



2010 half-year results

Amsterdam, 10 August 2010

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

- Capital and risk management
- 2010 half-year results
- Summary H1 2010 and Outlook
- Q&A

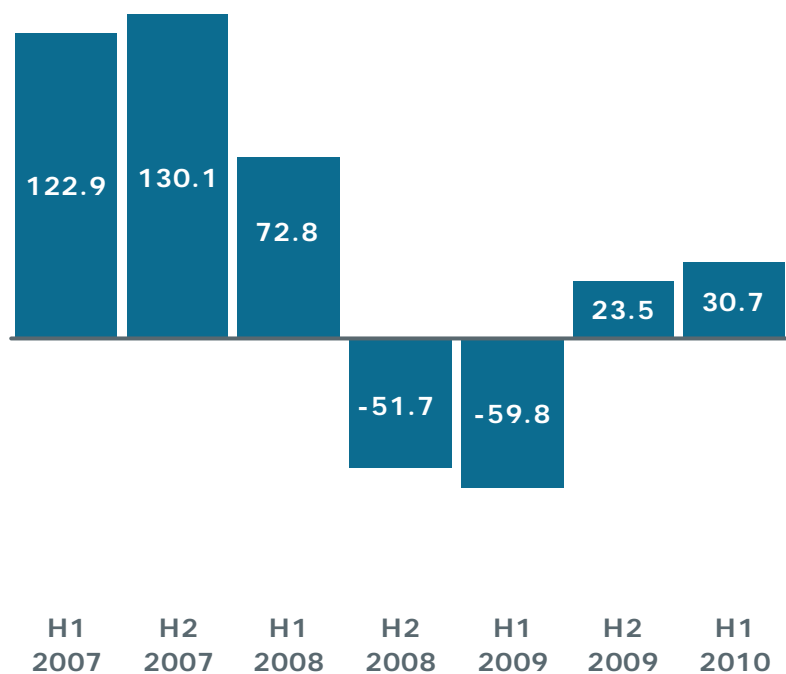
Van Lanschot's strategy

Mission	To offer high-quality financial services to wealthy individuals, director-owners 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 and employees and financial targets.				
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	<table><tr><td>Independent</td><td>Professional</td></tr><tr><td>Committed</td><td>Ambitious</td></tr></table>	Independent	Professional	Committed	Ambitious
Independent	Professional				
Committed	Ambitious				

Strategy's success is visible

- Recovery of operating results confirmed in H1 2010
- Good inflow in assets under management
- Successful investment policy in client portfolios
- Deleveraging the balance sheet – reducing portfolio of large corporate clients

Towards a normalised level of profit



- Recovery in operating profit continued in H1 2010
- Recovery in income comes from basic operations: interest and commission
- Efficiency measures visible in lower operating expenses
- Lower addition to loan loss provision

Operating profit H1 2007 – H1 2010 (€ million)

Recovery in operating results



- Recovery in income as from April 2009
- Gradual fall in saving rates improved interest margin:
H1 2009 1.22%
H2 2009 1.40%
H1 2010 1.59%
- Securities commission in H1 2010 +9.7%
- Strict cost control: operating expenses down 7% in H1 2010 in comparison to H1 2009

Income from operating activities and operating expenses Q2 2007 – Q2 2010

Strong growth in assets under management

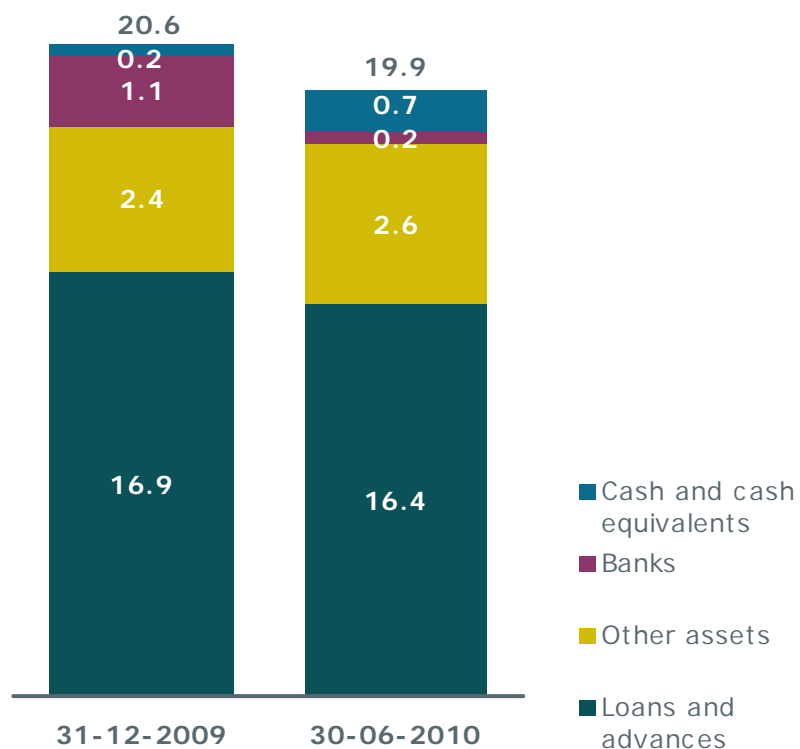
- Total assets under management up 7% to € 31.6 billion
- 59% of increase due to net inflow and 41% to stock market performance
- Clients increasingly opt for discretionary mandates: assets under discretionary management of Private Banking represent 33% of total assets under management of Private Banking (31 December 2009: 30%)

Good results investment policy

- Van Lanschot's investment policy delivered excellent returns in H1 2010

	Income-oriented	Conservative	Neutral	Growth-oriented	Aggressive
Performance (%)	2.7	3.0	4.0	4.3	4.5
Benchmark (%)	1.8	1.8	1.7	1.7	1.6
Outperformance	0.9	1.2	2.3	2.6	2.9

