporting periods commencing on or after 1 July 2009. It requires that a unilateral risk in a hedged position be designated, as well as that inflation be identified as a hedged risk or part thereof in certain situations.

Improvements to IFRSs

In May 2008 and April 2009, the IASB published a number of minor changes to the standards, mainly in order to eliminate inconsistencies and to clarify certain matters. Transitional provisions apply to each standard.



NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros

1 Available-for-sale investments

Investments by type

	30-6-2010		31-12-2009	
	Fair value	Face value	Fair value	Face value
Total	1,497,591	1,392,150	1,187,481	1,108,218

Capital instruments

Government paper	976,955	905,891	755,443	726,895
Government guaranteed bank paper	101,052	98,500	-	-
Banks listed	123,313	129,804	127,322	137,843
Banks unlisted	195	200	288	300
Corporates listed	204,756	224,768	189,065	209,441
Corporates unlisted	26,549	32,987	35,414	33,739
Share premium/discount capital instruments	-	-	-	-
Total capital instruments	1,432,820	1,392,150	1,107,532	1,108,218

Shares

Listed	14,468		17,474	
Unlisted	15,548		15,386	
Shareholdings	34,755		47,089	
Total shares	64,771		79,949	

Investment portfolio by external rating

	30-6-2010	%	31-12-2009	%
Triple A	989,075	65%	939,182	79%
Double A	267,842	18%	80,385	7%
Single A	82,433	6%	33,562	3%
Other	158,241	11%	134,352	11%
Total	1,497,591	100%	1,187,481	100%

The item 'Available-for-sale investments' includes an investment of € 135.0 million in Darts Finance. Darts Finance invests solely in mortgages covered by the National Mortgage Guarantee Scheme (Nationale Hypotheek Garantie). Hedge accounting is not applied to this investment.

2 Loans and advances to the public and private sectors

Loans and advances to the public and private sectors by type

	30-6-2010	31-12-2009
Total	16,498,059	17,036,279
Mortgage loans	7,934,157	8,108,272
Current accounts	2,374,342	2,474,330
Loans	5,783,497	6,077,807
Securities-backed loans and settlement claims	348,329	306,620
Subordinated loans	89,942	98,186
Value adjustment fair value hedge accounting	189,153	154,706
Impairments	-221,361	-183,642

Loans and advances by business line

	30-6-2010	31-12-2009
Total	16,498,059	17,036,279
Private Banking	10,215,157	10,433,346
Business Banking	6,282,902	6,602,933



Impairments

	Specific	Collective	IBNR	Total
Balance at 1 January	169,649	5,431	8,562	183,642
Loans written off	-6,153	-	-	-6,153
Additions to or release of provision	41,897	1,933	42	43,872
Balance at 30 June	205,393	7,364	8,604	221,361

Impairments by business line

	30-6-2010	31-12-2009
Total	221,361	183,642
Private Banking	79,703	66,775
Business Banking	141,658	116,867

Lancelot 2006 (Commercial Mortgage-Backed Security)

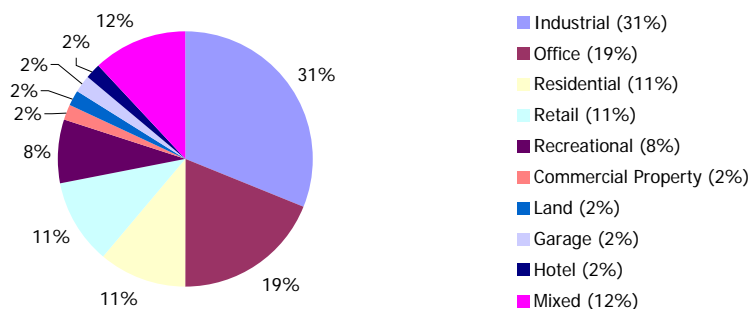
Van Lanschot has securitised part of the loans to the private sector secured on commercial property. In this securitisation transaction, called Lancelot 2006, the beneficial ownership of receivables was transferred to a separate entity. These receivables were transferred at their face value, plus a deferred purchase price. A positive result within the separate entity leads to a positive value of the deferred purchase price. Van Lanschot thus maintains a beneficial interest in the Lancelot entity, and has therefore fully consolidated this entity in its consolidated accounts.

