



Van Lanschot

2010 annual results

AMSTERDAM, 18 MARCH 2011

- **Strategy delivers in 2010**

Floris Deckers, CEO

- **2010 annual results**

Constant Korthout, CFRO

- **The best private bank in the Netherlands and Belgium**

Floris Deckers, CEO

- **Q&A**



2010: a year of two halves

H1 2010

BALANCE SHEET REMAINED INTACT

- Deleveraging the balance sheet
- Strengthening core capital

STABILISATION

- Recovery of profitability
- Cost control

H2 2010

ACCELERATION OF GROWTH

- Higher income
- Further reduction of loan losses
- Strong inflow of new assets under discretionary management



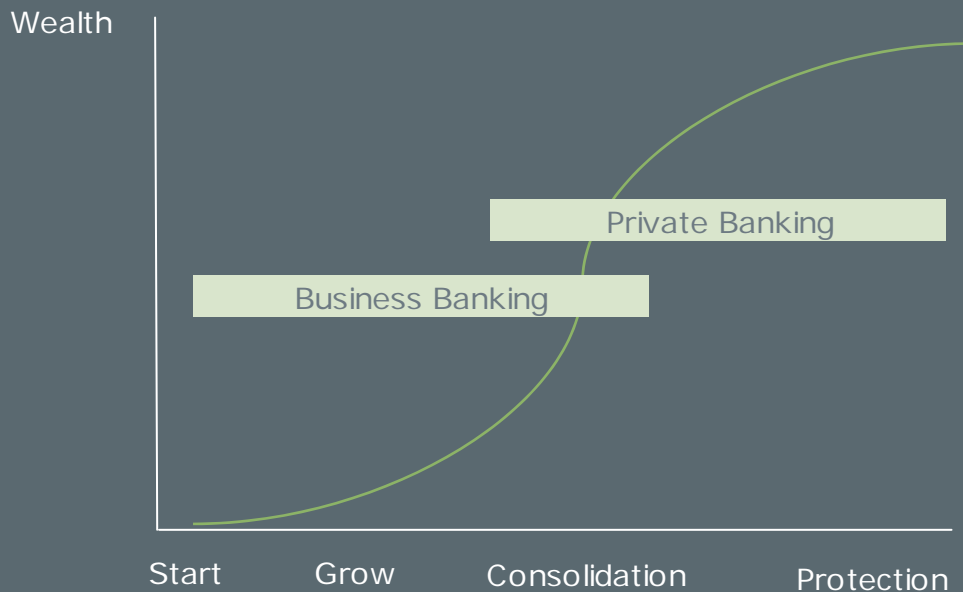
Implementation of Van Lanschot's strategy continued in 2010

Mission	To offer high-quality financial services to high net-worth individuals, entrepreneurs and other select client groups	
Vision	Van Lanschot aims to be the best private bank in the Netherlands and Belgium	
Targets 2010-2013	To be able to measure the achievement of its vision, Van Lanschot has formulated targets relating to clients, employees and financial achievements	
Strategy	<ol style="list-style-type: none">1. Focus on private banking2. Enhance commercial effectiveness3. Invest continually in service quality4. Maintain a solid profile	
Core Values	Independent Committed	Professional Ambitious

Focus on private banking

- Strategic focus starts to deliver
- Private Banking and Business Banking working together under one management team and with one set of targets
- Private Office: one wealth management team focusing on the top segment

Business model



Client assets of Private Banking clients

€ 5 million+

+ 19 %

€ 1 million - € 5 million

+ 9 %

€ 0.25 million - € 1 million

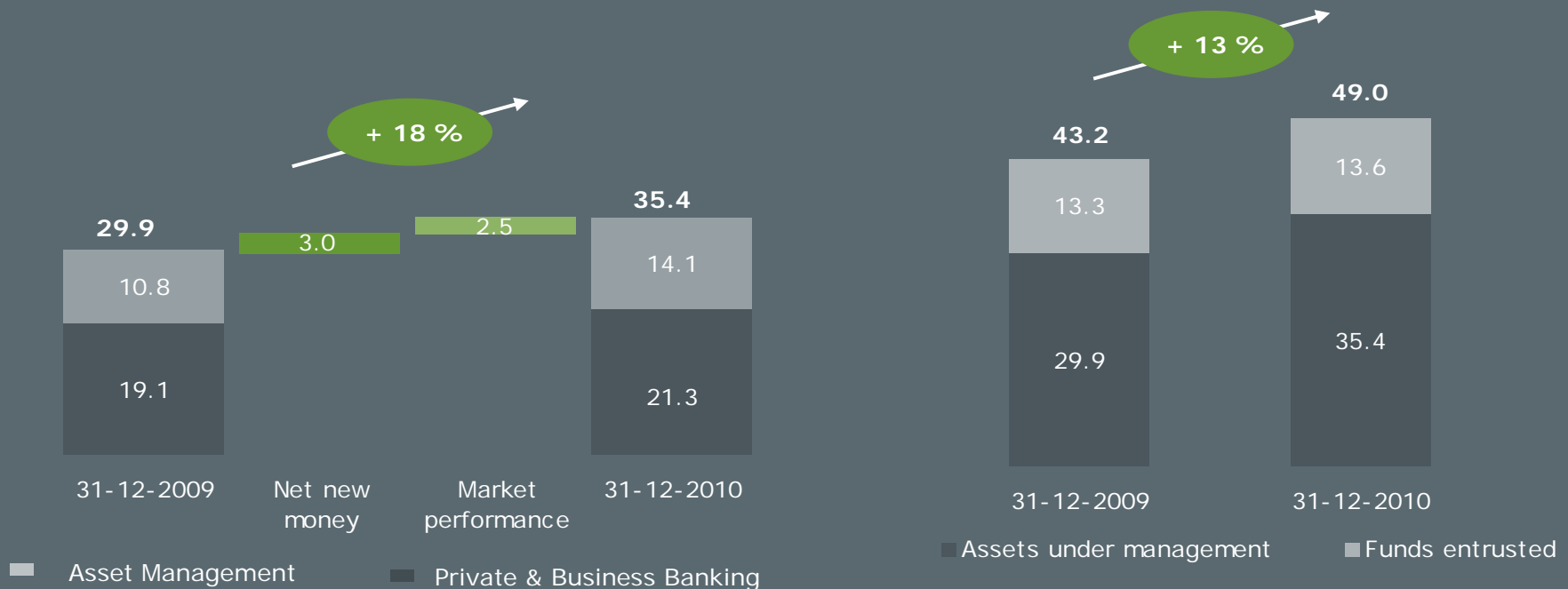
0 %

Enhance commercial effectiveness

- Total assets under management +18% to € 35.4 billion (2009: +20%)
- Net inflow of new assets € 3.0 billion
- Total client assets +13% to € 49.0 billion
- Income +8% to € 613.3 million

Assets under management (€ billion)

Total client assets (€ billion)



Invest continually in service quality

- Van Lanschot's investment policy delivered excellent returns
- Transparent products and services – distribution fees are passed on to asset management clients

Investment portfolios in A La Carte showed excellent performance in 2010:

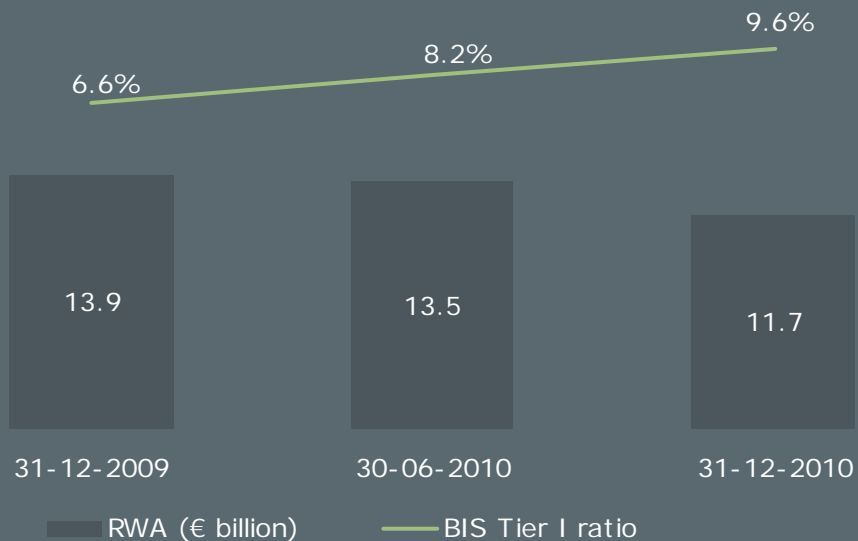
	Income-oriented	Conservative	Neutral	Growth-oriented	Aggressive
Performance (%)	4.0	6.9	11.0	15.0	17.8
Benchmark (%)	2.7	5.6	8.4	11.3	14.3
Outperformance	1.3	1.3	2.6	3.7	3.5