Deleveraging of the balance sheet

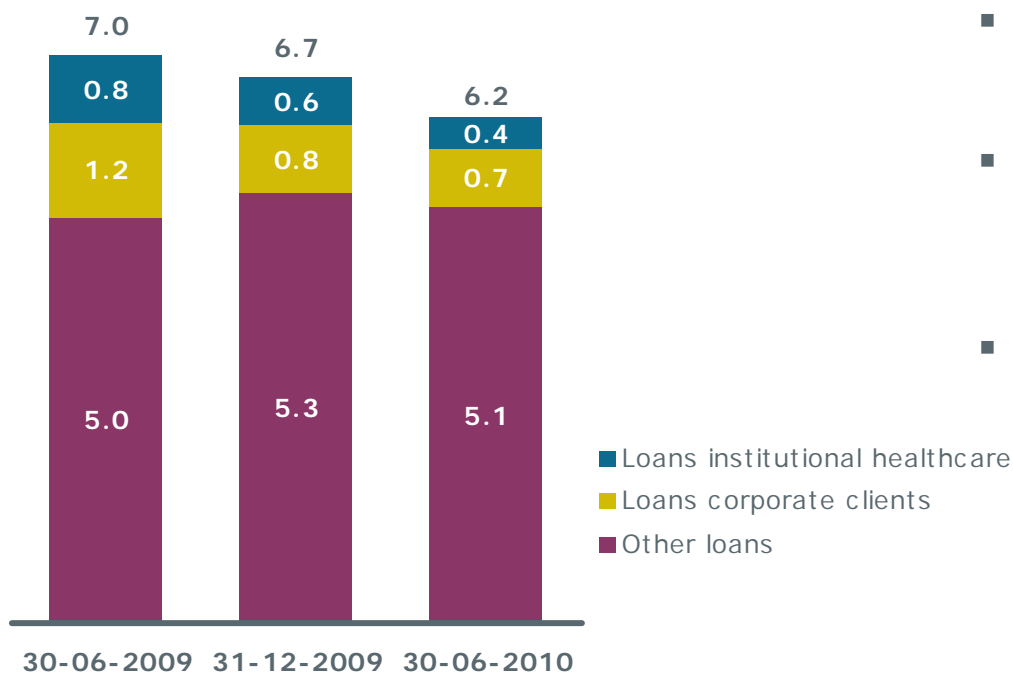


- Total balance sheet decreased to € 19.9 billion (31 December 2009: € 20.6 billion)
- Strict deployment of capital for clients
- Low leverage (total assets to shareholders' funds attributable to shareholders excluding perpetual loans) of 14.0 (31 December 2009: 16.6)

Basel III: maximum leverage of 33

Balance sheet at 31 December 2009 and 30 June 2010

Reduction in Business Banking loan book



- Business Banking loan book down 11% compared with 30 June 2009
- Stricter deployment of capital for Private Banking clients
- Sale of institutional healthcare portfolio of approx. € 0.6 billion late 2009 / early 2010
- A number of loans to large corporate clients not continued

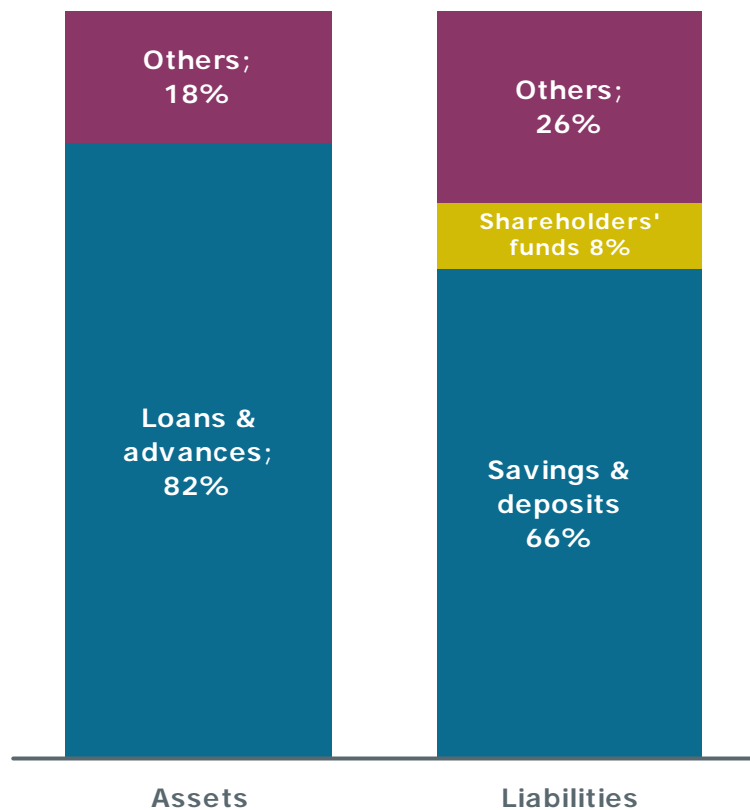
Business Banking loan book at 30 June 2009 and 30 June 2010 (€ billion)

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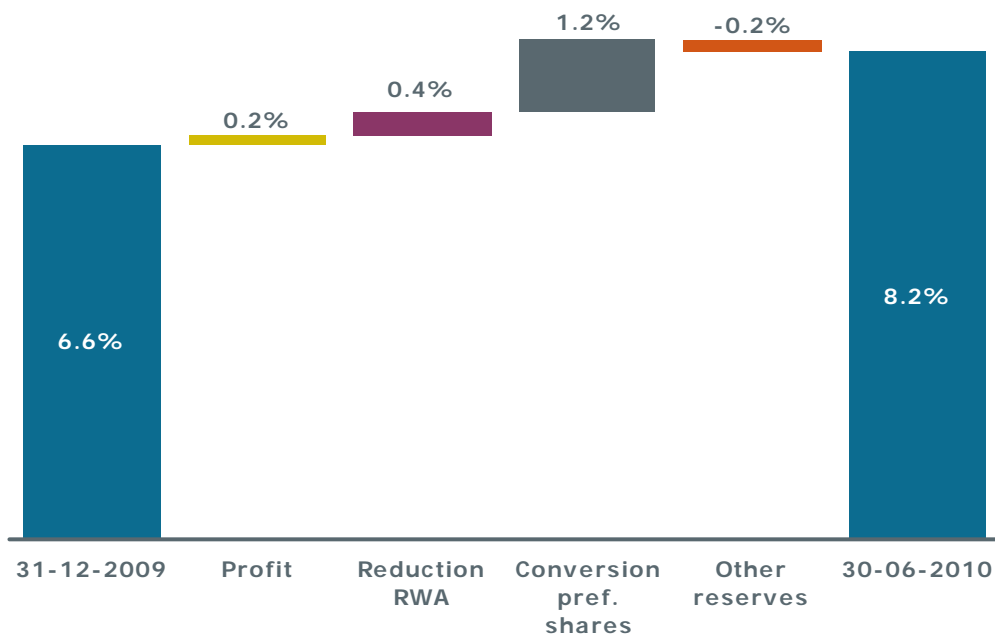
Sound balance sheet