For the financing of these loans, Lancelot 2006 has issued five classes of debt instruments.

Entity	Date of securitisation	Rating	Original principal	Principal at 30-6-2010	Spread
Total			600,000	367,637	
Lancelot 2006	15-12-2006	AAA	528,000	295,637	0.16%
Lancelot 2006	15-12-2006	AA	21,000	21,000	0.26%
Lancelot 2006	15-12-2006	A	19,500	19,500	0.44%
Lancelot 2006	15-12-2006	BBB	19,500	19,500	0.70%
Lancelot 2006	15-12-2006	BB	12,000	12,000	privately placed

The first call option date of all these debt instruments is 26 January 2012 and the contractual date of maturity is 1 January 2073.

The breakdown by type of collateral is as follows:



Lancelot is fully consolidated.

Citadel 2007 (Residential Mortgage-Backed Security)

On 1 June 2007, Van Lanschot completed its first RMBS (Residential Mortgage-Backed Security) transaction for an amount of € 1.5 billion in mortgage loans: Citadel 2007-I. The credit risk was not transferred. Van Lanschot decided to purchase the debt securities itself. These assets are eligible, and can thus serve as collateral with the Dutch Central Bank (DNB). This transaction was not focused on reducing capital requirements, but on improving liquidity.

Entity	Date of securitisation	Rating	Original principal	Principal at 30-6-2010	Spread
Total			1,466,200	1,466,200	
Citadel 2007	1-6-2007	AAA	1,300,000	1,300,000	0.15%
Citadel 2007	1-6-2007	A	108,350	108,350	0.25%
Citadel 2007	1-6-2007	BBB-	36,150	36,150	0.60%
Citadel 2007	1-6-2007	BB+	21,700	21,700	1.70%

The first call option date of all these debt instruments is 26 July 2017 and the contractual date of maturity is 26 July 2049.



Citadel 2008 (Residential Mortgage-Backed Security)

On 1 January 2009, Van Lanschot completed its second RMBS (Residential Mortgage-Backed Security) transaction for an amount of € 1.9 billion in mortgage loans: Citadel 2008-I. The credit risk was not transferred. Van Lanschot decided to purchase the debt securities itself. These assets are eligible, and can thus serve as collateral with the Dutch Central Bank (DNB). This transaction was not focused on reducing capital requirements, but on improving liquidity.

Entity	Date of securitisation	Rating	Original principal	Principal at 30-6-2010	Spread
Total			1,947,950	1,947,950	
Citadel 2008	9-1-2009	AAA	1,635,100	1,635,100	0.40%
Citadel 2008	9-1-2009	A	90,200	90,200	0.85%
Citadel 2008	9-1-2009	BBB	193,800	193,800	2.00%
Citadel 2008	9-1-2009	NR	28,850	28,850	3.20%

The first call option date of all these debt instruments is 26 October 2015 and the contractual date of maturity is 26 October 2047.

Van Lanschot maintains a beneficial interest in the Citadel entities, and has therefore fully consolidated these entities.

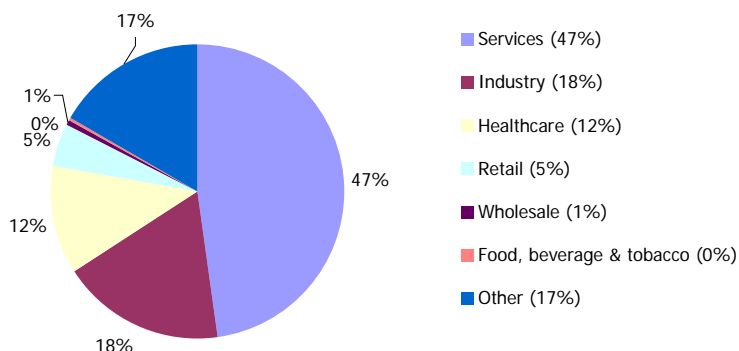
Mezzanine loans

Mezzanine loans refer to a subordinated debt that represents a claim on a company's assets which is senior only to that of a company's common shareholders. Mezzanine loans are often used in leveraged buyouts in conjunction with senior loans and equity to fund the purchase price of the company being acquired.

