



Van Lanschot NV Financial report 2011 half-year results



TABLE OF CONTENTS

KEY DATA	2
RESULTS FOR THE FIRST HALF OF 2011	3
BALANCE SHEET	9
ASSETS UNDER MANAGEMENT	13
DEVELOPMENTS AT PRINCIPAL INVESTMENTS	14
EXECUTIVE BOARD RESPONSIBILITY STATEMENT	15
<i>Half-year financial statements</i>	
CONSOLIDATED BALANCE SHEET AT 30 JUNE 2011	16
CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2011	17
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF OF 2011	18
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2011	19
CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST HALF YEAR OF 2011	20
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	22
SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET	23
SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT	29
ADDITIONAL NOTES	32
SEGMENT INFORMATION	34



KEY DATA

Income statement (x € million)	H1 2011	H1 2011 core ¹	H1 2010	%	H2 2010	%
Income from operating activities	294.4	289.7	287.5	1	325.8	-11
Operating expenses	217.0	211.6	205.7	3	216.6	-2
Gross result	77.4	78.1	81.8	-5	109.2	-28
Addition to loan loss provision	27.4	27.4	43.9	-38	42.6	-36
Other impairments	3.5	3.0	7.2	-58	8.8	-66
Operating profit before tax	46.5	47.7	30.7	55	57.8	-17
Discontinued operations	2.8	-	-	-	-	-
Net profit	42.8	40.8	22.1	85	43.6	-6

BALANCE SHEET (x € million)	30-6-2011	30-6-2011 core	30-6-2010	%	31-12-2010	%
Equity attributable to shareholders	1,466	1,466	1,428	3	1,462	-
Equity attributable to minority interests	320	320	307	4	323	-1
Public and private sector liabilities	13,225	13,225	13,075	1	13,546	-2
Loans and advances to the public and private sectors	15,059	15,059	16,418	-8	15,710	-4
Total assets	19,286	19,272	19,928	-3	19,590	-2

CAPITAL MANAGEMENT	30-6-2011	30-6-2011 core	30-6-2010	%	31-12-2010	%
Risk-weighted assets (x € million)	11,528	11,467	13,459	-15	11,695	-2
BIS total capital ratio (%)	14.0	14.0	12.2	-	14.2	-
BIS Tier I ratio (%)	12.6	12.7	10.3	-	12.1	-
BIS Core Tier I ratio (%)	10.1	10.2	8.2	-	9.6	-
Leverage	13.2	13.1	14.0	-	13.4	-

ASSETS UNDER MANAGEMENT (x € billion)	30-6-2011	30-6-2011 core	30-6-2010	%	31-12-2010	%
Total assets under management	37.3	37.3	32.2	16	35.4	5
Assets under discretionary management	23.3	23.3	18.7	25	20.9	11
- of which double-counted	0.7	0.7	0.7	-	0.7	-
Assets under non-discretionary management	14.0	14.0	13.5	4	14.5	-3

KEY FIGURES	30-6-2011	30-6-2011 core	30-6-2010		31-12-2010	
Average number of ordinary shares (x 1,000)	40,865	40,865	35,901		38,367	
Earnings per share based on average number of ordinary shares (in euros)	0.92	0.87	0.48		1.45	
Efficiency ratio (%)	73.7	73.0	71.5		68.9	
Return on average equity (%)	5.1	4.8	2.5		4.1	
Funding ratio (%)	87.8	87.8	79.6		86.2	
Number of staff (FTEs)	2,151.5	2,009.7	2,041.6		2,042.8	

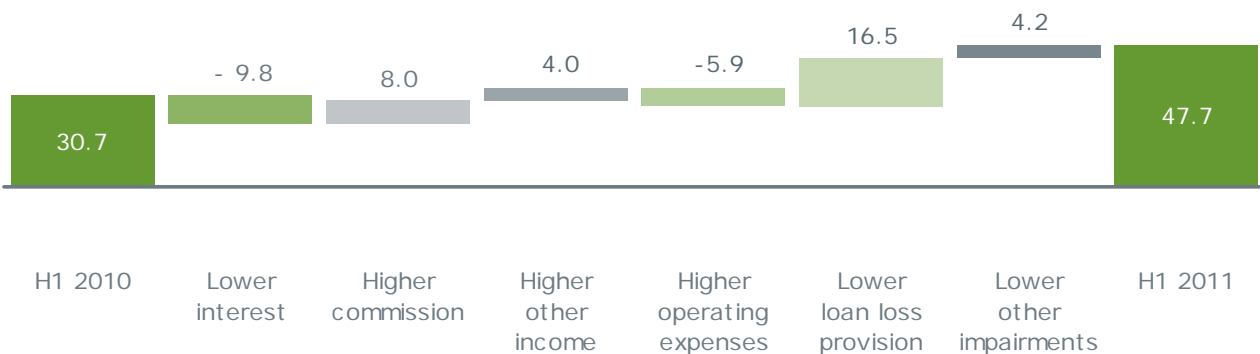
¹ Since 2009, the annual figures have reflected the impact of a number of non-strategic investments. In order to allow an adequate comparison, the figures in this financial report are adjusted for these investments. In all cases, the comparative figures solely concern the core activities.



RESULTS FOR THE FIRST HALF OF 2011

(x € million)	H1 2011	H1 2011 core	H1 2010	%	H2 2010	%
Interest	149.4	150.5	160.3	-6	176.6	-15
Income from securities and associates	13.1	13.6	7.0	94	7.0	94
Commission	123.2	123.2	115.2	7	117.0	5
Profit on financial transactions	2.4	2.4	5.0	-52	25.2	-90
Other income	6.3	-	-	-	-	-
Income from operating activities	294.4	289.7	287.5	1	325.8	-11
Staff costs	117.0	113.8	109.1	4	117.3	-3
Other administrative expenses	81.6	79.5	78.6	1	81.3	-2
Depreciation and amortisation	18.4	18.3	18.0	2	18.0	2
Operating expenses	217.0	211.6	205.7	3	216.6	-2
GROSS RESULT	77.4	78.1	81.8	-5	109.2	-28
Addition to loan loss provision	27.4	27.4	43.9	-38	42.6	-36
Other impairments	3.5	3.0	7.2	-58	8.8	-66
Operating profit before tax	46.5	47.7	30.7	55	57.8	-17
Income tax	6.5	6.9	8.6	-20	14.2	-51
Discontinued operations	2.8	-	-	-	-	-
NET PROFIT	42.8	40.8	22.1	85	43.6	-6

Operating profit before tax (core activities) (€ million)





INCOME FROM OPERATING ACTIVITIES

(x € million)	H1 2011	H1 2011 core	H1 2010	%	H2 2010	%
Interest	149.4	150.5	160.3	-6	176.6	-15
Income from securities and associates	13.1	13.6	7.0	94	7.0	94
Commission	123.2	123.2	115.2	7	117.0	5
Profit on financial transactions	2.4	2.4	5.0	-52	25.2	-90
Other income	6.3	-	-	-	-	-
Income from operating activities	294.4	289.7	287.5	1	325.8	-11