- The balance sheet is for our clients:
 - 82% of assets comprises loans and advances to clients; virtually no trading for the bank's own account;
 - 66% of liabilities are funds entrusted by clients (savings and deposits)
- Stable outlook Single A minus (A-) credit rating reconfirmed by Standard & Poor's in July 2010; also Single A-, stable outlook, credit rating from Fitch Ratings

Balance sheet at 30 June 2010

Solid capital base



- Core Tier I ratio 8.2%
- Tier I ratio 10.3%
- BIS total capital ratio 12.2%
- Conversion of preference shares on 1 June 2010 strengthened core capital by € 166 million
- Solid capital ratios without state support
- Risk weighted assets declined by € 0.4 billion in H1 2010 to € 13.5 billion

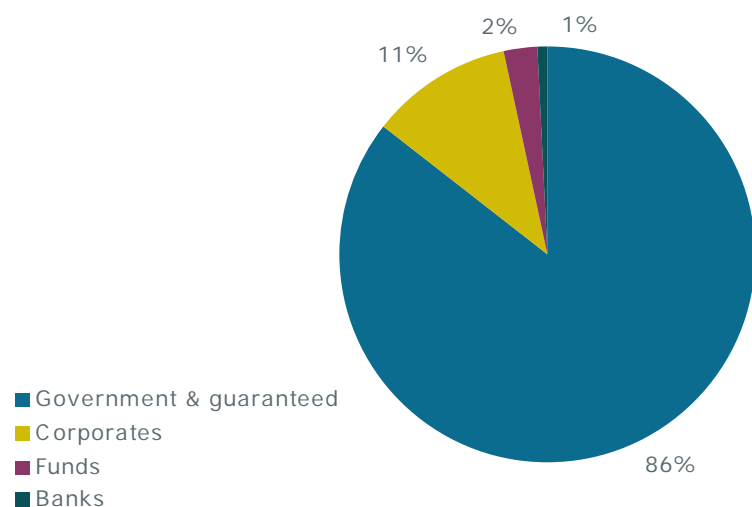
Core Tier I ratio

Further increase in capital

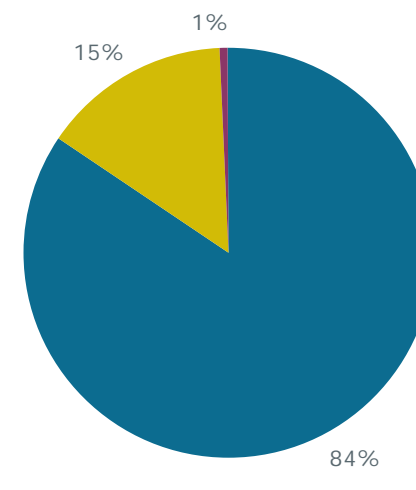
- Implementation of Foundation Internal Rating Based method (F-IRB) for the retail portfolio as from 1 July 2010
- Implementation of F-IRB for non-retail portfolio as from 1 July 2011
- Limited capital relief from implementation of F-IRB
- Capital ratio's to be increased further through retained profits and reduction of risk weighted assets
- Further increase in capital ratios unhindered by repayment of state aid

Low-risk investment portfolio

- Total investment portfolio of € 1.3 billion
- Government bonds and government guaranteed bonds held for liquidity purposes
- No exposure in Southern-Europe or Ireland



Investment portfolio (excl. shares) by counterparty at 30 June 2010



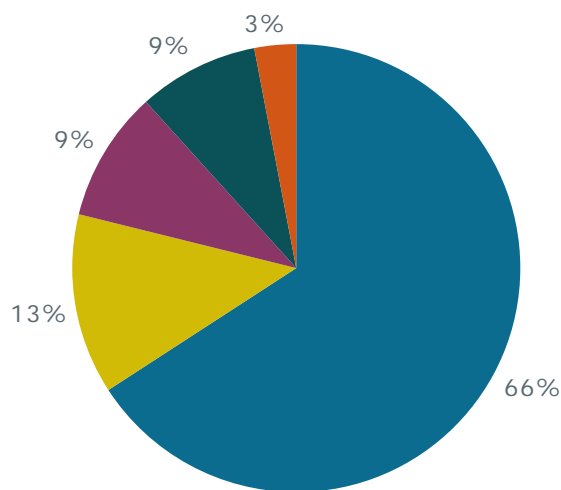
Investment portfolio (excl. shares) by country at 30 June 2010

Positive results of stress test

At 31-12-11	
Tier I-ratio (benchmark scenario)	10.1%
Tier I-ratio (adverse scenario)	9.3%
Sovereign risk	0.3%
Tier I-ratio (adverse scenario + sovereign risk)	9.0%
Impact stress op Tier I-ratio	1.1%

- Even in adverse scenario – including impact of sovereign risk – Tier I ratio comes to 9.0%, far above threshold of 6.0%
- Limited impact of stress scenario of just 1.1% on Tier I ratio
- 98% of the total sovereign bond portfolio consists of Dutch and German government bonds or bonds guaranteed by the Dutch state
- No exposure to countries with high sovereign risk
- Van Lanschot survived the banking crisis by relying on its own strength – without state support