Movements in Mezzanine loans

	2010
Balance at 1 January	87,382
Redemptions	-7,921
New issued loans	-
Balance at 30 June	79,461

The breakdown by sector is as follows:





3 Financial assets at fair value through profit or loss

	30-6-2010	31-12-2009
Total	363,665	359,518
Investments at fair value	46,235	49,577
Financial assets designated at fair value through profit or loss	15,406	14,525
Investments for account of policyholders	302,024	295,416

4 Derivatives

	30-6-2010	31-12-2009
Total	225,556	218,597
Derivatives used for trading purposes	10,824	13,596
Derivatives used for hedge accounting purposes	20,484	19,724
Other derivatives	194,248	185,277

5 Investments in associates using the equity method

	30-6-2010	31-12-2009
Total	40,555	30,720
Listed	-	-
Unlisted	40,555	30,720

The movements were as follows:

	2010
Balance at 1 January	30,720
Purchases and contributions	6,953
Sales and repayments	-2,748
Share of profit of associates	2,131
Impairments	-1,480
Other changes	4,979
Value adjustments	-
Balance at 30 June	40,555

6 Property, plant and equipment

Property, plant and equipment by type

	30-6-2010	31-12-2009
Total	170,580	178,957
Buildings	148,760	154,999
IT, operating software and communication equipment	10,267	10,434
Other assets	11,511	13,524
Work in progress	42	-

7 Goodwill and other intangible assets

	30-6-2010	31-12-2009
Total	360,181	367,667
Goodwill	227,863	225,676
Work in progress	12,179	10,827
Other intangible assets	120,139	131,164

Similar to last year, the work in progress mainly relates to the costs of IT projects.



8 Public and private sector liabilities

Public and private sector liabilities by type

	30-6-2010	31-12-2009
Total	13,074,944	13,380,188
Savings	4,326,367	4,131,490
Deposits	4,338,000	4,405,458
Other funds entrusted	4,407,911	4,843,442
Value adjustments fair value hedge accounting	2,666	-202

Public and private sector liabilities by business line

	30-6-2010	31-12-2009
Total	13,074,944	13,380,188
Private Banking	9,819,672	9,911,992
Business Banking	3,255,272	3,468,196

9 Financial liabilities at fair value through profit or loss

	30-6-2010	31-12-2009
Total	15,606	13,334
Notes Egeria	23,791	23,025
Value adjustments Egeria	-8,185	-9,691

10 Derivatives

	30-6-2010	31-12-2009
Total	374,775	303,980
Derivatives used for trading purposes	8,790	14,033
Derivatives used for hedging purposes	130,999	116,059
Other derivatives	234,986	173,888

11 Issued debt securities

	30-6-2010	31-12-2009
Total	1,749,306	1,387,881
Bond loans and notes	5,519	4,492
Bank and savings bonds	37	59
Floating rate notes	1,321,330	1,365,907
Medium term notes	422,420	17,423

12 Provisions

	30-6-2010	31-12-2009
Total	25,160	29,328
Pension obligations (including early retirement)	5,732	7,402
Jubilee benefits obligations	4,365	4,318
Employee rebates	2,953	2,728
Other provisions	12,110	14,880



13 Insurance contracts

Insurance contracts by type

	30-6-2010	31-12-2009
Total	715,743	730,500
Provision for life insurance obligations	404,474	435,084
Technical provisions with investments for account of policyholders	311,269	295,416

Movements in provisions for life insurance obligations

	2010
Balance at 1 January	435,084
Benefit payments	-72,223
Premiums received	40,741
Other changes	872
Balance at 30 June	404,474

Movements in technical provisions with investments for account of policyholders

	2010
Balance at 1 January	295,416
Premiums received	17,982
Benefit payments	-15,699
Exchange differences	-6,187
Other changes	19,757
Balance at 30 June	311,269

In view of Robein's importance compared with Van Lanschot as a whole, the item insurance contracts has not been broken down further.