Interest

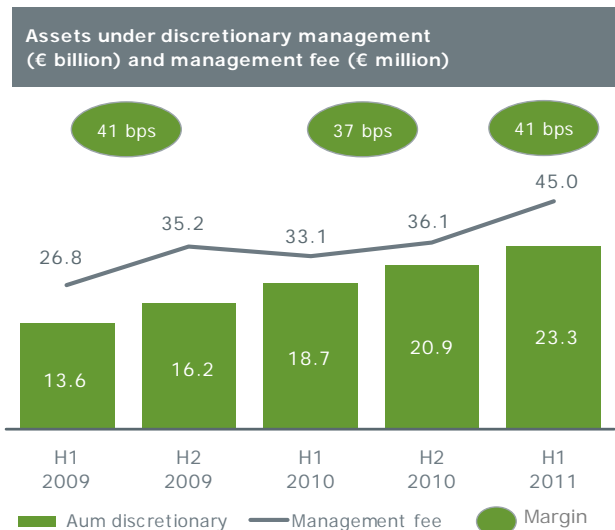
Interest income in the first half of 2011 was € 150.5 million, a 6% decline compared with H1 2010 and a 15% decline compared with H2 2010. This is due to a lower interest margin, which was 1.54% in H1 2011 (H1 2010: 1.59%; H2 2010: 1.79%). Adjusted for exceptional items the interest margin would be 1.60%. This decrease was caused by a number of factors. On the one hand, loans and advances decreased due to the focus on the target group clients of the private bank. On the other hand, within the scope of the further diversification of the bank's funding mix, various funding activities were undertaken, such as the issue of € 500 million in unsecured bonds in April 2011, the placement on the market of € 750 million in RMBS notes (Citadel 2010-I) in November 2010 and long-term repo transactions in December 2010. The lengthening of the funding profile results in higher funding costs. Furthermore Van Lanschot used relatively inexpensive ECB funding in H1 2010.

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 2011, dividends received were € 7.8 million (H1 2010: € 6.8 million; H2 2010: € 11.2 million). The valuation result in H1 2011 was € 0.5 million (H1 2010: € 1.2 million negative; H2 2010: € 4.2 million negative). Of this valuation result, € 0.4 million relates to 49% of the net profit (exclusive of dividend) of Van Lanschot Chabot (H1 2010: € 0.4 million; H2 2010: € 0.3 million). Gains and losses on sales in H1 2011 amounted to € 5.3 million (H1 2010: € 1.4 million; H2 2010: € 0.1 million).

Commission

The increase in commission was chiefly the result of securities commission which totalled € 93.9 million and is higher than in H1 2010 (€ 86.5 million) and H2 2010 (€ 86.9 million), inclusive of performance fees. Performance fees in H1 2011 amounted to € 0.3 million (H1 2010: € 2.7 million; H2 2010 € 4.7 million). Also excluding performance fees, securities commission shows an upward trend; it rose from € 83.8 million in H1 2010 to € 93.6 million in H1 2011 (H2 2010: 82.2 million). This increase was mainly the result of an increase in assets under discretionary management, which in turn caused the management fees to rise. In H1 2011, the share of management fees² compared with total securities commission was 68% (H1 2010: 63%; H2 2010: 66%). Transaction commission dropped due to lower trading volumes.



Other commission in H1 2011 totalled € 29.3 million, putting it at around the same level as in H1 2010 (€ 28.7 million) and H2 2010 (€ 30.1 million). Other commission comprises, among other things, the corporate finance commission, which totalled € 11.5 million in H1 2011 (H1 2010: € 11.1 million; H2 2010: € 10.8 million).

² Management fee inclusive of portfolio commission and custody fee



Profit on financial transactions

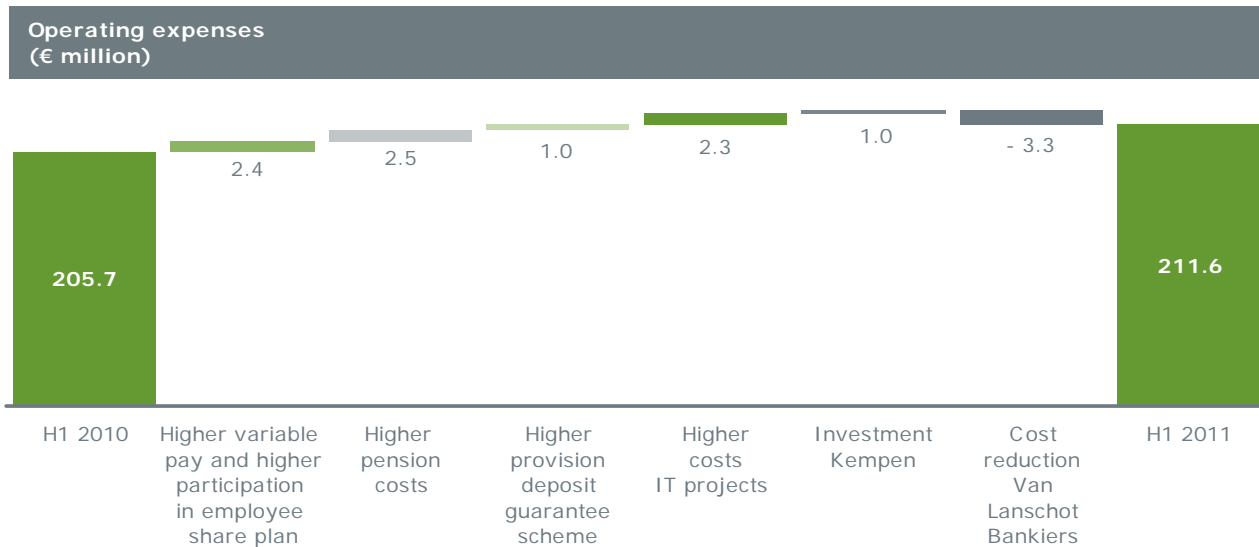
Profit on financial transactions consists of realised and unrealised value changes on the trading portfolio, exchange rate differences, and the realised and unrealised gains and losses on hedge accounting. Profit on financial transactions strongly depends on the development of the interest rate, the sentiment on the stock exchanges and exchange rate movements. For H1 2011, profit on financial transactions was € 2.4 million. This profit includes the results on the sale of bonds from the investment portfolio which amounted to € 2.9 million (H1 2010: € 13.4 million; H2 2010: € 7.4 million) and on currency trading, which amounted to € 4.7 million (H1 2010: € 5.5 million; H2 2010: € 5.9 million). These gains are partially offset by realised and unrealised gains and losses on hedge accounting.



TOTAL EXPENSES

(x € million)	H1 2011	H1 2011 core	H1 2010	%	H2 2010	%
Staff costs	117.0	113.8	109.1	4	117.3	-3
Other administrative expenses	81.6	79.5	78.6	1	81.3	-2
Depreciation and amortisation	18.4	18.3	18.0	2	18.0	2
Operating expenses	217.0	211.6	205.7	3	216.6	-2

The graph below shows the movements in total operating expenses from H1 2010 to H1 2011.



Staff costs

Staff costs were up 4% on H1 2010 and totalled € 113.8 million (H1 2010 € 109.1 million). This increase can be attributed to higher pension obligations, higher variable pay and a higher participation in the employee share plan. Compared with H2 2010, staff costs showed a downward trend. Despite an increase in pension obligations, staff costs declined thanks to a lower accrual for variable pay and further efficiency measures. The number of FTEs in H1 2011 decreased by 33.1 to 2,009.7 (2010: 2,042.8); at Van Lanschot the number of FTEs decreased by 35.7 to 1,612.1 and at Kempen & Co the number of FTEs increased by 2.6 to 397.6.

Other administrative expenses

Compared with H1 2010, other administrative expenses were up by € 0.9 million to € 79.5 million. This increase was mainly the result of the extra addition to the deposit guarantee scheme of € 1.0 million in H1 2011 for DSB, following the recent decision of the Appeals Board for Trade and Industry. Compared with H2 2010, other administrative expenses were down by € 1.8 million. This was in particular caused by lower IT expenses. A number of projects were launched recently, which will lead to higher IT costs in H2 2011.

Depreciation and amortisation

Depreciation and amortisation totalled € 18.3 million which is in line with H1 2010. Of this amount, € 6.3 million concerned the amortisation of intangible assets within the scope of the acquisition of Kempen & Co and CenE Bankiers.