Stable funding position

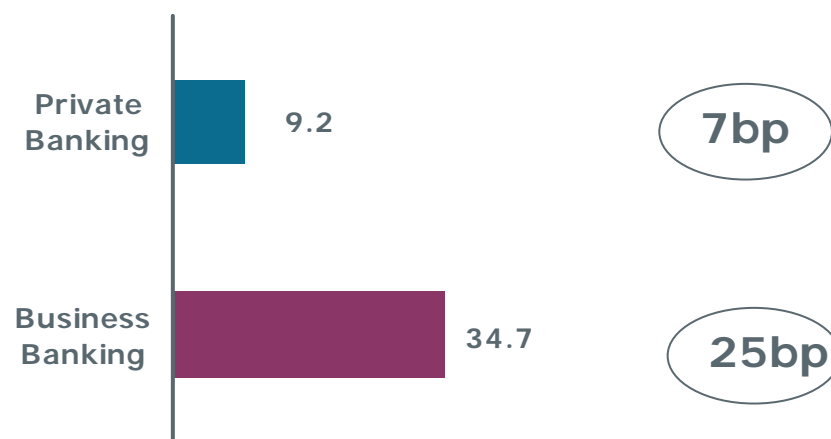
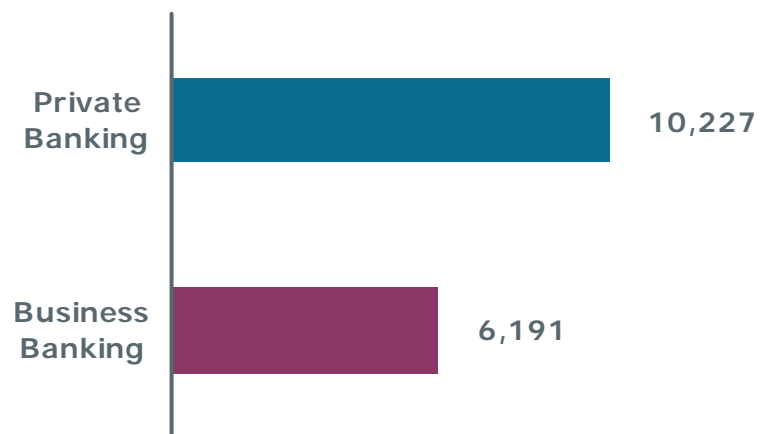


- Customer savings & deposits
- Debt securities & subordinated loans
- Interbank funding
- Shareholders' funds
- Other funding

- Funding ratio 79.6%
- Strong funding position due to stable base of customer savings and deposits
- € 400 million of unsecured bonds issued to institutional investors in March 2010
- Over € 1.5 billion of surplus liquidity at 30 June 2010
- Two mortgage securitisation transactions of € 2.4 billion completed in July 2010 and retained, creating additional eligible assets

Funding mix

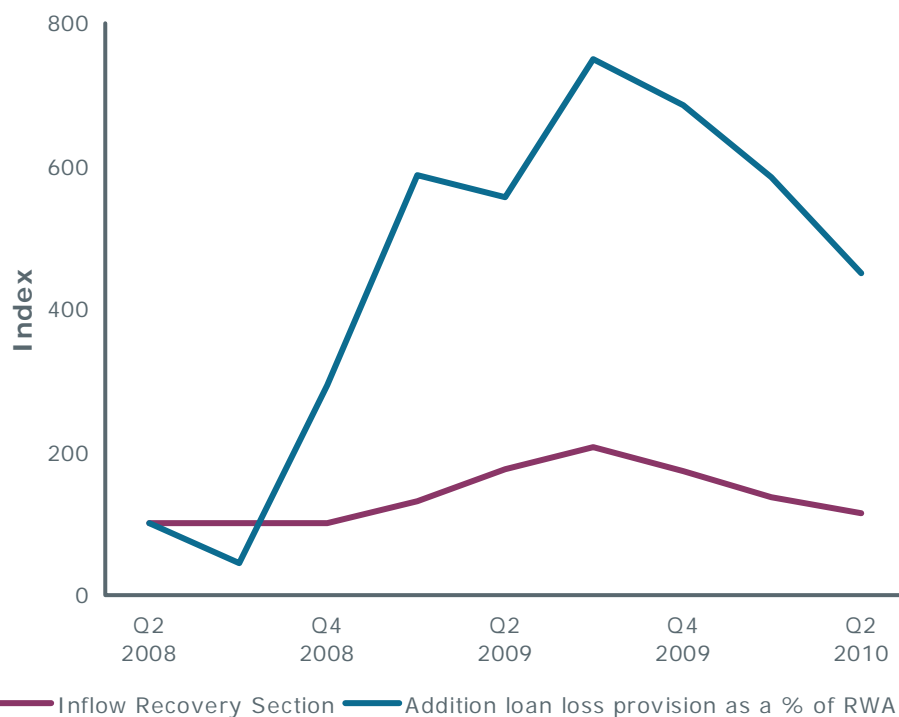
Loan book



Loan book (€ million)

Addition to loan loss provision (€ million)

Lower loan loss provision

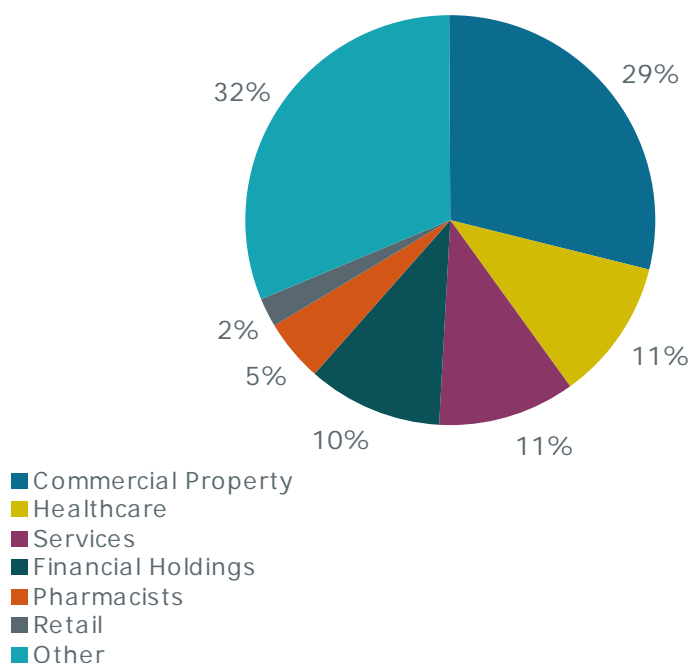


- Addition to loan provision is declining from highest level in H2 2009:
 € 50.6 million in H1 2009
 € 62.6 million in H2 2009
 € 43.9 million in H1 2010
- Addition to loan provision 32 bp of average risk weighted assets (H1 2009: 35 bp; H2 2009: 44 bp)
- Addition to loan loss provision for mortgage portfolio 1 bp of average risk weighted assets
- Inflow of new loans to the Recovery Section is declining both in terms of number and size