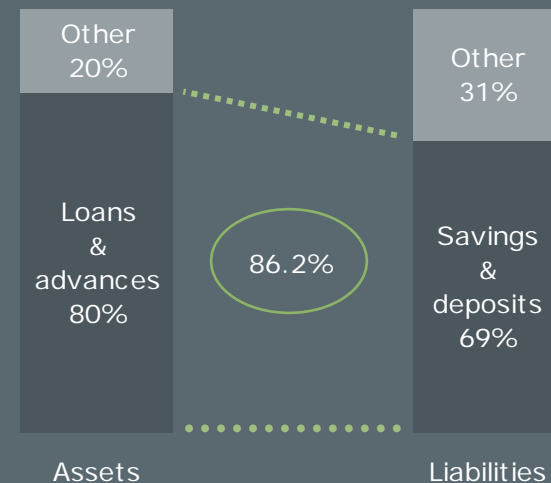
Maintain a solid profile

- Core Tier I ratio rose from 6.6% to 9.6%
- Balance sheet is for our clients: leverage 13.4
- Funding ratio 86.2%; new long-term funding raised
- Confirmation of all credit ratings: Single A minus (A-), outlook stable

RWA and BIS Core Tier I ratio

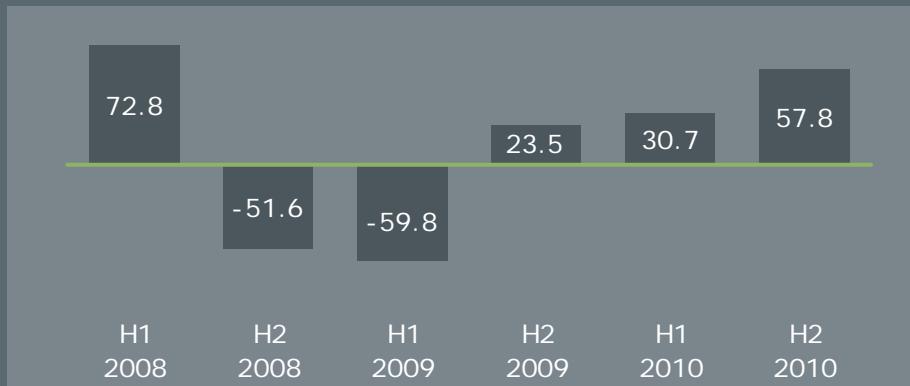


Balance sheet and funding ratio

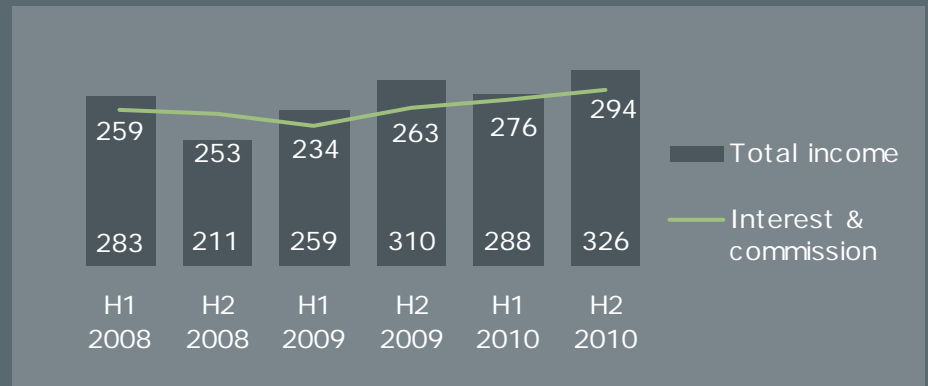


Strategy's success is visible in the results

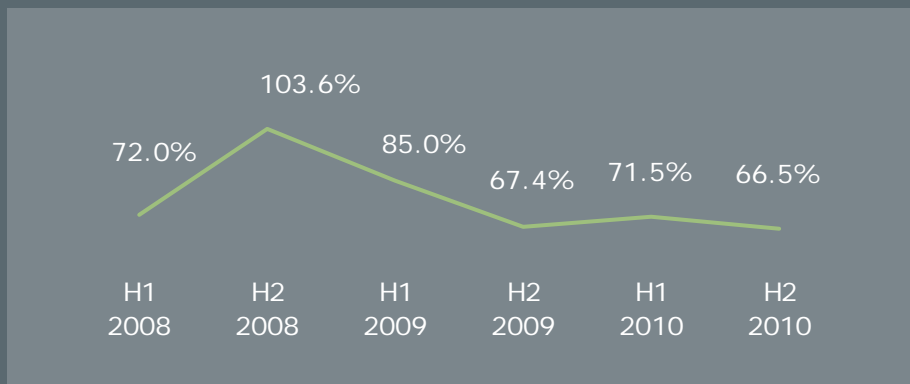
Recovery in operating profit (€ million)



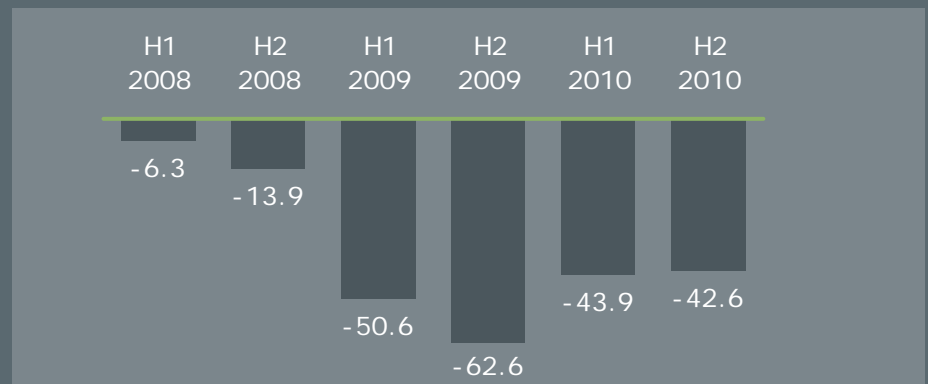
Income from core activities (€ million)



Improvement of efficiency ratio



Decreasing additions to loan loss provision (€ million)



Dividend 2010

Dividend policy

40% - 50% of net profit attributable to ordinary shareholders

RETURN TO PROFITABILITY

- Net profit for 2010 € 65.7 million

STRONG BALANCE SHEET

- Core Tier I ratio 9.6%
- Tier I ratio 12.1%
- BIS ratio 14.2%

→ Van Lanschot resumes dividend distribution: € 0.70 per share

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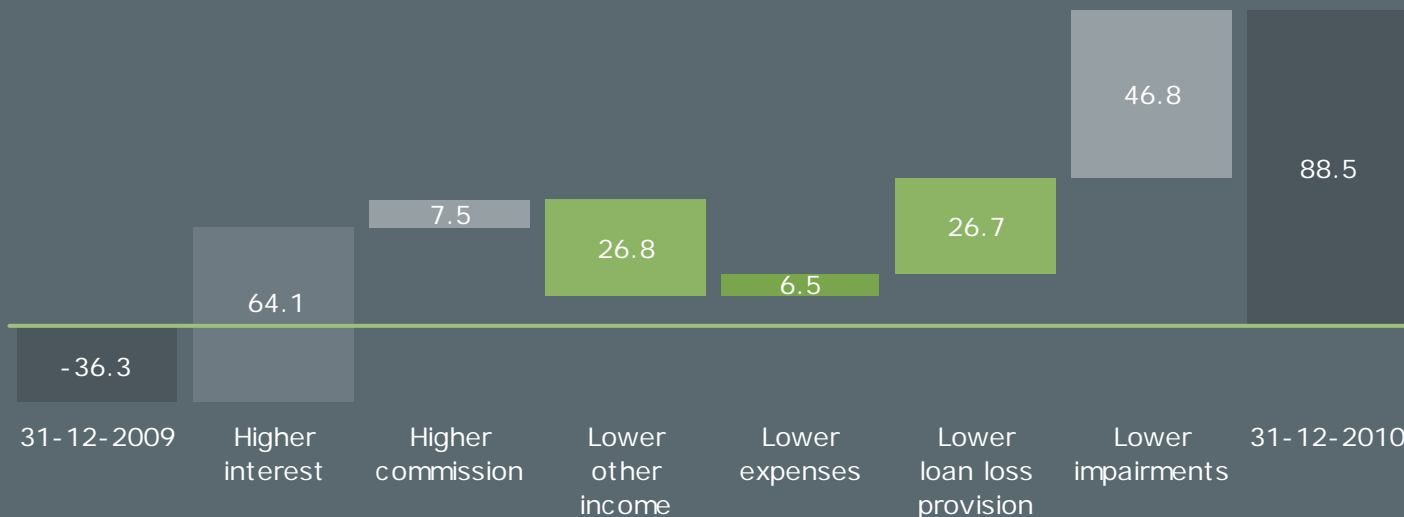
- **Q&A**