Efficiency ratio

The efficiency ratio, i.e. the ratio of operating expenses to income from operating activities, showed a negative trend, at 73.0% (H1 2010: 71.5%), in particular due to lower income from operating activities.

**IMPAIRMENTS**

<i>(x € million)</i>	H1 2011	H1 2011 core	H1 2010	%	H2 2010	%
Addition to loan loss provision	27.4	27.4	43.9	-38	42.6	-36
Impairment of investments and shareholdings	3.5	3.0	7.2	-58	8.5	-65
Capital loss on buildings	-	-	-	-	0.3	-
Other impairments	3.5	3.0	7.2	-58	8.8	-66
IMPAIRMENTS	30.9	30.4	51.1	-41	51.4	-41

Addition to loan loss provision

The addition to the loan loss provision in H1 2011 declined to € 27.4 million (H1 2010: € 43.9 million; H2 2010: € 42.6 million). For more information, reference is made to the section on the balance sheet.

Other impairments

In H1 2011, several shareholdings from the participations portfolio were written down by € 2.6 million. On balance, the market value of the participations portfolio remained more or less stable. In addition to the write-down in the venture capital unit, an investment fund was written down (€ 0.4 million). In line with the prescribed accounting method for available-for-sale investments, an unrealised negative value change is directly taken to profit or loss, whereas an unrealised positive value change is only taken to profit or loss when realised.

INCOME TAX

Income tax in H1 2011 amounted to € 6.9 million (H1 2010: € 8.6 million; H2 2010 € 14.2 million), corresponding to a tax burden of 14.5% (H1 2010: 28.0%; H2 2010: 24.6%). The tax charge for H1 2011 is low because the equity holding exemption applies to part of the revenue. The high tax charge in 2010 was caused by non-deductible expenses such as impairments on shareholdings to which the equity holding exemption applies and the conversion premium of the preference shares.



PROFIT APPROPRIATION

The consolidated profit (including non-strategic investments) for H1 2011 is appropriated as follows:

<i>(x € million)</i>	H1 2011	H1 2010	H2 2010
Net profit	42.8	20.3	46.4
Of which attributable to:			
- shareholders of Van Lanschot NV	37.4	15.3	41.2
- holders of perpetual loans	4.7	5.0	4.7
- other minority interests	0.7	-	0.5

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

EARNINGS PER ORDINARY SHARE

Earnings per ordinary share for H1 2011 were € 0.92 (2010: € 1.47). Adjusted for non-strategic investments, earnings per ordinary share were € 0.87 (2010: € 1.45³).

<i>(x € million)</i>	H1 2011	H1 2011 core	H1 2010	H2 2010
Net profit	42.8	40.8	22.1	43.6
Net interest on perpetual loan	-4.7	-4.7	-5.0	-4.7
Share of other minority interests	-0.7	-0.7	-	-0.5
Net profit for calculation of earnings per ordinary share	37.4	35.4	17.2	38.4
Earnings per ordinary share (€)	0.92	0.87	0.48	0.94
Weighted average number of ordinary shares outstanding (x 1,000)	40,865	40,865	35,901	40,787

³ The breakdown of the earnings per ordinary share for H1 2010 and H2 2010 does not add up to the earnings per ordinary share for 2010. This is due to the calculation of the weighted average number of ordinary shares outstanding.

**BALANCE SHEET****BALANCE SHEET AND CAPITAL MANAGEMENT**

<i>(x € million)</i>	30-6-2011	30-6-2011 core	30-6-2010	%	31-12-2010	%
Equity attributable to shareholders	1,466	1,466	1,428	3	1,462	-
Equity attributable to minority interests	320	320	307	4	323	-1
Public and private sector liabilities	13,225	13,225	13,075	1	13,546	-2
Loans and advances to the public and private sectors	15,059	15,059	16,418	-8	15,710	-4
Total assets	19,286	19,272	19,928	-3	19,590	-2
Risk-weighted assets (x € million)	11,528	11,467	13,459	-15	11,695	-2
BIS total capital ratio (%)	14.0	14.0	12.2	-	14.2	-
BIS Tier I ratio (%)	12.6	12.7	10.3	-	12.1	-
BIS Core Tier I ratio (%)	10.1	10.2	8.2	-	9.6	-
Leverage	13.2	13.1	14.0	-	13.4	-

Total assets at 30 June 2011 were 2% below the level of 31 December 2010 and came to € 19.3 billion. This decline was mainly caused by the € 0.7 billion decrease in loans and advances to the public and private sectors.

Equity totalled € 1,786 million at the end of June 2011 (year-end 2010: € 1,785 million). Equity attributable to minority interests, amounting to € 320 million, chiefly comprises the equity of the holders of the perpetual loans.

The sensitivity of equity to interest rate fluctuations is reflected in the duration of the corresponding present value of equity. This duration has been capped at 10 years by the Asset & Liability Committee. The bank actively monitors a duration based on balance sheet developments and market trends. In H1 2011, the bank aimed for a duration of 5 to 7 years. At present, the long-term interest rates of Germany and the Netherlands are at low levels and they are expected to rise somewhat in H2 2011. In light of this expectation, Van Lanschot targets a duration of approximately 5 years for H1 2011.

	30-6-2011	31-12-2010
Duration (in years)	5.3	6.5
Present value of equity (x € million)	1,979	2,033

Return on average equity was 4.8% for H1 2011 (H1 2010: 2.5%).

Risk-weighted assets decreased to € 11.5 billion at the end of June 2011 (year-end 2010: € 11.7 billion). This was the result of a stricter focus on the target group clients of the private bank.

The BIS Core Tier I ratio was 10.2% at the end of June 2011, compared with 9.6% at year-end 2010. This increase was caused by the lower risk-weighted assets and the positive contribution of net profit. At the end of June 2011, the BIS Tier I ratio was up to 12.7% (year-end 2010: 12.1%). The BIS total capital ratio declined to 14.0% at the end of June 2011 (year-end 2010: 14.2%). This decline resulted from the repayment of a subordinated loan (€ 100 million) in February 2011.

At the end of June 2010 the retail portfolio transferred from Standardised Approach (SA) to Foundation Internal Ratings Based Approach (F-IRB). As from mid-2011 the non-retail portfolios will also migrate in stages to F-IRB. The transition from the SA to F-IRB will hardly impact the capital ratios.



BASEL III

In order to safeguard solidity in the banking industry, the Basel Committee will implement a new capital adequacy and liquidity framework (Basel III). The Basel III standards will gradually be introduced throughout 2013 to 2018. The capital adequacy requirements will be tightened in this framework. Van Lanschot's capital base is more than adequate, meaning that the bank is well-prepared for the introduction of tighter capital adequacy requirements. Two new liquidity ratios were introduced, which both have a minimum standard of 100%: the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). Van Lanschot currently more than meets these standards with an LCR of 191.0% and an NSFR of 106.2%. The leverage under Basel III is 19.3. These ratios reflect Van Lanschot's prime liquidity base and leverage.

LIQUIDITY AND FUNDING

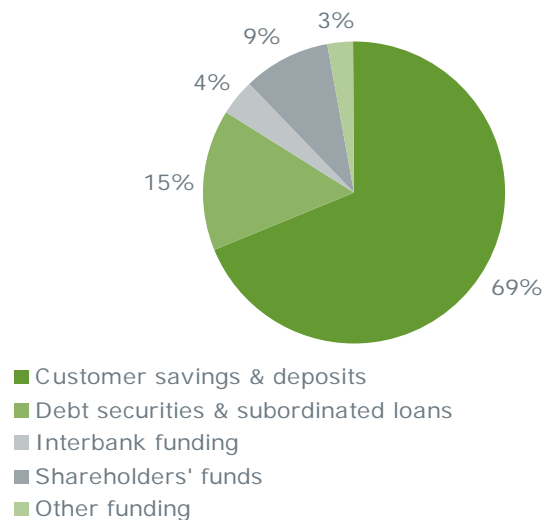
Van Lanschot aims for a diversified funding profile. As a private bank, the balance sheet is primarily for the benefit of clients, which results in a high funding ratio of 87.8% at the end of June 2011 (30 June 2010: 79.6%; 31 December 2010: 86.2%). This demonstrates that the bank's loans and advances are mostly financed by funds entrusted by clients.