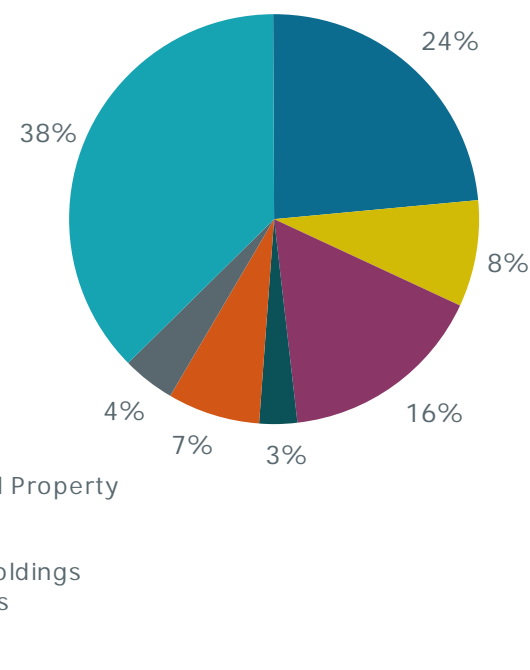
Inflow to Recovery Section and addition to loan loss provision as a % of average RWA

Loan book – corporate loans

- Addition to loan loss provision for corporate loans spread over all sectors
- Reduction of concentration risk thanks to sale of institutional healthcare portfolio

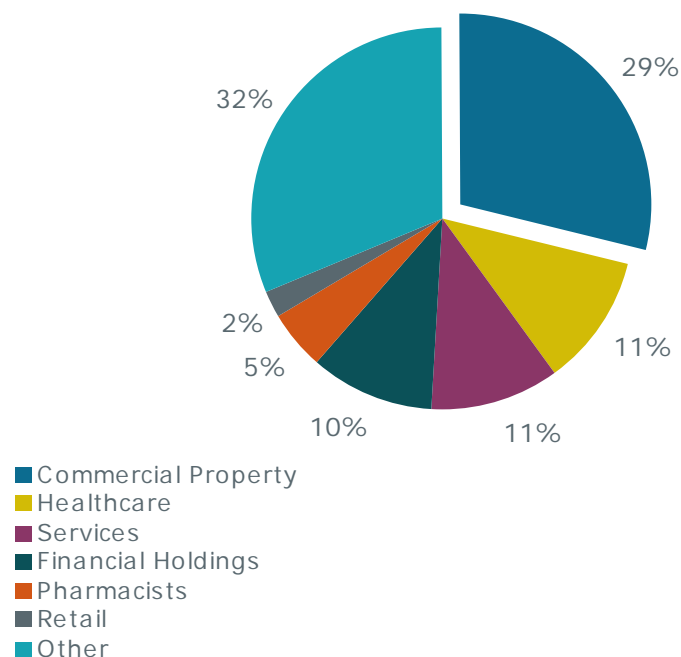


Corporate loans by sector at 30 June 2010



Loan loss provision by sector at 30 June 2010

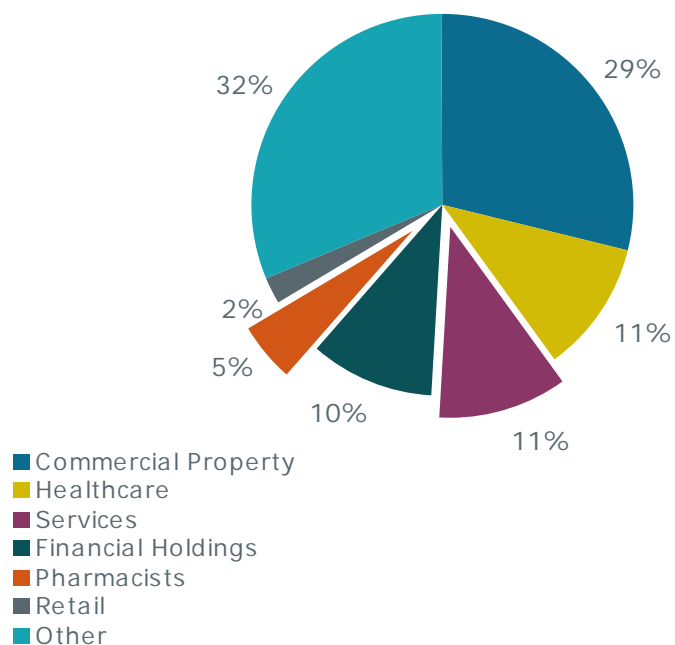
Loan book – commercial property



- Commercial property loans granted to clients only if in line with Van Lanschot's strategy
- Total commercial property loans € 1.9 billion, or 29% of corporate loan book
- Includes securitised loans of € 0.4 billion
- Average loan-to-value of commercial property loans approx. 74%
- Loan loss provision on corporate commercial property loans of € 31.4 million, or 24% of total provision on corporate loan book

**Corporate commercial property loans
at 30 June 2010**

Loan book – healthcare and pharmacists



Total healthcare portfolio and pharmacists

- Total loans € 1.0 billion, or 16% of corporate loan portfolio
- Of which pharmacists loans of approx. € 0.3 billion, or 5% of total corporate loan portfolio
- Sale of institutional healthcare portfolio of approx. € 600 million (partly in 2009, partly in 2010)
- Loan loss provision on pharmacists € 9.6 million, or 7% of total corporate loan loss provision