14 Subordinated loans

	30-6-2010	31-12-2009
Total	438,177	593,321
Certificates of indebtedness	363,373	363,571
Preference shares	-	150,000
Other subordinated loans	74,804	79,750



15 Other reserves

Movements in other reserves in the first half of 2010

	Revaluation reserve available-for- sale equity instruments	Revaluation reserve other available-for- sale investments	Currency translation reserve	Cash flow hedge reserve	Other	Retained earnings	Total
Balance at 1 January	35,916	3,401	-1,759	-15,265	2,857	906,895	932,045
Net change in fair value	-10,141	22,336	-	-1,481	-	-	10,714
Realisation recognised through profit or loss	-456	-4,135	-	1,213	-	-	-3,378
Net impairment (to profit or loss)	7	-	-	-	-	-	7
Profit appropriation	-	-	-	-	-	-26,069	-26,069
Exercise of options	-	-	-	-	-	-8,573	-8,573
Other changes	-2,857	2,857	981	-	721	-5,533	-3,831
Balance at 30 June	22,469	24,459	-778	-15,533	3,578	866,720	900,915
Tax effects	-287	1,029	-	-116	-	-	626

The transition of equity instruments from valuation as available for sale investments to investments in associates using the equity method had a negative effect of € 6.3 million which is presented as net change in fair value.



Notes to the consolidated income statement

In thousands of euros

16 Interest

Interest income		
	H1 2010	H1 2009
Total	408,701	519,778
Interest income on cash equivalents	1,206	2,043
Interest income on banks and private sector	329,905	392,123
Other interest income	325	121
Interest income on amortisation of acquired (discount)/surplus	199	1
Interest income on items not recognised at fair value	331,635	394,288
Interest income on available-for-sale investments	19,244	13,163
Interest income on financial receivables from trading activities	27	-290
Interest income on derivatives	57,795	112,617
Interest expense		
	H1 2010	H1 2009
Total	238,798	392,522
Interest expense to banks and private sector	139,217	232,214
Interest expense on issued debt securities	12,129	16,921
Interest expense on subordinated loans	7,132	8,808
Interest expense on preference shares	4,719	5,594
Other interest expense	47	-43
Interest expense on amortisation of acquired (discount)/surplus	195	-
Interest expense on items not recognised at fair value	163,439	263,494
Interest expense on loan at fair value	20	31
Interest expense on derivatives	75,339	128,997

17 Income from securities and associates

	H1 2010	H1 2009
Total	9,152	5,009
Dividend and fees	10,003	7,660
Impairments of investment portfolio shares and shareholdings	-	-293
Movements in value of investments at fair value	-4,372	451
Gains on sale of available-for-sale investments in shares	1,380	-4
Equity-accounted investments	2,141	-2,805

18 Commission

	H1 2010	H1 2009
Total	115,696	106,778
Securities commission	41,529	46,394
Management commission	47,229	33,988
Cash transactions and funds transfers commission	11,575	12,255
Insurance commission	361	336
Trust commission	1,996	2,093
Commission corporate finance	9,537	7,274
Other commission	3,469	4,438



19 Profit on financial transactions

	H1 2010	H1 2009
Total	4,950	19,833
Profit on securities trading	507	13,910
Profit on currency trading	5,468	4,069
Unrealised gains/losses on derivatives under hedge accounting	-6,971	2,991
Realised/unrealised/gains/losses on trading derivatives	-1,117	-704
Realised gains on available-for-sale interest-earning securities	13,391	5,945
Profit on economic hedges	-5,283	-10,289
Other gains and losses	-1,045	3,911

20 Net insurance premium revenue

	H1 2010		Total
	Own account	Account and risk of policyholders	
Total	40,681	17,982	58,663
Regular life premiums	783	2,301	3,084
Gross single life premiums	39,958	15,681	55,639
Total gross life premiums	40,741	17,982	58,723
Total reinsurance life premiums	-60	-	-60
Total net insurance life premium revenue	40,681	17,982	58,663

The net insurance life premium revenue for 2009 was nil.