Within the scope of the diversification of the funding profile, RMBS notes (Citadel 2010-I € 750 million) were placed and a total of € 410 million in funding was raised through repo transactions at the end of 2010. In April 2011, Van Lanschot issued an unsecured loan of € 500 million with a three-year term. In addition, Van Lanschot issued a Trigger Note of approximately € 65 million with a three-year term in April and a Floored Floater of approximately € 90 million with a term of 10 years in May.

STRESS TEST

In July, the results of the stresstest of the European Banking Authority were announced. Van Lanschot carried out this stress test on its own initiative. The strong outcome of this test can be attributed to the bank's healthy funding and liquidity position and solid capital position. Under the adverse stress scenario, the BIS Core Tier I ratio is 9.7% at year-end 2012 (compared with 9.6% at year-end 2010). In this scenario, Van Lanschot continues to post a net profit and it has no exposure to government bonds of Greece, Italy, Ireland, Portugal or Spain.

Funding mix at 30 June 2011





LOAN PORTFOLIO

(x € million)	30-6-2011	31-12-2010	%
Mortgage loans to private individuals	7,532	7,650	-2
Other private loans	2,170	2,124	2
Corporate loans	5,572	6,191	-10
Impairments	-215	-255	-16
Total	15,059	15,710	-4

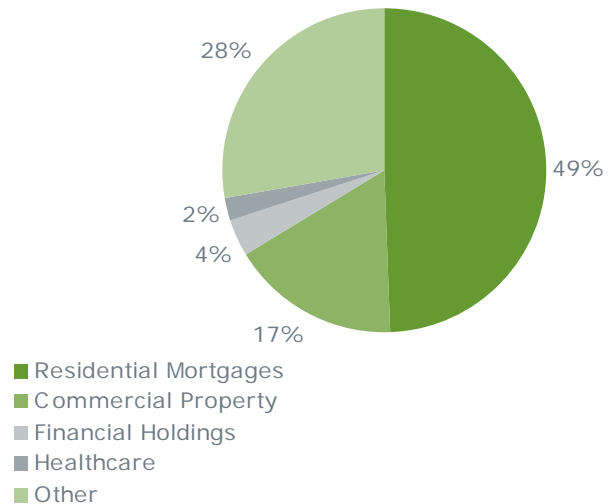
The bank's strategy to fully align its lending activities with its private banking strategy is leading to a reduction in the loans and advances. The mortgage portfolio declined by 2% in H1 2011. The decrease in corporate loans (-10%) can fully be attributed to the aforementioned strategy, whereby the bank aims to reduce the corporate portfolio.

Concentration of loan portfolio

The graph alongside presents a breakdown of total amount outstanding in the loan portfolio. Nearly half of the portfolio concerns residential mortgages. Despite the stagnating residential property market, the mortgage portfolio did not deteriorate in terms of creditworthiness. Losses on mortgages were very limited.

The size of the corporate loan portfolio became smaller (approximately 10%). The loan portfolio shows a concentration in commercial property. The property portfolio consists for a substantial part of loans with a low loan-to-value (on average approx. 72%). This almost entirely concerns commercial property in the Netherlands. Less than a quarter of this portfolio concerns loans for offices.

Corporate loans by sector at 30 June 2011

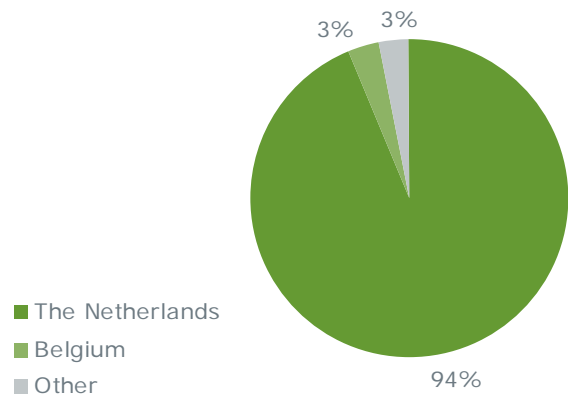


Loan portfolio by country

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

Sovereign risk hardly plays a role at Van Lanschot; the core activities of Van Lanschot take place in its home markets the Netherlands and Belgium.

Loans and advances by country at 30 June 2011





PROVISIONS

The addition to the loan loss provision in H1 2011 was € 27.4 million (H1 2010: € 43.9 million; H2 2010: € 42.6 million), i.e. 48 basis points (annualised) of the average risk-weighted assets (H1 2010: 64 basis points annualised; H2 2010: 70 basis points annualised). The downward trend in loans transferred to the Recovery Section is continuing, both in terms of the number of clients and the outstanding amounts.

The bank formed provisions for part of its loan portfolio. The part provided for amounts to € 509 million and the provisions formed amount to € 200.3 million, i.e. 39.4% (H1 2010 31.7%; H2 2010 38.2%).

Total loans and advances to the public and private sectors and the provisions formed can be broken down as follows:

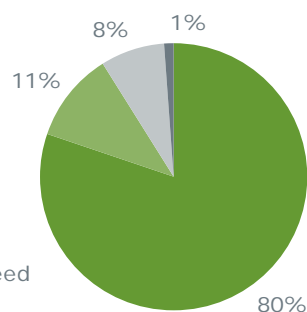
(x € million)	30-6-2011	Impaired loans	Provision on impaired loans
Mortgage loans to private individuals	7,532	137.9	36.0
Other private loans	2,170	112.8	52.7
Corporate loans	5,572	258.5	111.6
Impairments	-215	-200.3	-
Total	15,059	308.9	200.3

INVESTMENT AND TRADING PORTFOLIO OF VAN LANSCHOT

The total investment and trading portfolio⁴ of Van Lanschot amounted to € 1,510 million at the end of June 2011, compared with € 1,424 million at 31 December 2010. The € 86 million increase concerned on the one hand the balance of Dutch and German government bonds purchased and sold. On the other hand, Dutch government-guaranteed bank bonds and French government bonds were purchased. At the end of June 2011, 76% of available-for-sale investments of Van Lanschot comprised funds with a triple-A rating and 14% funds with a double-A rating. Of the portfolio included in financial assets designated at fair value through profit or loss, 86% was made up of funds with a triple-A rating at the end of June 2011.

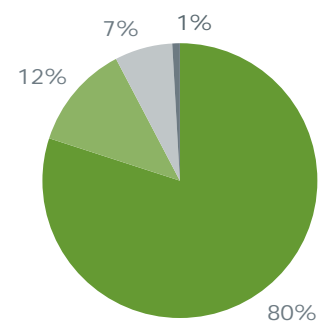
Van Lanschot does not have any exposure to Greece, Spain, Portugal, Italy and Ireland. The portfolio at 30 June 2011 can be broken down by counterparty and by country as follows:

Investment and trading portfolio by counterparty at 30 June 2011



■ Government & guaranteed
 ■ Corporates
 ■ Funds
 ■ Banks

Investment and trading portfolio by country at 30 June 2011



■ The Netherlands
 ■ Germany
 ■ France
 ■ Other

⁴ The investment and trading portfolio comprises the balance of available-for-sale investments, financial assets held for and financial assets designated at fair value through profit or loss.