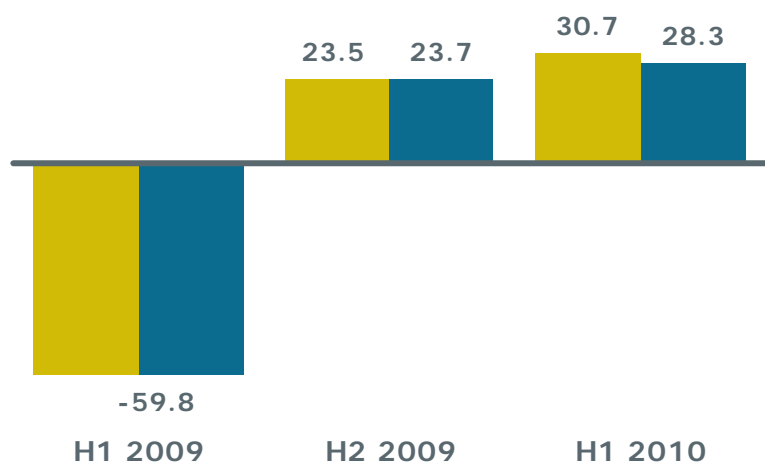
Healthcare and pharmacist loans
at 30 June 2010

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Operating profit H1 2010

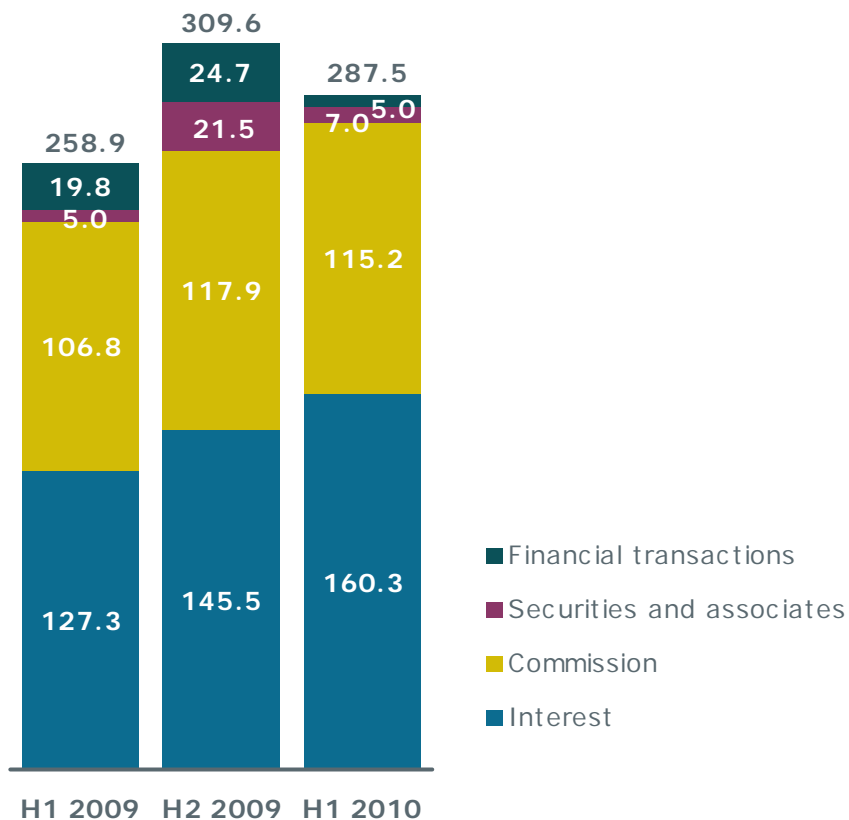


- Operating profit core activities
- Consolidated operating profit

- Operating profit from core activities in H1 2010 (excluding results of non-strategic investments) of € 30.7 million
- Consolidated operating profit for H1 2010 of € 28.3 million (H1 2009: loss of € 59.8 million)
- Net profit after tax of core activities for H1 2010 of € 22.1 million (H1 2009: net loss of € 46.3 million)
- Tax benefit in 2009 due to negative operating result

Operating profit before taxes
H1 2009, H2 2009 and H1 2010 (€ million)

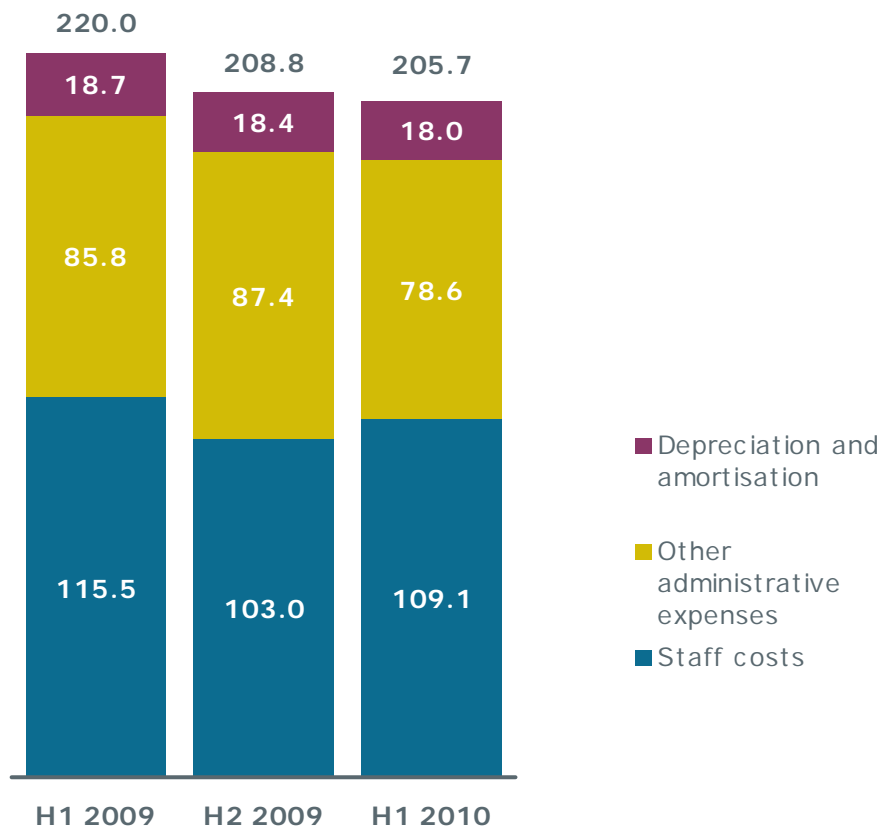
Income from operating activities



- Total income from operating activities +11% compared with H1 2009
- Interest result +26% compared with H1 2009
- Higher interest margin of 1.59% (H1 2009: 1.22%)
- Commission +8% compared with H1 2009
- Management fee +35% compared with H1 2009