21 Profit on investments for account and risk of policyholders

	H1 2010	H2 2009
Total	-3,234	-
Interest	2,952	-
Value changes	-6,186	-

22 Staff costs

	H1 2010	H1 2009
Total	112,652	115,478
Salaries and wages	87,471	91,069
Pension and early retirement costs	10,070	11,534
Other social security costs	9,968	9,650
Share-based payments	-1,742	299
Other staff costs	6,885	2,926



23 Other administrative expenses

	H1 2010	H1 2009
Total	80,041	85,756
Accommodation expenses	10,404	10,950
Marketing and communication	5,723	3,688
Office expenses	7,097	8,286
IT expenses	32,925	35,482
External auditor	1,208	857
Consultancy fees	5,333	7,426
Other administrative expenses	17,351	19,067

24 Underwriting expenses

	H1 2010	H1 2009
Total	63,372	-
Benefits paid from own account gross	87,922	-
Change in technical provisions for own account gross	-14,091	-
Change in technical provisions for account and risk of policyholders	-10,459	-

25 Impairments

This item consists of the balance of the required adjustments for impairments and reversals of such impairments.

	H1 2010	H1 2009
Total	51,644	98,660
Loans and advances to the private sector	43,872	50,580
Available-for-sale investments	5,747	13,555
Other financial assets and associates	1,480	-
Property, plant and equipment	545	-
Intangible assets	-	34,525



Additional notes

In thousands of euros

26 Earnings per ordinary share in euros

	H1 2010	H1 2009
Net profit	20,251	-46,297
Interest on perpetual loan	-4,958	-5,254
Profit attributable to shareholders of Van Lanschot NV	15,293	-51,551
Weighted average number of ordinary shares outstanding	35,901,488	34,856,194
Earnings per ordinary share (in euros)	0.43	-1.48

27 Diluted earnings per ordinary share in euros

	H1 2010	H1 2009
Profit attributable to shareholders of Van Lanschot NV	15,293	-51,551
Weighted average number of ordinary shares outstanding	35,901,488	34,856,194
Potential ordinary shares	115,378	263,145
Weighted average number of ordinary shares outstanding fully diluted	36,016,866	35,119,339
Diluted earnings per ordinary share (in euros)	0.42	-1.47

28 Related parties

Related parties

	Income	Expenses	Amounts receivable	Amounts payable
<i>Parties with a shareholding in Van Lanschot of at least 5%</i>				
Delta Lloyd	-	488	-	10,000
Friesland Bank	-	7	-	-
LDDM Holding	-	-	-	42
Pref B Van Lanschot Participatie	-	-	-	-
SNS Reaal	-	-	423	-
Stichting Administratiekantoor van gewone aandelen A Van Lanschot	-	-	-	34
Stichting Pensioenfonds ABP	-	178	-	5,679
<i>Associates</i>				
Ducatus	-	-	-	-
<i>Shareholdings in which Van Lanschot is a participant</i>				
BV Exploitiemaatschappij Riemersma	782	1	17,731	410
Credit Yard	213	-	13,124	-
DBS Business Solutions	57	1	3,175	1,978
DORC	-	-	-	-
Heijmans	294	2	9,197	2,321
Instituut voor Ziekenhuis Financiering	-	1	-	16
Main Actuera	13	1	2,260	1,235
Main Entertainment BV	-	-	-	-
Movares Group BV	-	-	7,289	90
Newion	-	-	-	-
Van Lanschot Chabot	-	56	-	11,182



Segment information

The primary segment reporting format is based on business segments since Van Lanschot's risks and rates of return are affected predominantly by differences in the products and services produced. Van Lanschot's activities are divided into five segments. Intra-segment transactions are executed under standard commercial terms and conditions (at arm's length).