ASSETS UNDER MANAGEMENT

	30-6-2011	31-12-2010	%
<i>(x € billion)</i>			
Assets under management	37.3	35.4	5
Assets under discretionary management	23.3	20.9	11
- of which double-counted	0.7	0.7	-
Assets under non-discretionary management	14.0	14.5	-3
Assets under management	37.3	35.4	5
Private & Business Banking	21.6	21.3	1
Asset Management	15.7	14.1	11

Total assets under management were up 5% (annualised 11%) from € 35.4 billion at year-end 2010 to € 37.3 billion at the end of June 2011. The increase of € 1.9 billion resulted completely from the inflow of new assets. The growth due to market performance was negligible.

PRIVATE & BUSINESS BANKING

Assets under management
Private & Business Banking (€ billion)



Assets under management of Private & Business Banking increased in H1 2011 by € 0.3 billion to € 21.6 billion. This increase can be attributed to a € 0.2 billion inflow and a € 0.1 billion market performance.

Clients increasingly opt for the benefits of a discretionary mandate. Assets under discretionary management at Private & Business Banking now make up 35% of the total assets under management at Private & Business Banking (31 December 2010: 32%).

ASSET MANAGEMENT

Assets under management at the segment Asset Management were up 11% from € 14.1 billion to € 15.7 billion. Of this increase, € 1.7 billion resulted from a net inflow. In H1 2011, two large mandates were secured, including Yarden (€ 0.7 billion) and a large private client (over € 500 million). It was announced in May that the pension fund for the grocery industry will have Asset Management manage assets in the amount of approx. € 2.0 billion. This mandate will start in H2 2011.

Assets under management
(€ billion)





DEVELOPMENTS AT PRINCIPAL INVESTMENTS

Kempen & Co

As in previous years, Kempen & Co made a positive contribution to the net profit of Van Lanschot NV in the first half of 2011. Assets under management showed an upward trend, which was attributable to a net inflow of new clients.

Belgium

The second home market Belgium saw a continued transformation of assets under management from non-discretionary management to discretionary management. This was caused among other things by discretionary management's performance in the past few years and the transparent fee structure.

On the revenue side, both interest and commission showed an upward trend compared with the first half of 2010. Thanks to effective cost control, the expenses were lower than in 2010. As a result, operating profit showed substantial growth, despite a higher addition to the loan loss provision.

Robein (non-strategic investment)

In July 2011, Van Lanschot finalised the sale of Robein Leven to investment institution Ophen. The formal transfer of the shares followed from the sales agreement signed in December 2010. The transaction did not have a material appreciable impact on Van Lanschot's income statement. Changes in the fair value of Robein Leven (€ 2.8 million) have been included under discontinued operations in the H1 2011 income statement.

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

Non-strategic investments

The half-year figures for 2011 reflect the impact of a number of non-strategic investments. The results of these investments are fully consolidated. Van Lanschot has stated that it wishes to sell these investments in due course as their activities are not in line with the bank's private banking strategy.



EXECUTIVE BOARD RESPONSIBILITY STATEMENT

The members of the Board of Managing Directors hereby declare, to the best of their knowledge, that the 2011 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) and (9) of the Dutch Financial Supervision Act ("Wft").

**CONSOLIDATED BALANCE SHEET**

AT 30 JUNE 2011

	30-6-2011	31-12-2010	30-6-2010
<i>In thousands of euros</i>			
ASSETS			
Cash and cash equivalents and balances withdrawable with central banks	452,391	414,251	799,376
Financial assets held for trading	115,836	104,748	92,174
Due from banks	1,181,732	1,040,073	196,313
Available-for-sale investments	1 990,694	1,267,134	1,497,591
Loans and advances to the public and private sectors	2 15,058,766	15,710,224	16,498,059
Financial assets designated at fair value through profit or loss	3 403,428	52,267	363,665
Derivatives (receivables)	4 193,798	204,251	225,556
Investments in associates using the equity method	5 41,143	42,044	40,555
Property, plant and equipment	6 158,875	161,122	170,580
Goodwill and other intangible assets	7 331,380	341,499	360,181
Current tax assets	3,817	2,604	26,729
Deferred tax assets	38,352	46,456	59,511
Assets of operations held for sale	-	747,582	72,377
Other assets	315,300	190,862	209,924
TOTAL ASSETS	19,285,512	20,325,117	20,612,591
EQUITY AND LIABILITIES			
Financial liabilities from trading activities	73,665	70,135	40,829
Due to banks	762,985	945,511	1,886,843
Public and private sector liabilities	8 13,225,003	13,545,650	13,074,944
Financial liabilities designated at fair value through profit or loss	18,461	19,157	15,606
Derivatives (payables)	4 253,380	294,001	374,775
Issued debt securities	9 2,469,001	1,945,982	1,749,306
Provisions	10 17,305	16,795	25,160
Current tax liabilities	12,113	11,009	32,626
Deferred tax liabilities	31,211	36,489	48,058
Liabilities of operations held for sale	-	756,634	46,467
Other liabilities	480,346	477,050	430,660
Insurance contracts	-	-	715,743
Subordinated loans	11 155,879	421,809	438,177
Total liabilities	17,499,349	18,540,222	18,879,194
Issued share capital	41,017	41,017	41,017
Treasury shares	-2,924	-11,018	-11,206
Share premium	479,914	479,914	479,914
Other reserves	12 910,668	895,225	900,915
Undistributed profit attributable to shareholders of Van Lanschot NV	37,402	56,538	15,293
Equity attributable to shareholders of Van Lanschot NV	1,466,077	1,461,676	1,425,933
Minority interests (perpetual loans)	300,736	300,514	300,761
Undistributed profit attributable to minority interests (holders of perpetual loans)	4,679	9,719	4,958
Other minority interests	13,925	12,533	1,745
Undistributed profit attributable to other minority interests	746	453	-
Equity attributable to minority interests	320,086	323,219	307,464
Equity	1,786,163	1,784,895	1,733,397
TOTAL EQUITY AND LIABILITIES	19,285,512	20,325,117	20,612,591
Contingent liabilities	331,218	331,949	330,350
Irrevocable commitments	770,934	1,130,428	301,793
	1,102,152	1,462,377	632,143

The number beside each item refers to the relevant note



CONSOLIDATED INCOME STATEMENT

FOR THE FIRST HALF OF 2011

<i>In thousands of euros</i>		H1 2011	H2 2010	H1 2010
INCOME FROM OPERATING ACTIVITIES				
Interest income		533,966	512,492	400,017
Interest expense		384,581	336,927	239,661
Net interest income	13	149,385	175,565	160,356
Income from associates using the equity method		3,308	4,256	2,141
Other income from securities and associates		9,815	1,803	4,816
Income from securities and associates	14	13,123	6,059	6,957
Commission income		125,042	119,199	118,963
Commission expense		1,892	2,185	3,788
Net commission income	15	123,150	117,014	115,175
Profit on financial transactions	16	2,400	25,196	4,968
Other income	17	6,327	18,634	963
TOTAL INCOME FROM OPERATING ACTIVITIES		294,385	342,468	288,419
EXPENSES				
Staff costs	18	117,011	126,463	109,630
Other administrative expenses	19	81,577	88,374	78,773
Staff costs and other administrative expenses		198,588	214,837	188,403
Depreciation and amortisation		18,409	18,558	18,095
Operating expenses		216,997	233,395	206,498
Addition to loan loss provision		27,355	42,636	43,872
Other impairments		3,530	8,722	7,228
Impairments	20	30,885	51,358	51,100
TOTAL EXPENSES		247,882	284,753	257,598
Operating profit before tax		46,503	57,715	30,821
Income tax		6,535	14,354	8,589
NET PROFIT from continuing operations		39,968	43,361	22,232
Discontinued operations	21	2,859	3,098	-1,981
NET PROFIT		42,827	46,459	20,251
Of which attributable to shareholders of Van Lanschot NV		37,402	41,245	15,293
Of which attributable to holders of perpetual loans		4,679	4,761	4,958
Of which attributable to other minority interests		746	453	-
Earnings per ordinary share (in euros)	22	0.92	1.04	0.43
Diluted earnings per ordinary share (in euros)	23	0.91	1.05	0.42
Earnings per ordinary share from continuing operations (in euros)	24	0.85	0.96	0.48
Diluted earnings per ordinary share from continuing operations (in euros)	25	0.84	0.96	0.48