Income from operating activities (€ million)

Operating expenses



- Cost control and efficiency measures implemented in 2009; savings fully achieved in H1 2010
- Staff reduction to 2,042 FTEs at 30 June 2010 (30 June 2009: 2,123 FTEs)
- Increase in staff costs partly due to reservation for variable remuneration

Operating expenses (€ million)

Developments by segment

Van Lanschot



PRIVATE BANKING

- Integrated advisory services for private clients
 - Private banking (*up to € 1 million*)
 - Private wealth (*€ 1-5 million*)
 - Van Lanschot Kempen (*from € 5 million*)
 - International Wealth Management
 - Business professionals / Executives
- Van Lanschot Belgium
- International Private Banking
- Equity Management Services
- Trust

ASSETMANAGEMENT

- Institutional asset management
- Fiduciary management
- Management of investment funds

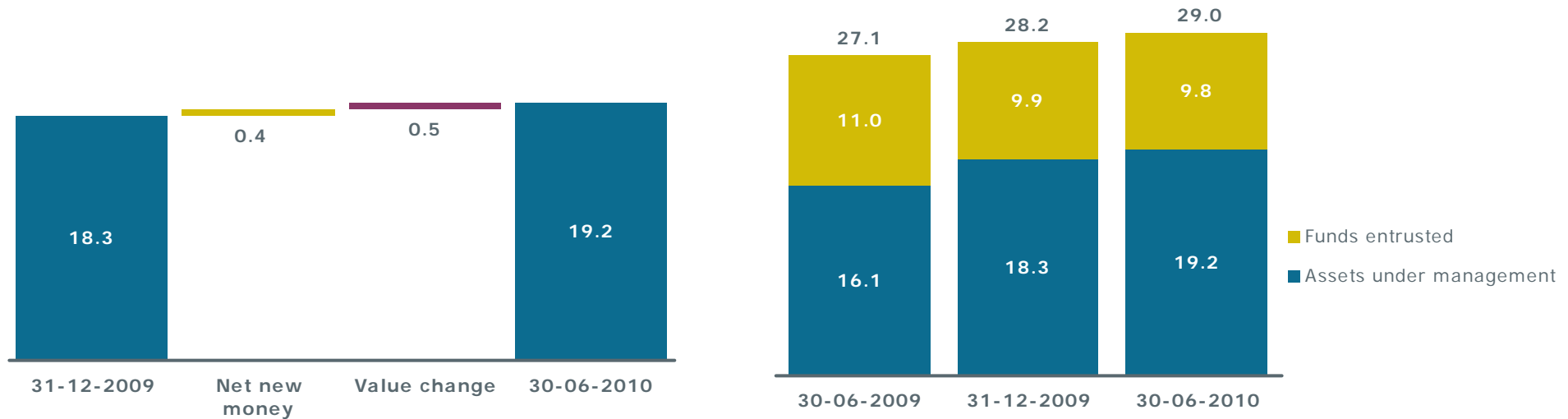
BUSINESS BANKING

- Advisory services and financing for family businesses
- Participations
- Healthcare

CORPORATE FINANCE & SECURITIES

- Mergers & acquisitions
- Capital markets
- Sales & trading
- Research

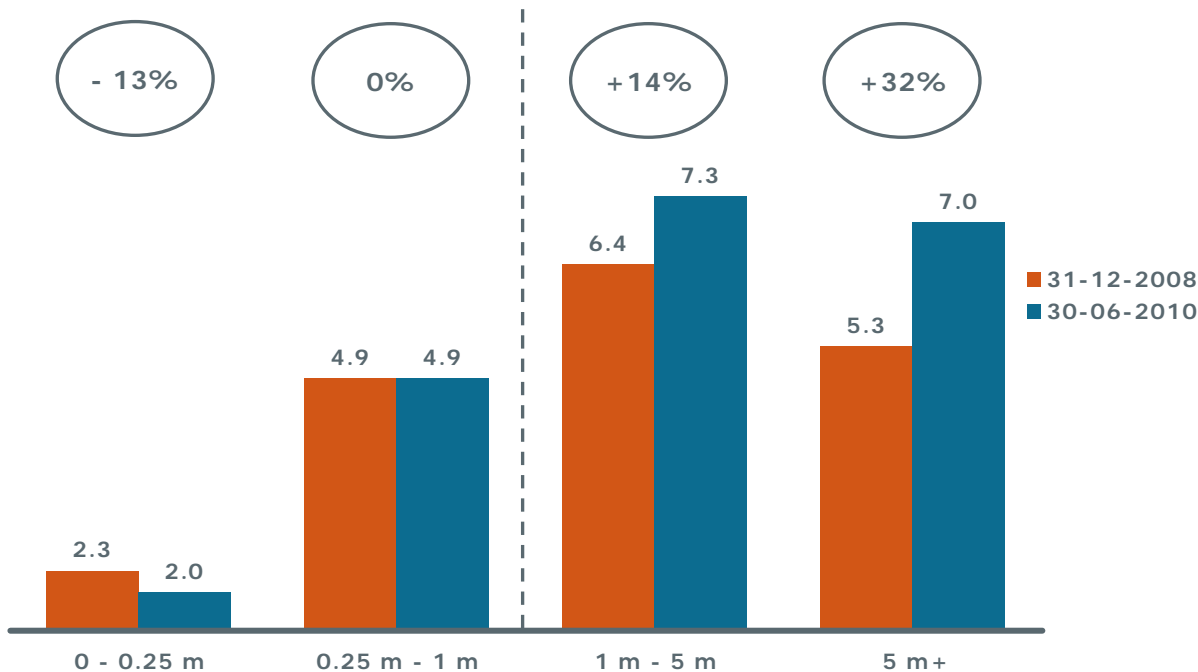
- Operating profit before tax of € 50.6 million (H1 2009: € 15.4 million)
- Assets under management Private Banking +5%, of which 44% due to net inflow and 56% due to stock market performance
- Client assets increase to € 29.0 billion due to higher assets under management
- Van Lanschot Belgium: increase client assets of 7.5%