- *Private Banking* Van Lanschot offers high-income or high net-worth private individuals a broad range of products in the private banking market.
- *Asset Management* The asset management services focus on high net-worth private individuals, institutions and the in-house funds.
- *Business Banking* As an independent business bank Van Lanschot mainly focuses on medium-sized businesses in the corporate market, with a special interest in family businesses. Business Banking also comprises the activities of CenE Bankiers (healthcare).
- *Corporate Finance and Securities* The activities in the field of Corporate Finance and Securities focus on a specific target group. This often concerns separate assignments for which one-off fees and commission are received.
- *Other activities* This comprises the other activities in the field of interest rate, market and liquidity risk management and proceeds income and/or expenses that cannot be allocated to other segments.

Business segments H1 2010

	Private Banking	Asset Management	Business Banking	Corporate Finance & Securities	Other activities	Total
<i>in millions of euros</i>						
INCOME STATEMENT						
<i>Interest income</i>	261.8	0.1	103.9	1.3	41.6	408.7
<i>Interest expense</i>	137.5	-	37.3	-	64.0	238.8
Interest	124.3	0.1	66.6	1.3	-22.4	169.9
Income from securities and associates	-	-	3.7	-	5.4	9.1
<i>Commission income</i>	59.9	22.9	8.4	27.1	1.2	119.5
<i>Commission expense</i>	2.0	0.1	0.7	0.9	0.1	3.8
Commission	57.9	22.8	7.7	26.2	1.1	115.7
Profit on financial transactions	1.5	-0.1	2.9	-0.6	1.2	4.9
Net insurance premium revenue	-	-	-	-	58.7	58.7
Profit on investments for account and risk of policyholders	-	-	-	-	-3.2	-3.2
Other income	-	-	-	-	1.0	1.0
Total income from operating activities	183.7	22.8	80.9	26.9	41.8	356.1
<i>Of which income from other segments</i>	1.4	-1.5	-1.0	4.5	-3.4	-
Staff costs	64.9	11.2	16.2	13.5	6.9	112.7
Other administrative expenses	50.6	4.9	13.1	5.9	5.5	80.0
Underwriting expenses	-	-	-	-	63.4	63.4
Depreciation and amortisation	8.5	0.6	1.2	0.6	9.2	20.1
Impairments	9.1	0.1	40.5	1.4	0.5	51.6
Total expenses	133.1	16.8	71.0	21.4	85.5	327.8
Operating profit before tax	50.6	6.0	9.9	5.5	-43.7	28.3
Income tax	13.2	1.7	2.2	1.1	-10.2	8.0
Net profit from continuing operations	37.4	4.3	7.7	4.4	-33.5	20.3
Discontinued operations	-	-	-	-	-	-
Net profit	37.4	4.3	7.7	4.4	-33.5	20.3
Balance sheet						
Total assets	11,131	139	6,455	353	2,535	20,613
<i>Of which: Income from associates using the equity method</i>	-	-	27	-	14	41
Total liabilities	10,134	205	3,657	129	4,754	18,879
Capital expenditure	2.4	-	0.5	0.1	6.4	9.4