The number beside each item refers to the relevant note

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE FIRST HALF OF 2011

	H1 2011	H1 2010
<i>In thousands of euros</i>		
Net profit as per income statement	42,827	20,251
Other comprehensive income		
Other comprehensive income through the revaluation reserve		
Revaluation of equity investments	1,247	-9,854
Revaluation of other investments	-14,521	21,307
Realised return on equity investments	-2,366	-456
Realised return on other investments	-4,335	-4,135
Impairments of equity instruments through profit or loss	119	7
Total other comprehensive income through the revaluation reserve	-19,856	6,869
Other comprehensive income from value changes of derivatives (cash flow hedges)		
Increase in value of derivatives directly added to equity	2,191	5,514
Decrease in value of derivatives directly charged against equity	-2,336	-6,879
Realised gains and losses through profit or loss	7,895	1,213
Total other comprehensive income from value changes of derivatives (cash flow hedges)	7,750	-152
Other comprehensive income from currency translation differences	-308	981
Tax on other comprehensive income	2,722	626
Total other comprehensive income	-9,692	8,324
Total comprehensive income	33,135	28,575
Of which attributable to shareholders of Van Lanschot NV	27,710	23,617
Of which attributable to holders of perpetual loans	4,679	4,958
Of which attributable to other minority interests	746	-



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AT 30 JUNE 2011

Equity attributable to holders of equity instruments of Van Lanschot								H1 2011
	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>								
Balance at 1 January	41,017	-11,018	479,914	895,225	56,538	1,461,676	323,219	1,784,895
Net profit as per income statement	-	-	-	-	37,402	37,402	5,425	42,827
Total other comprehensive income	-	-	-	-9,692	-	-9,692	-	-9,692
Total comprehensive income	-	-	-	-9,692	37,402	27,710	5,425	33,135
Shares issued	-	-	-	-	-	-	-	-
Options exercised	-	8,094	-	-3,279	-	4,815	-	4,815
To other reserves	-	-	-	56,538	-56,538	-	-	-
Treasury shares	-	-	-	-	-	-	222	222
Dividends	-	-	-	-28,673	-	-28,673	-9,719	-38,392
Other changes	-	-	-	549	-	549	-	549
Acquisition of/change in minority interests	-	-	-	-	-	-	939	939
Balance at 30 June	41,017	-2,924	479,914	910,668	37,402	1,466,077	320,086	1,786,163

Equity 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>								
Balance 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
To other reserves	-	-	-	-26,069	26,069	-	-	-
Treasury shares	-	-726	-	-	-	-726	-	-726
Dividends	-	-	-	-	-	-	-10,376	-10,376
Other changes	-	-	-	-4,812	-	-4,812	-	-4,812
Acquisition of/change in minority interests	-	-	-	-	-	-	-24	-24
Balance at 30 June	41,017	-11,206	479,914	900,915	15,293	1,425,933	307,464	1,733,397

**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE FIRST HALF OF 2011

<i>In thousands of euros</i>	H1 2011	H1 2010
Cash flow from operating activities		
Operational profit before tax	46,503	30,821
Adjustments for:		
- Depreciation and amortisation	18,409	18,095
- Valuation results on associates using the equity method	-3,814	-2,141
- Impairments	30,885	51,100
Cash flows from operating activities	91,983	97,875
Net increase/(decrease) in operating assets and liabilities		
- Financial assets/liabilities from trading activities	-7,558	20,332
- Financial assets/liabilities designated at fair value through profit or loss	-351,857	4,733
- Due from/due to banks	-390,141	91,187
- Loans and advances to public and private sectors/public and private sector liabilities	303,456	167,729
- Derivatives	-30,168	63,836
- Provisions	510	-4,400
- Other assets and liabilities	-121,142	-176,826
- Deferred tax assets/liabilities	2,826	9,628
- Current tax assets/liabilities	-6,644	-3,932
Total movement in assets and liabilities	-600,718	172,287
Net cash flow from operating activities	-508,735	270,162
Net cash flow from discontinued operations	-6,193	-11,119
Cash flow from investing activities		
Investments and acquisitions		
- Investments in capital instruments	-57,968	-556,214
- Equity investments	-2,052	-7,452
- Investments in group companies	-2,821	-13,402
- Property, plant and equipment	-6,161	-4,571
- Intangible assets	-1,556	-1,844
Divestments, repayments and sales		
- Investments in capital instruments	331,647	249,592
- Equity investments	4,232	16,883
- Investments in group companies	4,587	4,228
- Property, plant and equipment	1,033	3,707
- Intangible assets	642	922
Net cash flow from investing activities	271,583	-308,151

Continued on the next page

**CONSOLIDATED CASH FLOW STATEMENT (continued)**

FOR THE FIRST HALF OF 2011

<i>In thousands of euros</i>	H1 2011	H1 2010
Cash flow from financing activities		
Changes in treasury shares	8,094	6,952
Changes in other reserves	-17,847	-10,018
Perpetual loans	-4,818	-5,418
Minority interests	1,685	-24
Receipts on subordinated loans	-2,866	-5,144
Redemption on subordinated loans	-263,064	-
Receipts on debt securities	697,640	441,425
Redemption on debt securities	-174,621	-80,000
Dividends paid	-28,673	-
Net cash from financing activities	215,530	347,773
Net increase in cash and cash equivalents and balances withdrawable with central banks	-27,815	298,665
Cash and cash equivalents and balances withdrawable with central banks at 1 January	388,997	476,054
Cash and cash equivalents and balances withdrawable with central banks at 30 June	361,182	774,719
Supplementary disclosure		
Cash flows from interest received	519,997	406,279
Cash flows from interest paid	443,236	410,897
Cash flows from income tax	-6,644	1,033
Cash flows from dividends received	10,928	9,422



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 2010. 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 2010.

At 30 June 2011 Van Lanschot no longer had control over Robein, Robein is therefore no longer consolidated. At 31 December 2010 Robein was classified as held for sale, so value adjustments in 2011 are included under discontinued operations in the income statement. In accordance with IFRS 5 the cash flow statement and the income statement for 2010 were adjusted.

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 2011. They have been applied in Van Lanschot's 2011 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.

IAS 24 Related Party Disclosures (amendment)

The IASB published an amendment to IAS 24 in November 2009. This amendment concerns

- 1) a modified exemption for state-controlled entities and
- 2) a revised definition of 'related parties' and is effective as of 1 January 2011.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset: Prepayments of a Minimum Funding Requirement (amendment)

This change was published in November 2009 and is effective as of 1 January 2011. The amendment applies in a limited number of situations when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset.

Improvements to IFRS standards

In May 2010 the IASB published its third omnibus of minor changes to the standards, mainly in order to eliminate inconsistencies and to clarify certain matters. Transitional provisions apply to each standard.