Development assets under management Private Banking (€ billion)

Client assets (€ billion)

- Private banking strategy focused on wealthy individuals and entrepreneurs
- Client growth in higher segments in line with strategy
- Outflow of clients mainly in lower segments



Client assets Private Banking in buckets (€ billion)

Van Lanschot Bankiers

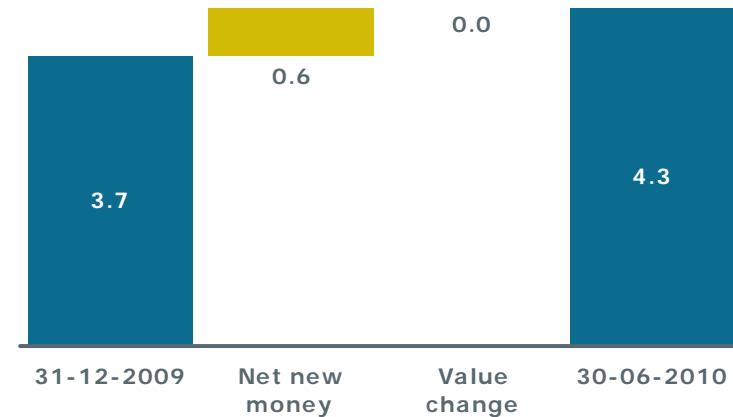
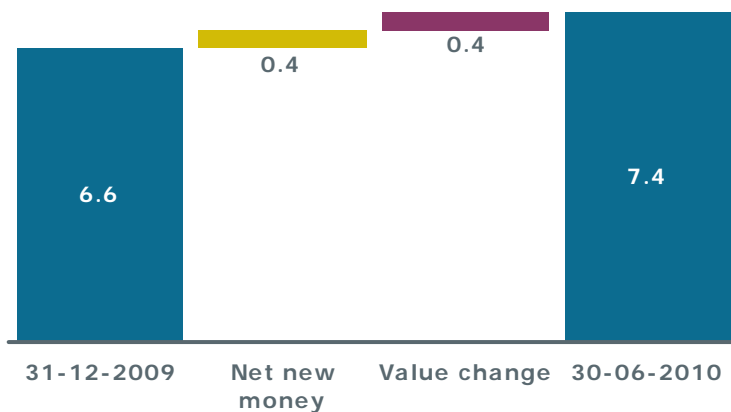
Private Banking

Asset Management

Business Banking

Corporate Finance
& securities

- Operating profit before tax of € 6.0 million (H1 2009: € 2.1 million)
- Increase assets under management 12%; 71% due to net inflow and 29% due to stock market performance
- Performance fees of € 2.7 million mainly on Kempen European Participations Fund
- Inflow of new assets under management spread over several flagship products and is mainly concerning new mandates for Fiduciary Management, European smallcaps, property, European credits and high grade fixed income



Assets under management Institutions (€ billion)

Assets under management In-house funds (€ billion)

- Operating profit before tax of € 9.9 million (H1 2009: loss € 5.1 million)
- Income from operating activities +14% to € 80.9 million (H1 2009: € 70.9 million) thanks to higher interest margin
- Operating expenses -11% to € 30.5 million (H1 2009: € 34.4 million) partly due to fewer FTEs
- Loans and advances to business banking clients down 7% in H1 2010 to € 6.2 billion
- Impairments:
 - Addition to loan loss provision € 34.7 million
 - Impairment of shareholdings € 5.8 million

- Operating profit before tax of € 5.5 million (H1 2009: € 3.9 million)
- Income from operating activities +14% to € 26.9 million (H1 2009: € 23.5 million)
- Securities commission Corporate Finance & Securities € 14.8 million (H1 2009: € 10.9 million)
- Success fees € 5.9 million (H1 2009: € 5.2 million)
- Operating expenses +2% to € 20.0 million (H1 2009: € 19.6 million)

Other activities

- Interest result comprises interest expense on preference shares of € 4.7 million (H1 2009: € 5.6 million)
- Profit on financial transactions € 1.3 million (H1 2009: € 14.2 million), including:
 - Sale of government bonds € 13.4 million
 - Result on management book € 1.5 million
 - Unrealised result hedges € 7.9 million negative
 - IFRS impact of conversion of preference shares to ordinary shares of € 4.4 million negative

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Summary H1 2010

Recovery of income confirmed in H1 2010

- Higher interest margin at 1.59%
- Operating expenses down 7%
- Addition to loan loss provision decreased to € 43.9 million
- Operating profit before tax € 30.7 million
- Net profit € 22.1 million

Good inflow of asset under management

- Increase in assets under management of 7% to € 31.6 billion
- 59% of the increase is due to inflow of new assets
- Discretionary mandates are 33% of total assets under management for Private Banking clients

Sound balance sheet

- Conversion of preference shares into ordinary shares strengthened core capital by € 166 million
- Core Tier I ratio 8.2%, Tier I ratio 10.3%, BIS ratio 12.2%
- Low leverage 14.0
- Funding ratio 79.6%
- Liquidity surplus of more than € 1.5 billion

Reduction RWA

- € 0.4 billion reduction in risk weighted assets

Risk management and Outlook

Risk management

- Stable outlook Single A minus credit rating reconfirmed by S&P in July 2010
- European stress test: limited impact of stress scenario on Tier I ratio of 1.1%
- No country risk: 98% of sovereign bond portfolio consists of Dutch and German government bonds or bonds guaranteed by the Dutch government

Outlook

- Stabilisation interest margin at around current level
- Improvement in net interest of € 5.6 million as a result of no dividend on preference shares in H2 2010
- Commission income dependent on stock market developments
- Continued focus on cost control
- Depending on economic trends, lower addition to loan loss provision expected as of third quarter of 2010

Further implementation of private banking strategy in H2 2010

Further reduction of corporate loan book

- Active programme to reduce risk weighted assets, primarily in the corporate segment
- Focus on Business Banking clients with Private Banking potential

Focus on Private Banking clients

- Merger of Private Banking teams focused on high net-worth segment; combining expertise in a single private wealth team
- Increasing cooperation between Private Banking and Business Banking to provide services to entrepreneurs and their businesses

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Disclaimer

Forward looking statements

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