Recovery in net profit driven by higher income from core activities and lower costs

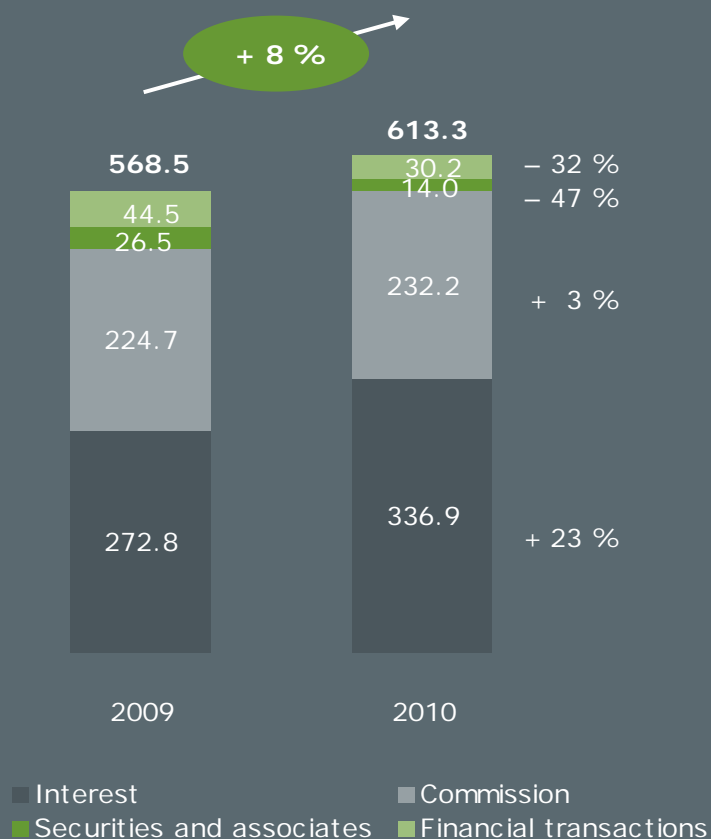
- Net profit for 2010 € 65.7 million (2009: net loss € 14.8 million)
- Operating profit before tax € 88.5 million (2009: operating loss € 36.3 million)
- Higher income due to rising interest and commission
- Lower costs due to efficiency measures
- Downward trend in loan loss provisions continues

Operating profit before tax (€ million)



Income up 8% to € 613.3 million

Income from operating activities (€ million)



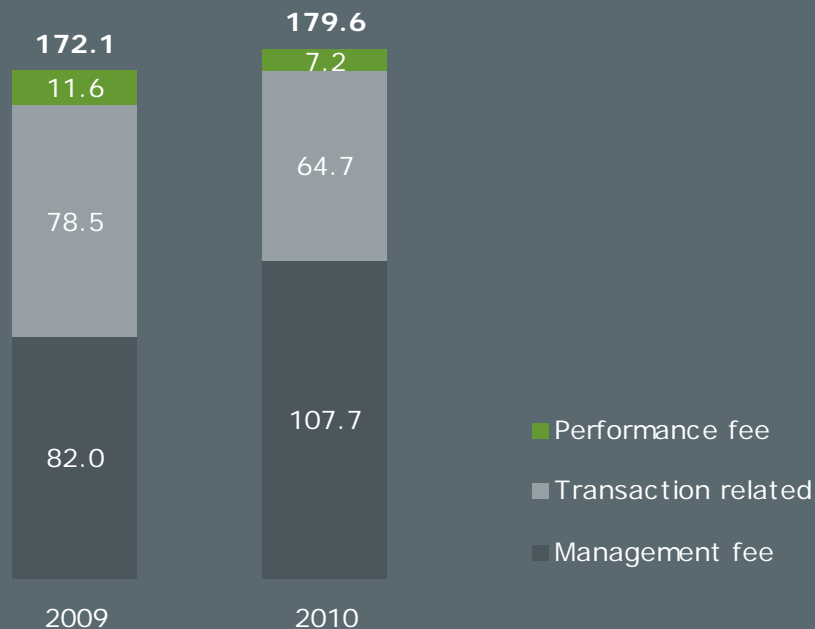
Better quality of income

- Commission +3%
 - Securities commission +4% to € 179.6 million, mainly due to higher management fees
- Interest +23%
 - Interest margin increased to 1.68% (2009: 1.32%)

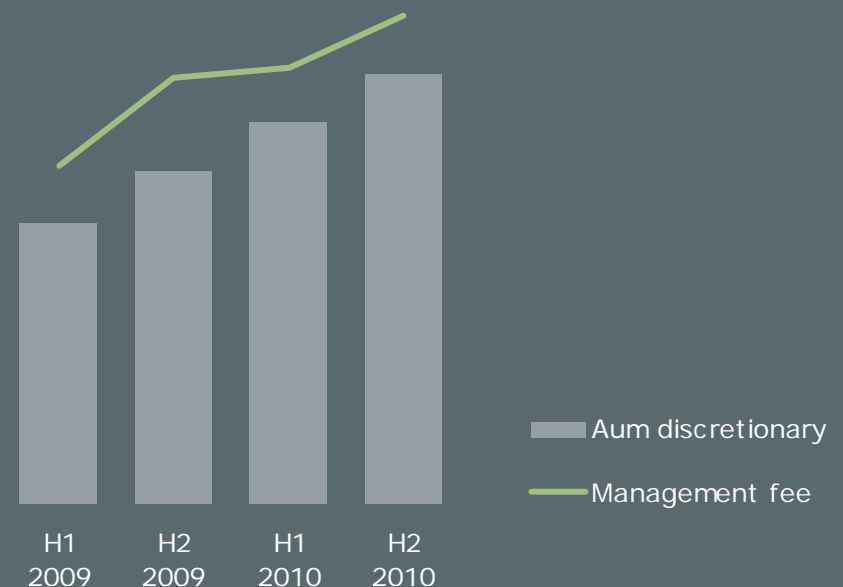
Switch to discretionary asset management leads to more stable commission income

- Recurring management fees make up 64% of total securities commission (2009: 54%), in part due to increase in discretionary asset management
- Assets under discretionary management at year-end 2010 comprise 32% of total assets under management Private & Business Banking clients (year-end 2009: 28%)

Securities commission (€ million)

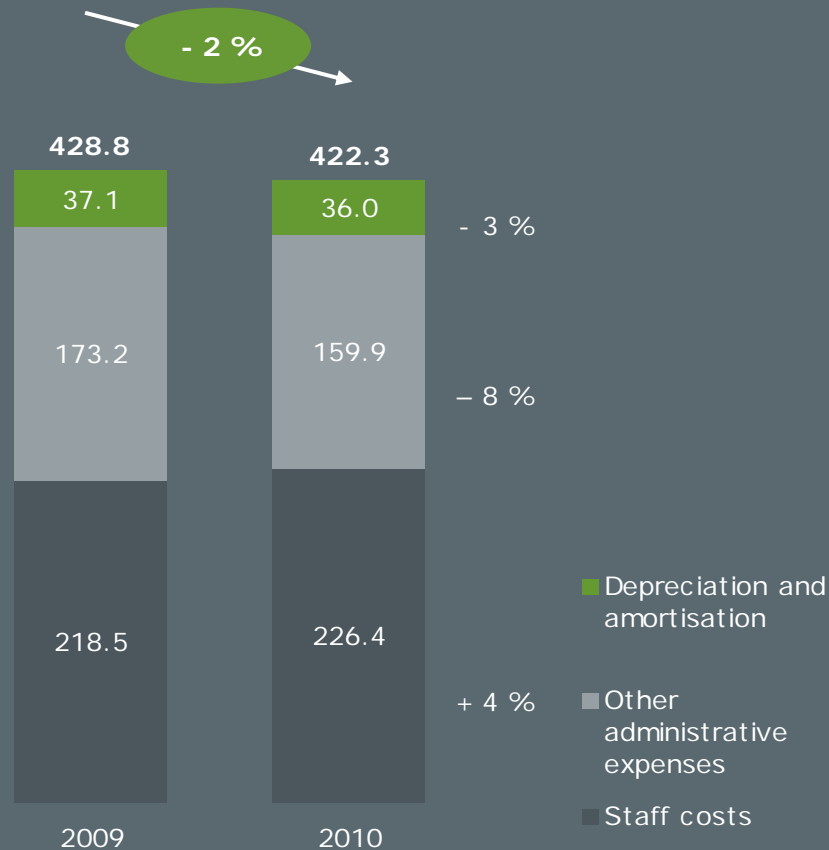


Assets under discretionary management and management fees



Operating expenses down 2% at € 422.3 million

Operating expenses (€ million)