Business segments H2 2009

	Private Banking	Asset Management	Business Banking	Corporate Finance & Securities	Other activities	Total
<i>in millions of euros</i>						
INCOME STATEMENT						
<i>Interest income</i>	264.0	0.1	119.9	0.8	57.2	442.0
<i>Interest expense</i>	149.3	-	51.4	-	88.4	289.1
Interest	114.7	0.1	68.5	0.8	-31.2	152.9
Income from securities and associates	-	-	3.5	0.2	18.8	22.5
<i>Commission income</i>	65.7	25.1	9.9	26.2	0.6	127.5
<i>Commission expense</i>	6.2	0.2	0.1	1.5	1.2	9.2
Commission	59.5	24.9	9.8	24.7	-0.6	118.3
Profit on financial transactions	1.1	0.1	2.8	2.6	18.1	24.7
Net insurance premium revenue	-	-	-	-	43.0	43.0
Profit on investments for account and risk of policyholders	-	-	-	-	53.3	53.3
Other income	-	-	-	-	-	-
Total income from operating activities	175.3	25.1	84.6	28.3	101.4	414.7
<i>Of which income from other segments</i>	-0.3	0.1	-	4.0	-3.8	-
Staff costs	58.6	12.7	15.0	14.0	5.5	105.8
Other administrative expenses	53.7	5.4	15.5	4.4	9.7	88.7
Underwriting expenses	-	-	-	-	99.1	99.1
Depreciation and amortisation	8.7	0.2	1.4	0.1	9.7	20.1
Impairments	24.9	-	41.5	0.7	10.2	77.3
Total expenses	145.9	18.3	73.4	19.2	134.2	391.0
Operating profit before tax	29.4	6.8	11.2	9.1	-32.8	23.7
Income tax	9.4	3.2	1.3	1.2	-22.0	-6.9
Net profit from continuing operations	20.0	3.6	9.9	7.9	-10.8	30.6
Discontinued operations	-	-	-	-	-	-
Net profit	20.0	3.6	9.9	7.9	-10.8	30.6
Balance sheet						
Total assets	11,077	114	6,811	355	2,908	21,265
<i>Of which: Income from associates using the equity method</i>	-	-	15	-	16	31
Total liabilities	10,410	216	4,129	127	4,832	19,714
Capital expenditure	2.5	-0.1	0.8	-	48.0	51.2



Business segments H1 2009

	Private Banking	Asset Management	Business Banking	Corporate Finance & Securities	Other activities	Total
<i>in millions of euros</i>						
INCOME STATEMENT						
<i>Interest income</i>	314.0	0.1	128.4	0.4	76.9	519.8
<i>Interest expense</i>	209.8	-	68.9	-	113.8	392.5
Interest	104.2	0.1	59.5	0.4	-36.9	127.3
Income from securities and associates	-	-	0.5	-0.3	4.8	5.0
<i>Commission income</i>	61.3	17.5	9.4	20.7	1.1	110.0
<i>Commission expense</i>	3.0	-	-	1.0	-0.8	3.2
Commission	58.3	17.5	9.4	19.7	1.9	106.8
Profit on financial transactions	0.7	-0.3	1.5	3.7	14.2	19.8
Net insurance premium revenue	-	-	-	-	-	-
Profit on investments for account and risk of policyholders	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income from operating activities	163.2	17.3	70.9	23.5	-16.0	258.9
<i>Of which income from other segments</i>	1.3	-3.2	-	2.6	-0.7	-
Staff costs	70.3	10.9	17.2	13.5	3.6	115.5
Other administrative expenses	56.1	4.1	15.8	6.0	3.8	85.8
Underwriting expenses	-	-	-	-	-	-
Depreciation and amortisation	9.2	0.2	1.4	0.1	7.8	18.7
Impairments	12.2	-	41.6	-	44.9	98.7
Total expenses	147.8	15.2	76.0	19.6	60.1	318.7
Operating profit before tax	15.4	2.1	-5.1	3.9	-76.1	-59.8
Income tax	3.3	0.8	0.6	0.9	-19.1	-13.5
Net profit from continuing operations	12.1	1.3	-5.7	3.0	-57.0	-46.3
Discontinued operations	-	-	-	-	-	-
Net profit	12.1	1.3	-5.7	3.0	-57.0	-46.3
Balance sheet						
Total assets	10,894	156	7,563	264	2,057	20,934
<i>Of which: Income from associates using the equity method</i>	-	-	28	-	7	35
Total liabilities	11,426	221	4,608	151	3,039	19,445
Capital expenditure	4.5	0.2	0.2	-	9.3	14.2