Selected notes to the consolidated balance sheet

In thousands of euros

1 Available-for-sale investments

Investments by type

	30-6-2011		31-12-2010	
	Fair value	Face value	Fair value	Face value
Total	990,694	864,281	1,267,134	1,154,853

Capital instruments:

Government paper and government guaranteed paper	755,507	675,319	1,025,505	967,891
Banks and financial institutions listed	1,216	1,200	1,026	1,000
Banks and financial institutions unlisted	-	-	3,157	9,700
Companies listed	137,964	150,000	141,109	150,000
Companies unlisted	29,882	37,762	27,451	26,262
Total capital instruments	924,569	864,281	1,198,248	1,154,853

Shares

Listed	16,169		17,703	
Unlisted	19,091		18,307	
Shareholdings	30,865		32,876	
Total shares	66,125		68,886	

Investment portfolio by external rating

	30-6-2011	%	31-12-2010	%
AAA	752,065	76%	1,021,305	81%
AA	139,692	14%	142,780	11%
A	29	0%	26	0%
Other	98,908	10%	103,023	8%
Total	990,694	100%	1,267,134	100%

The item 'Available-for-sale investments' includes an investment of € 138.0 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

	30-6-2011	31-12-2010
Total	15,058,766	15,710,224
Mortgage loans	7,532,060	7,648,998
Current accounts	2,176,402	2,113,872
Call loan Dutch central government	-	300,000
Loans	4,932,325	5,300,202
Securities-backed loans and settlement claims	427,842	358,098
Subordinated loans	63,165	80,205
Value adjustment fair value hedge accounting	141,842	163,413
Impairments	-214,870	-254,564

Impairments

	Specific	Collective	IBNR	Total
Balance at 1 January	238,335	5,773	10,456	254,564
Loans written off	-67,048	-	-	-67,048
Additions to or release of provision	28,993	-1,350	-289	27,354
Balance at 30 June	200,280	4,423	10,167	214,870



Lancelot 2006 (Commercial Mortgage-Backed Security)

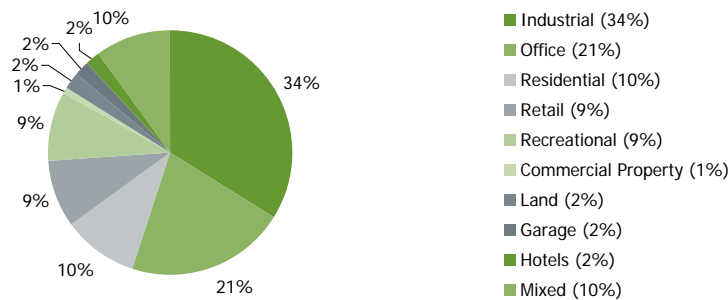
Van Lanschot has securitised part of the loans to the private sector secured on commercial property. In this securitisation transaction, called Lancelot 2006, the beneficial ownership of receivables was transferred to a separate entity. These receivables were transferred at their face value, plus a deferred 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	Fitch Ratings	Standard & Poors	Original principal	Principal at 30-6-2010	Spread
Total				600,000	327,282	
Senior Class A	15-12-2006	AAA	AAA	528,000	255,282	0.16%
Mezzanine Class B	15-12-2006	AAA	AA	21,000	21,000	0.26%
Mezzanine Class C	15-12-2006	AA	A	19,500	19,500	0.44%
Junior Class D	15-12-2006	BBB	BBB	19,500	19,500	0.70%
Subordinated Class E	15-12-2006	B	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:



Citadel 2010-I

On 2 July 2010, Van Lanschot finalised the RMBS transaction Citadel 2010-I. It concerns securitisation of Dutch home mortgage loans. The transaction involved an amount of € 1.2 billion. On 29 November 2010, Van Lanschot sold € 747 million of these Citadel 2010-I bonds to a wide group of institutional investors. The transaction comprised the sale of € 247 million in A1 bonds with a term of two years and € 500 million in A2 bonds with a term of five years. The sale of these bonds results in a further diversification of the funding.

Entity	Date of securitisation	Fitch Ratings	Standard & Poors	Original principal	Principal at 30-6-2010	Spread
Total				1,249,400	477,906	
Senior Class A1	2-7-2010	AAA	AAA	247,400	159,459	1.10%
Senior Class A2	2-7-2010	AAA	AAA	753,350	75,350	1.40%
Mezzanine Class B	2-7-2010	-	AAA	75,450	75,450	0.00%
Mezzanine Class C	2-7-2010	BBB	A-	129,900	129,900	0.00%
Junior Class D	2-7-2010	-	-	30,900	30,900	0.00%
Subordinated Class E	2-7-2010	-	-	12,400	6,847	0.00%

The first call option date of all these debt instruments is 26 August 2015 and the contractual date of maturity is 26 November 2042.

Citadel 2010-II

On 30 July 2010, Van Lanschot finalised the RMBS transaction Citadel 2010-II. The transaction involved an amount of € 1.3 billion and concerns mortgages. The credit risk was not transferred. Van Lanschot decided to purchase the debt securities itself. These eligible assets can thus serve as collateral with the Dutch Central Bank. This transaction was not focused on reducing capital requirements, but on improving liquidity.



Entity	Date of securitisation	Fitch Ratings	Standard & Poors	Original principal	Principal at 30-6-2010	Spread
Total				1,255,450	1,182,243	
Senior Class A	30-7-2010	AAA	AAA	990,650	923,207	1.20%
Mezzanine Class B	30-7-2010	-	AAA	84,550	84,550	0.00%
Mezzanine Class C	30-7-2010	BBB	A-	136,700	136,700	0.00%
Junior Class D	30-7-2010	-	-	31,100	31,100	0.00%
Subordinated Class E	30-7-2010	-	-	12,450	6,686	0.00%

The first call option date of all these debt instruments is 26 August 2015 and the contractual date of maturity is 26 November 2042.

Citadel 2011-I

On 9 February 2011, Van Lanschot completed the Citadel 2011-I transaction. This is also a RMBS transaction for an amount of € 1.5 billion in mortgage loans. The credit risk was not transferred. Van Lanschot decided to purchase the debt securities itself. These eligible assets 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	Fitch Ratings	Standard & Poors	Original principal	Principal at 30-6-2010	Spread
Total				1,515,000	1,480,363	
Senior Class A1	10-2-2011	AAA	AAA	324,000	291,221	1.10%
Senior Class A2	10-2-2011	AAA	AAA	801,000	801,000	1.40%
Mezzanine Class B	10-2-2011	A	AAA	120,000	120,000	0.00%
Mezzanine Class C	10-2-2011	-	-	135,000	135,000	0.00%
Junior Class D	10-2-2011	-	-	120,000	120,000	0.00%
Subordinated Class E	10-2-2011	-	-	15,000	13,142	0.00%

The first call option date of all these debt instruments is 26 April 2016 and the contractual date of maturity is 26 April 2043.