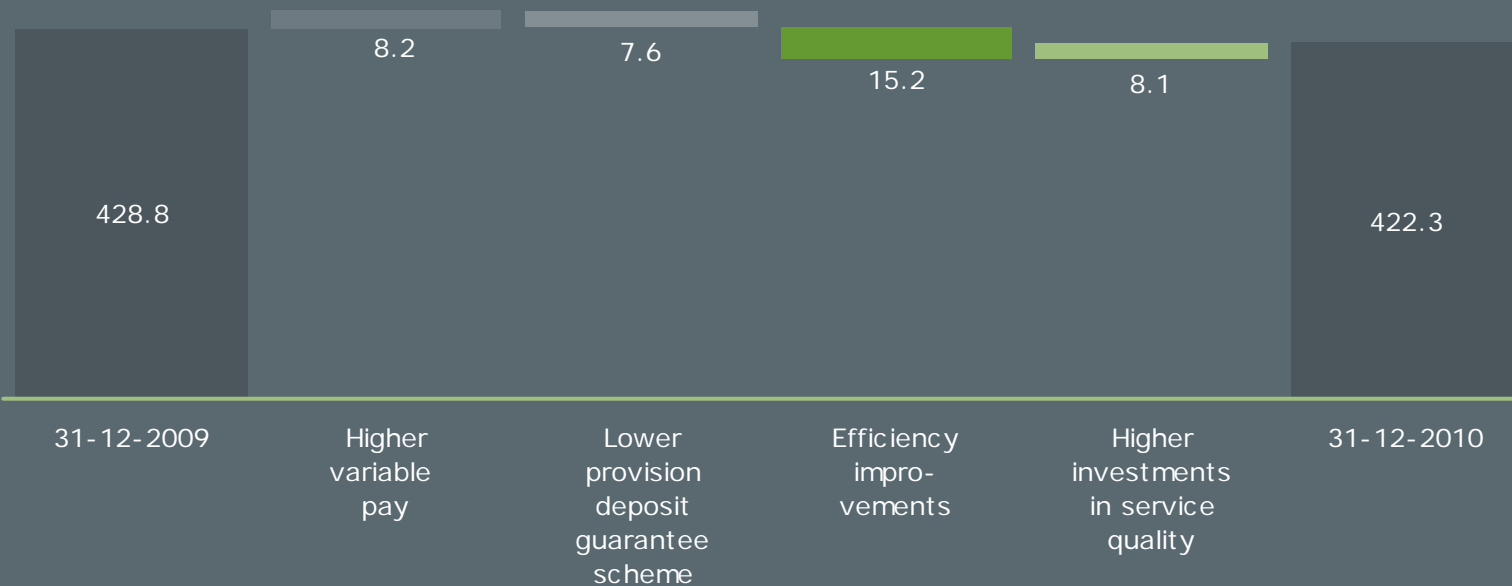


- Staff costs +4%
 - Variable pay resumed after return to profitability in 2010
 - Average FTEs down to 2,044 (2009: 2,143 FTEs)
- Other administrative expenses -8%
 - Lower IT costs
 - Provision made in 2009 for deposit guarantee scheme € 6.5 million
- Impact of cost control and efficiency measures visible at Van Lanschot Bankiers

Efficiency measures lead to savings at Van Lanschot Bankiers

- Tight cost control leads to 7% lower costs at Van Lanschot Bankiers
- Van Lanschot continues to invest in service quality, especially at asset management

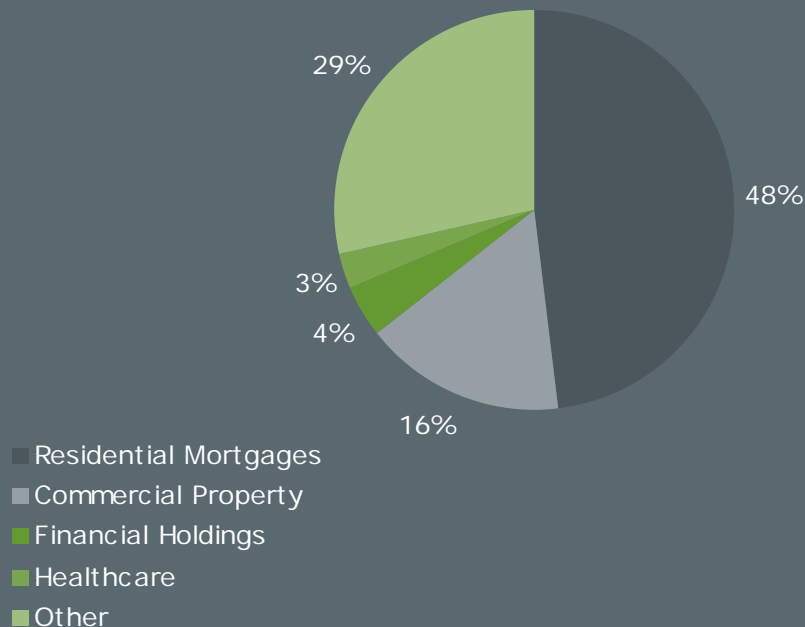
Operating expenses (€ million)



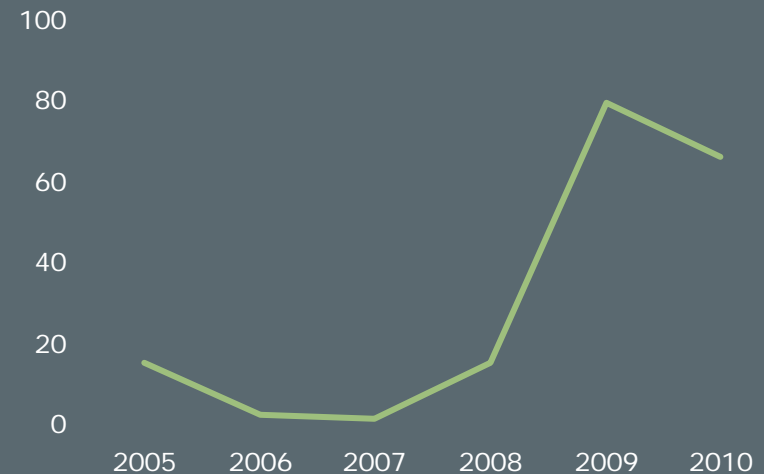
Lower loan loss provisions, but not yet at normalised levels

- Addition to loan loss provision down 24% to € 86.5 million (2009: € 113.2 million)
- Addition represents 66 bps of average risk weighted assets (2009: 79 bps)
- Low losses on mortgages: 4 bps in 2010

Loan portfolio by sector 2010



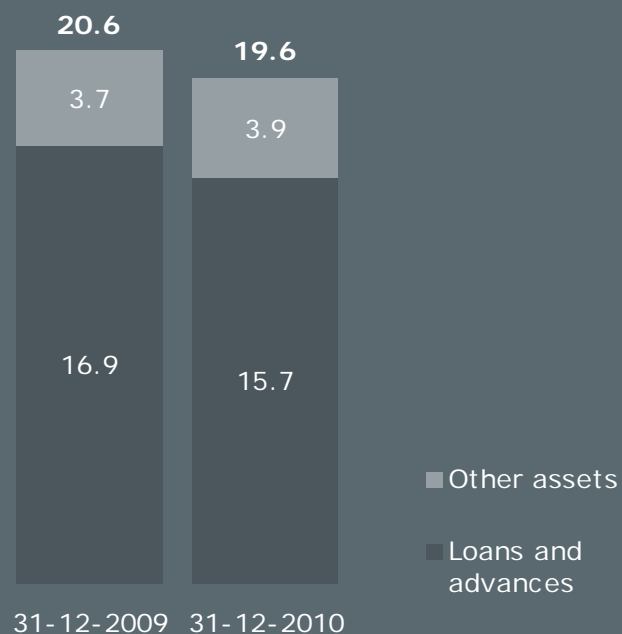
Addition to loan loss provision (bps)



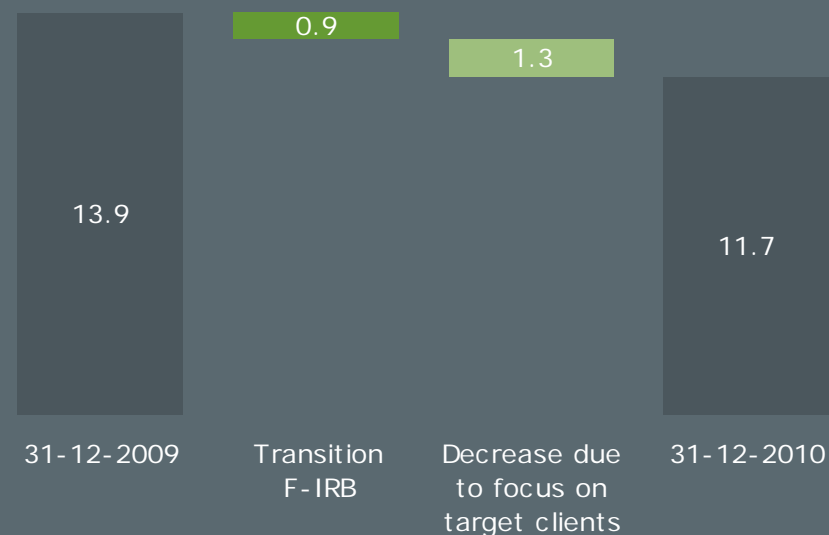
Balance sheet is for the client

- Total assets down again to € 19.6 billion
- Risk weighted assets € 2.2 billion lower at € 11.7 billion
- Strict deployment of capital for target group clients
- Low leverage 13.4 (year-end 2009: 16.6)

Balance sheet (€ billion)

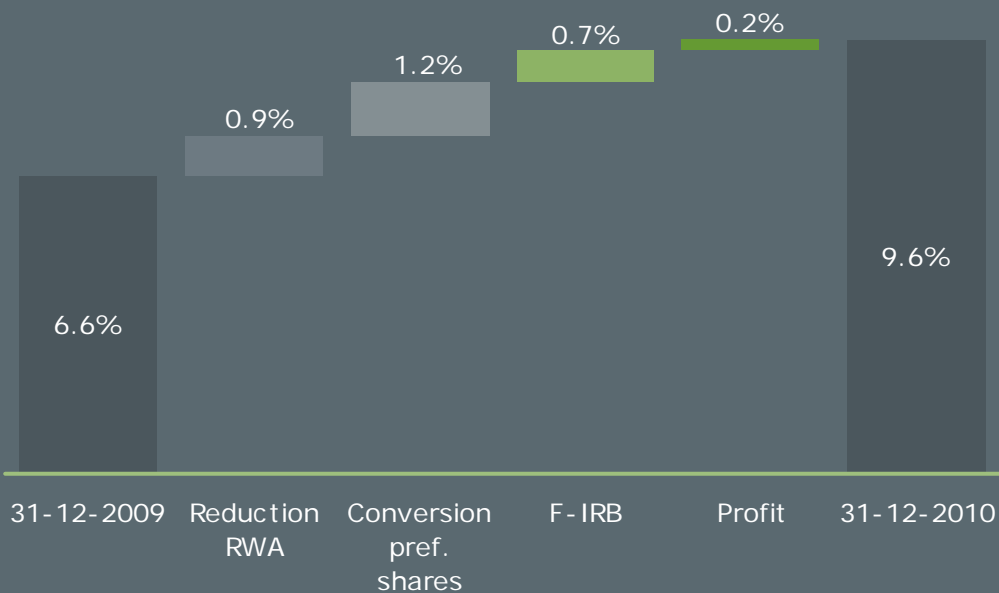


Risk weighted assets (€ billion)



Solid capital base

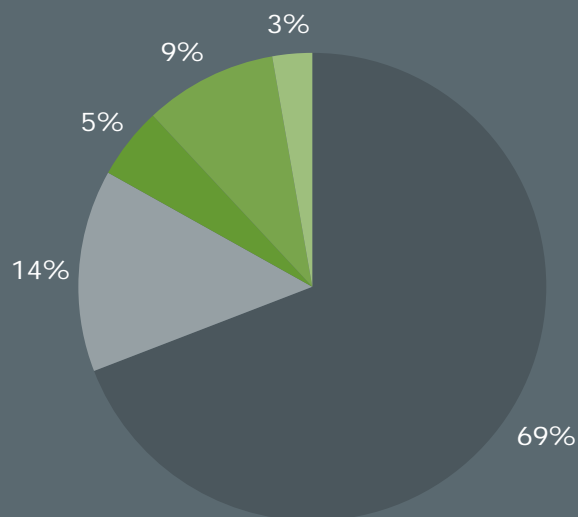
Core Tier I ratio



- Core Tier I ratio 9.6%
- Tier I ratio 12.1%
- BIS ratio 14.2%
- Foundation Internal Rating Based method (F-IRB) applied to retail portfolio as from 1 July 2010
- Introduction of F-IRB for non-retail portfolio as from 1 July 2011
- Solid capital base forms strong foundation for further growth (Van Lanschot does not have to repay state aid)

As a private bank, majority of funding is customer savings and deposits

Funding mix at 31 December 2010



- Customer savings & deposits
- Debt securities & subordinated loans
- Interbank funding
- Shareholders' funds
- Other funding

- Funding ratio* 86.2% at year-end 2010 (year-end 2009: 79.0%)
- Solid base of customer savings and deposits
- Van Lanschot is not a price stunter in the savings market

* Funding ratio is the degree to which loans are financed by the funds entrusted by clients

Diversification and duration of funding improved in 2010

- Access to wholesale funding markets in 2010:
 - € 400 million in 3-year senior unsecured bonds issued to institutional investors in March
 - € 750 million RMBS bonds placed in the market in November with a duration of 2 to 5 years
- Ample liquidity position, € 3.1 billion of eligible assets
- Diversification of funding also required by Basel III:
 - Pro forma LCR 158%
 - Pro forma NSFR 98%

Van Lanschot Bankiers

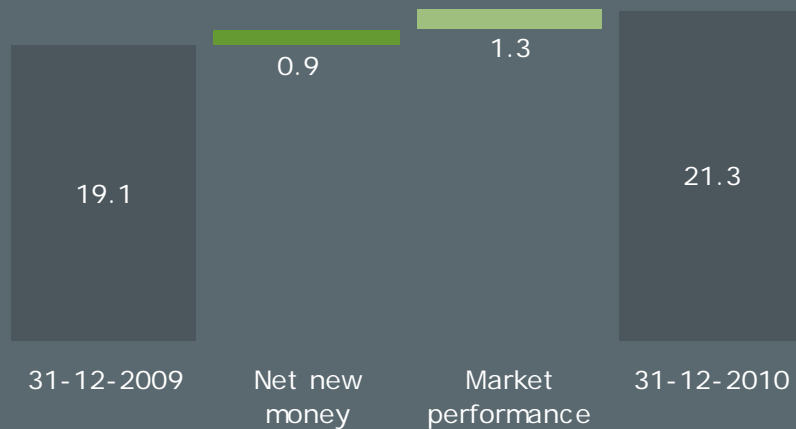
Private &
Business Banking

Asset Management

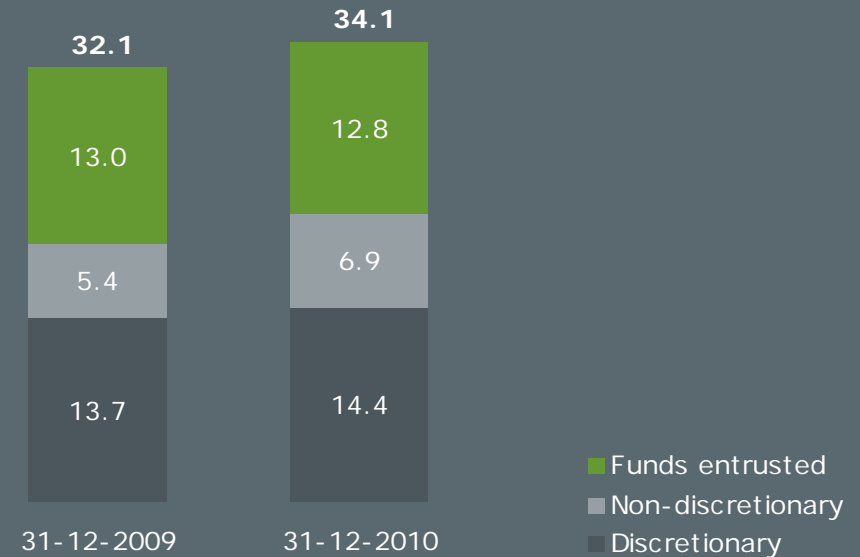
Corporate Finance
& Securities

- Operating profit before tax € 127.3 million (2009: € 50.9 million)
- Assets under management +12% to € 21.3 billion, 41% due to inflow of net new money and 59% due to market performance
- Discretionary mandates are 32% of total assets under management (2009: 28%)

Assets under management of Private & Business Banking (€ billion)



Client assets of Private & Business Banking (€ billion)



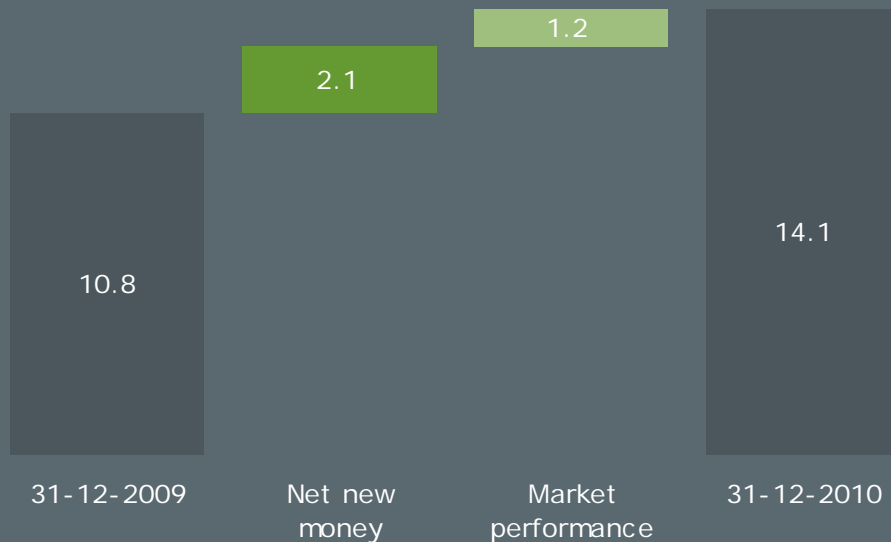
Van Lanschot Bankiers

Private &
Business Banking

Asset Management

Corporate Finance
& Securities

Assets under management (€ billion)



- Operating profit before tax +51% to € 13.4 million (2009: € 8.9 million)
- Commission income +17% to € 49.8 million (2009: € 42.4 million)
- Assets under management +31%; 64% due to net new money and 36% due to market performance
- Performance fees € 7.2 million (2009: € 11.6 million)

Van Lanschot Bankiers

Private &
Business Banking

Asset Management

Corporate Finance
& Securities

- Operating profit before tax rose to € 14.9 million (2009: € 13.0 million)
- Commission income +12% to € 49.7 million (2009: € 44.4 million), mainly due to higher success fees and fees on capital market transactions

Recap 2010

Solid capital and funding

- Core Tier I ratio 9.6%, Tier I ratio 12.1%, BIS ratio 14.2%
- The balance sheet is for our clients: very low leverage 13.4
- Funding ratio 86.2%, long-term funding position strengthened by attracting wholesale funding
- Confirmation of all credit ratings: Single A minus (A-), outlook stable

Acceleration in recovery of operating profit in 2010

- Income +8%
- Costs -2%
- Addition to loan loss provision -24%
- Operating profit before tax € 88.5 million
- Net profit € 65.7 million

Growth in asset management

- Assets under management +18% to € 35.4 billion
- Net new money € 3.0 billion, especially in discretionary mandates
- Total client assets +13% to € 49.0 billion



Van Lanschot is a bank with a low risk profile

CLEAR BUSINESS MODEL

- Strategy aimed at onshore private banking
- Full-service offering for high net-worth individuals and entrepreneurs
- Home markets in the Netherlands and Belgium

BALANCE SHEET IS FOR OUR CLIENTS

- 80% of the balance sheet consists of loans and advances
- No exposures to complex financial instruments, such as sub-prime, CDOs, SIVs, or sovereign debt in Southern Europe and Ireland
- Virtually no trading for own account

SOUND BALANCE SHEET

- Solid capital base
- Low leverage
- Ample liquidity and funding

- **Strategy delivers in 2010**

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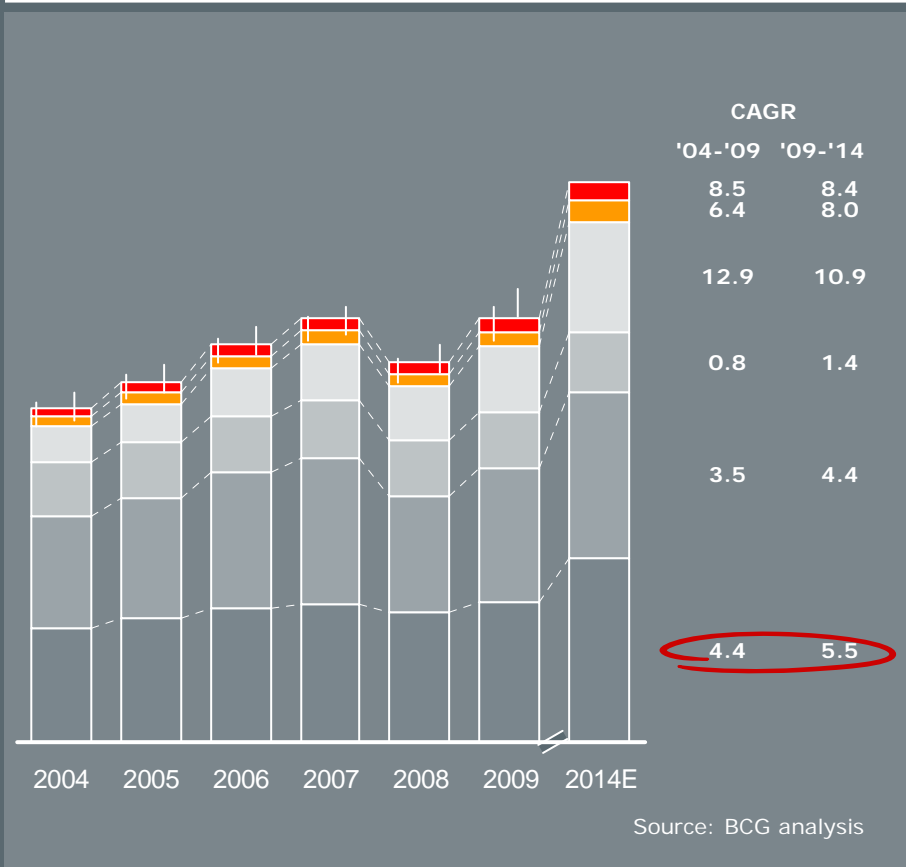
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Van Lanschot is well positioned for autonomous growth ...

POSITIVE MARKET FUNDAMENTALS AND STRONG POSITION

Worldwide growth AuM

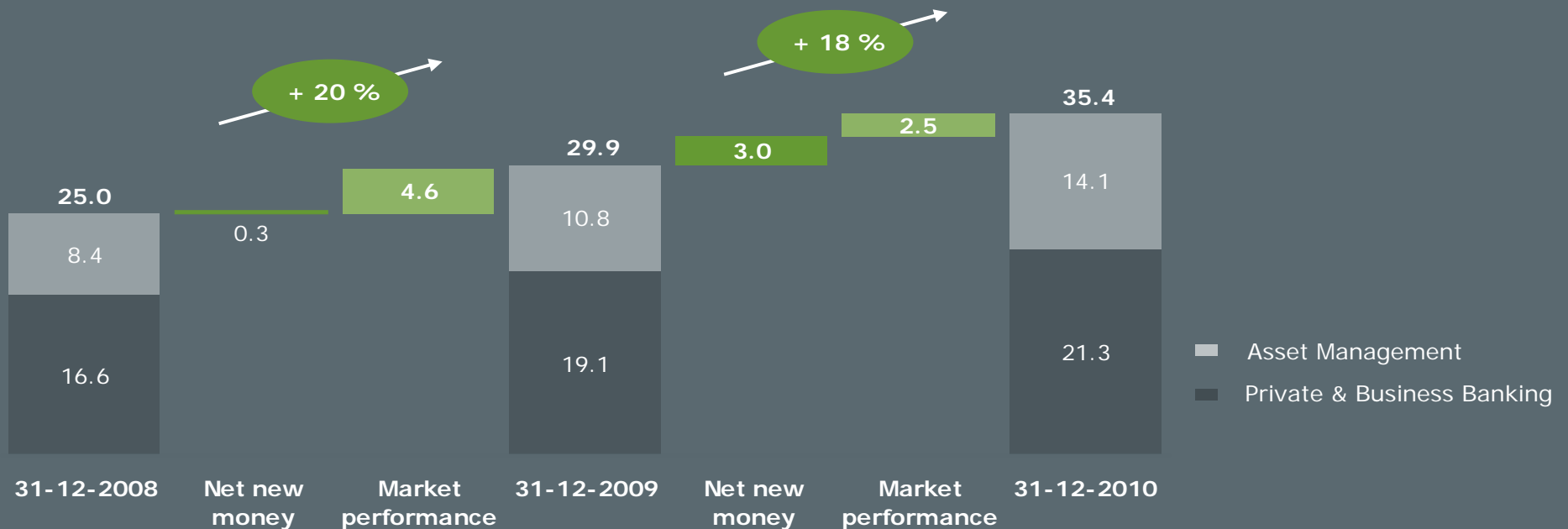


- High client satisfaction
- Superior products and services
- Experienced and motivated bankers
- Competitors are focusing on internal affairs
- State aid has distorted the competitive positions in the market

... building on private banking profile

- Strong growth in assets under management over past two years
- Increase in 2010 mainly from net new money

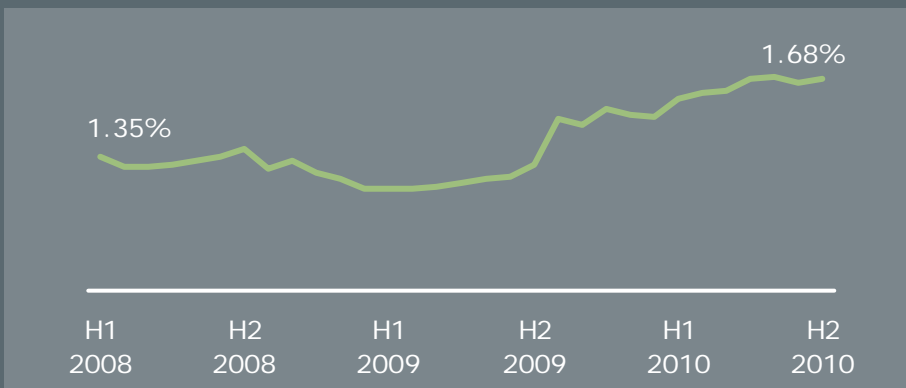
Growth in assets under management (€ billion)



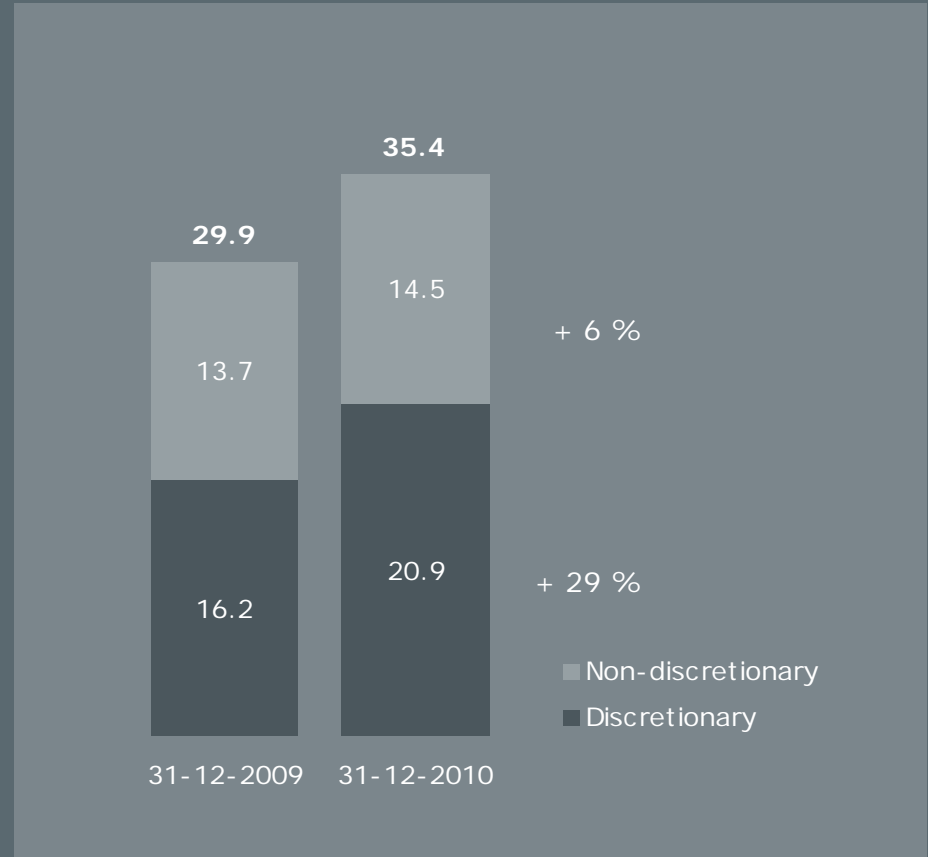
A further improvement of income is expected ...

DRIVEN BY A STABLE INTEREST MARGIN AND RISING COMMISSION

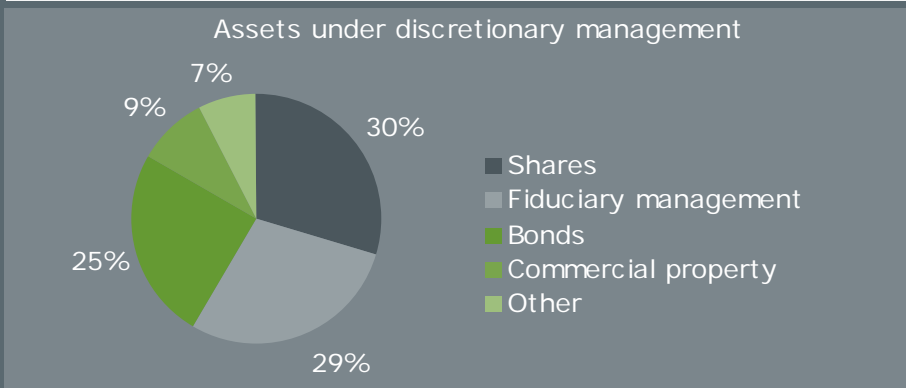
Interest margin (%)



Switch to discretionary mandates



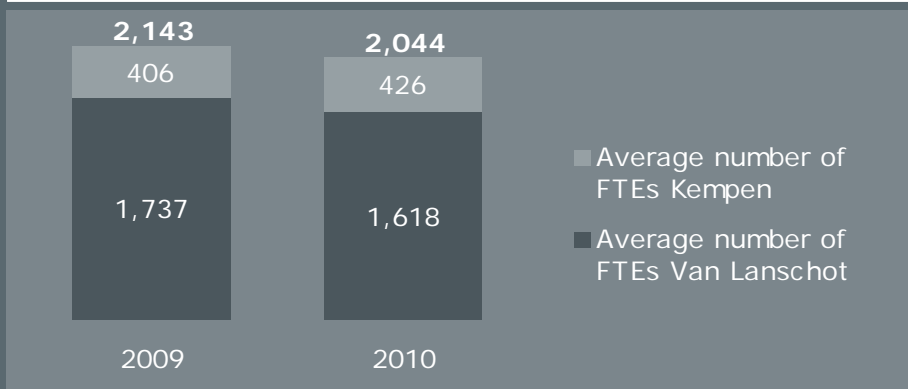
Asset allocation at 31 December 2010



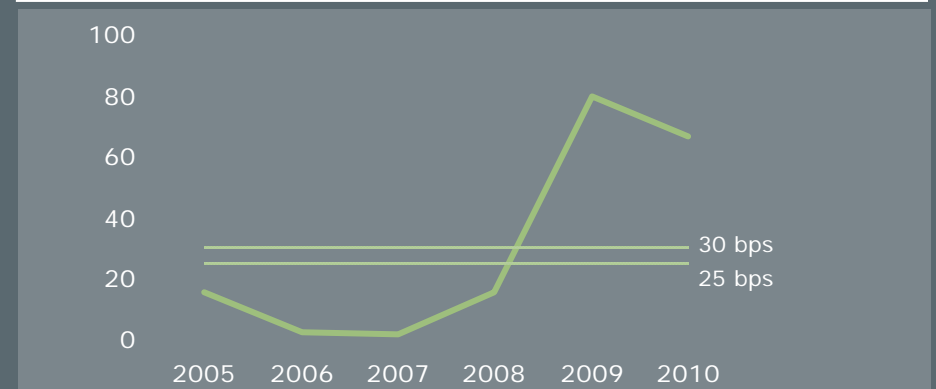
... combined with focus on operational efficiency and risk management

COST CONTROL COUPLED WITH INVESTMENTS IN SERVICE QUALITY

Efficiencies feasible in the bank



Loan loss provision still to reach normalised levels (bps)

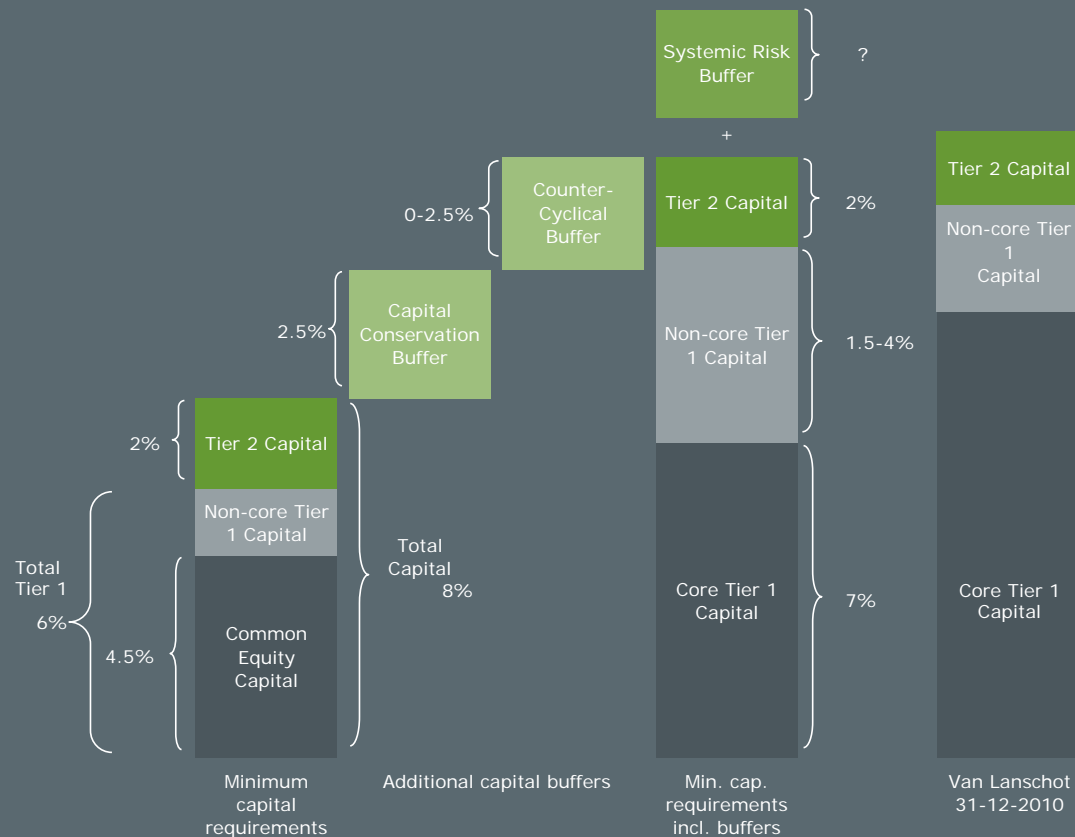


➔ Van Lanschot is well on track towards achieving normalised profit levels

Van Lanschot well prepared for Basel III (1)

PRO FORMA AT 31 DECEMBER 2010 UNDER BASEL III

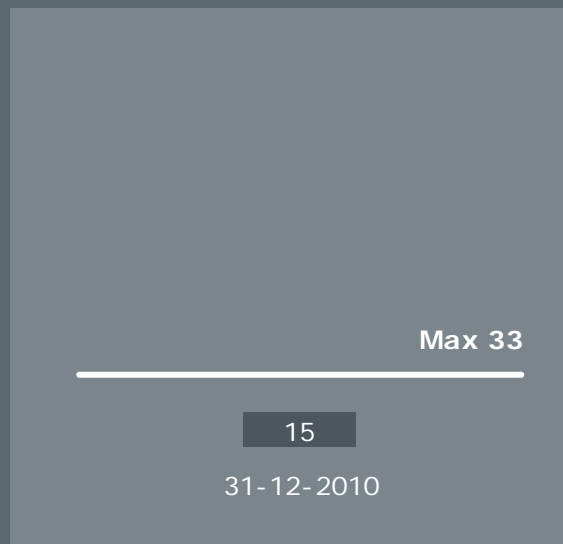
Capital ratios



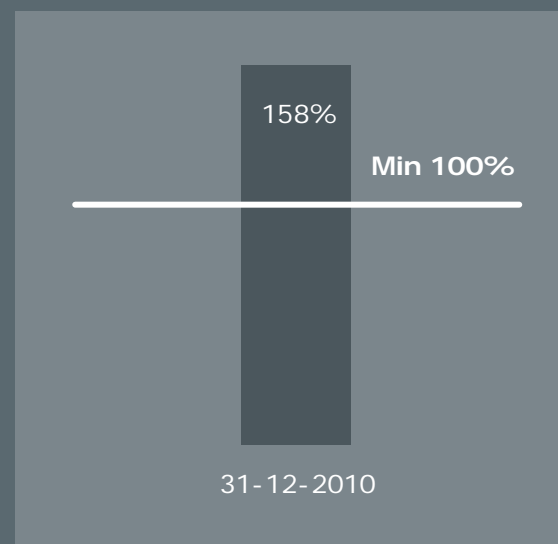
Van Lanschot well prepared for Basel III (2)

PRO FORMA AT 31 DECEMBER 2010 UNDER BASEL III

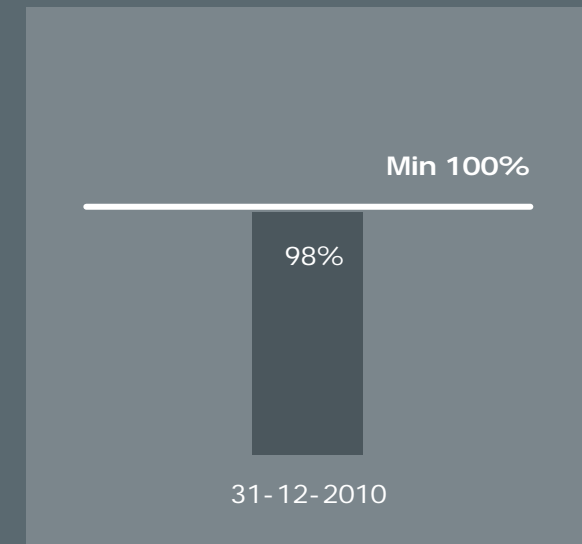
Leverage



Liquidity Coverage Ratio



Net Stable Funding Ratio



Banking code embedded in the organisation

Customer care	<ul style="list-style-type: none">- Customer care is mentioned explicitly in Van Lanschot's strategy- Target: apply and continually improve a customer care policy that is leading in the sector and that goes further than the statutory obligations- For example: transparent fee structure, including passing on net distribution fees to asset management clients
Remuneration	<ul style="list-style-type: none">- New remuneration policy for Board of Managing Directors as approved by AGM on 6 May 2010 and in effect as from 1 January 2010- New remuneration policy for senior management effective as from 1 January 2010
Governance	<ul style="list-style-type: none">- Members of Supervisory Board, Board of Managing Directors and General Managers attend a permanent education programme
Risk management	<ul style="list-style-type: none">- Risk appetite formulated and approved- Risk appetite periodically reviewed and refined- Corporate Social Responsibility criteria included in credit policy
Audit	<ul style="list-style-type: none">- Group Audit function is independent within organisational structure; this is formally documented in the by-laws of Group Audit

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Disclaimer

Forward looking statements

This presentation contains forward looking statements concerning future events. Those forward looking statements are based on the current information and assumptions of the Van Lanschot management concerning known and unknown risks and uncertainties.

Forward looking statements do not relate to definite facts and are subject to risks and uncertainty. The actual results may differ considerably as a result of risks and uncertainties relating to Van Lanschot's expectations regarding such matters as the assessment of market risk and revenue growth or, more generally, the economic climate and changes in the law and taxation.

Van Lanschot cautions that expectations are only valid on the specific dates, and accepts no responsibility for the revision or updating of any information following changes in policy, developments, expectations or the like.

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