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

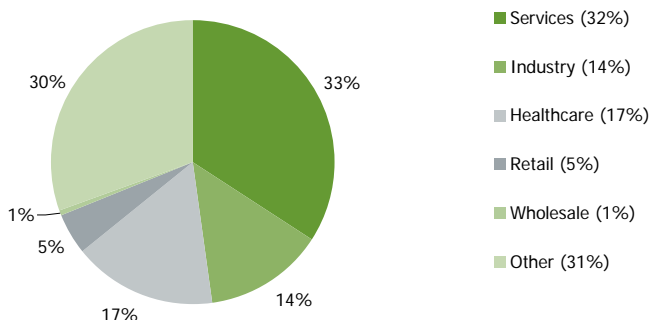
Mezzanine loans

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

	2011
Balance at 1 January (gross)	69,476
Balance of provisions at 1 January	-14,800
Balance at 1 January (net)	54,676
Redemptions	-14,074
Provisions	2,548
Balance at 30 June	43,150

The breakdown by sector is as follows:





3 Financial assets designated at fair value through profit or loss

	30-6-2011	31-12-2010
Total	403,428	52,267
Government paper	228,983	-
Covered bonds	84,810	-
Other capital instruments	34,763	-
Equity instruments	54,872	52,267

Financial assets designated at fair value through profit or loss by external rating

	30-6-2011	%	31-12-2010	%
AAA	348,556	86%	-	0%
Other	54,872	14%	52,267	100%
Total	403,428	100%	52,267	100%

4 Derivatives

	30-6-2011			31-12-2010		
	Asset	Liability	Notional amount	Asset	Liability	Notional amount
Total	193,798	253,380	7,157,550	204,251	294,001	9,648,774
Derivatives used for trading purposes	7,080	8,212	47,633	8,105	9,283	46,905
Derivatives used for hedge accounting purposes	3,921	57,250	1,753,017	13,671	82,143	1,826,647
Other derivatives	182,797	187,918	5,356,900	182,475	202,575	7,775,222

5 Investments in associates using the equity method

	30-6-2011	31-12-2010
Total	41,143	42,044
Listed	-	-
Unlisted	41,143	42,044

The movements were as follows:

	2011
Balance at 1 January	42,044
Sales and repayments	-2,743
Income from associates	3,794
Impairments	-2,049
Other changes	-108
Value adjustments	205
Balance at 30 June	41,143

6 Property, plant and equipment

Property, plant and equipment by type

	30-6-2011	31-12-2010
Total	158,875	161,122
Buildings	137,230	139,559
IT, operating software and communication equipment	7,440	8,714
Other assets	12,183	11,768
Work in progress	2,022	1,081

**7 Goodwill and other intangible assets**

	30-6-2011	31-12-2010
Total	331,380	341,499
Goodwill	234,221	234,755
Work in progress	1,463	1,421
Other intangible assets	95,696	105,323

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**

	30-6-2011	31-12-2010
Total	13,225,003	13,545,650
Savings	4,017,084	3,835,678
Deposits	4,971,825	5,537,558
Other funds entrusted	4,237,135	4,171,736
Value adjustments fair value hedge accounting	-1,041	678

9 Issued debt securities

	30-6-2011	31-12-2010
Total	2,469,001	1,945,982
Bond loans and notes	507,673	50
Bank and savings bonds	37	37
Notes within the scope of securitisation transactions	951,756	1,050,492
Floating rate notes	600,035	482,903
Medium term notes	409,500	412,500

10 Provisions

	30-6-2011	31-12-2010
Total	17,305	16,795
Pension obligations (including early retirement)	4,500	4,670
Jubilee benefits scheme	4,511	4,395
Provision for employee rebates	3,397	3,154
Other provisions	4,897	4,576

11 Subordinated loans

	30-6-2011	31-12-2010
Total	155,879	421,809
Certificates of indebtedness	100,000	362,314
Other subordinated loans	55,879	59,495



12 Other reserves

Movements in other reserves in the first half of 2011

	Revaluation reserve available-for- sale equity instruments	Revaluation reserve available-for- sale investments other investments	Revaluation reserve available-for- sale investments held for sale	Currency translation reserve	Cash flow hedge reserve	Statutory reserve	Retained earnings	Total
Balance at 1 January	30,988	5,501	1,502	-1,423	-14,427	3,704	869,380	895,225
Net change in fair value	763	-10,339	-386	-	-109	-	-	-10,071
Realised gains/losses through profit or loss	-2,103	-2,135	-1,116	-	5,922	-	-	568
Net impairment (to profit or loss)	119	-	-	-	-	-	-	119
Profit appropriation	-	-	-	-	-	-	56,538	56,538
Dividend	-	-	-	-	-	-	-28,673	-28,673
Exercise of options	-	-	-	-	-	-	-3,279	-3,279
Other changes	-	-	-	-308	-	533	16	241
Balance at 30 June	29,767	-6,973	-	-1,731	-8,614	4,237	893,982	910,668
Tax effects	-220	4,378	501	-	-1,937	-	-	2,722

**Selected notes to the consolidated income statement***In thousands of euros***13 Net interest income**

Interest income		
	H1 2011	H1 2010
Total	533,966	400,017
Interest income on cash equivalents	1,085	1,088
Interest income on banks and private sector	325,273	323,701
Other interest income	-61	2,721
Interest income on items not recognised at fair value	326,297	327,510
Interest income on available-for-sale investments	13,867	14,685
Interest income on financial assets held for trading	85	27
Interest income on derivatives	193,717	57,795
Interest expense		
	H1 2011	H1 2010
Total	384,581	239,661
Interest expense on banks and private sector	137,448	140,275
Interest expense on issued debt securities	33,484	12,129
Interest expense on subordinated loans	3,824	7,132
Interest expense on preference shares	-	4,719
Other interest expense	40	47
Interest expense on items not recognised at fair value	174,796	164,302
Interest expense on loans at fair value	-	20
Interest expense on derivatives	209,785	75,339

14 Income from securities and associates

	H1 2011	H1 2010
Total	13,123	6,957
Dividend and fees	8,609	7,808
Movements in value of investments at fair value through profit or loss	-4,045	-4,372
Gains/losses on sale of available-for-sale equity investments	1,963	1,380
Other gains/losses on sale	3,288	-
Income from associates using the equity method	3,308	2,141

15 Net commission income

	H1 2011	H1 2010
Total	123,150	115,175
Securities commission	36,235	41,174
Management commission	57,633	47,063
Cash transactions and funds transfer commission	11,284	11,575
Insurance commission	240	361
Trust commission	1,627	1,996
Commission Corporate Finance	11,474	9,537
Other commission	4,657	3,469



16 Profit on financial transactions

	H1 2011	H1 2010
Total	2,400	4,968
Profits and losses on securities trading	1,094	525
Profits and losses on currency trading	4,664	5,468
Unrealised gains/losses on derivatives under hedge accounting	-19,604	-6,971
Realised/unrealised/gains/losses on trading derivatives	133	-1,117
Realised gains on available-for-sale interest-earning securities	2,847	13,391
Profits and losses on economic hedges	13,266	-5,283
Other gains/losses	-	-1,045

17 Other income

	H1 2011	H1 2010
Total	6,327	963
Sales	59,029	3,460
Cost of sales	-52,702	-2,497

18 Staff costs

	H1 2011	H1 2010
Total	117,011	109,630
Salaries and wages	86,891	85,527
Pension and early retirement costs	14,030	9,236
Other social security costs	9,620	9,769
Share-based payments	2,050	-1,742
Other staff costs	4,420	6,840

19 Other administrative expenses

	H1 2011	H1 2010
Total	81,577	78,773
Accommodation expenses	9,990	10,346
Marketing and communication	4,891	5,291
Office expenses	8,725	6,978
IT expenses	32,538	32,822
External auditor	844	1,089
Consultancy fees	2,742	5,107
Other administrative expenses	21,847	17,140



20 Impairments

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

	H1 2011	H1 2010
Total	30,885	51,100
Loans and advances to the private sector	27,355	43,872
Available-for-sale investments	581	5,747
Other financial assets and associates	2,949	1,481

The item '*loans and advances to the private sector*' represents required additions to the loan loss provision.

The item '*available-for-sale investments*' comprises impairments arising from a prolonged or significant reduction below cost of fair value of the investments concerned, in accordance with the relevant policy.

The item '*Other financial assets and associates*' comprises impairments arising from the fact that the fair value of these assets is below cost, in accordance with the relevant policy.

21 Discontinued operations

This item includes the results of operations designated as held for sale in 2010 or 2009.

	H1 2011	H1 2010
Total	2,859	-1,981
Income from operating activities	-	67,672
Total expenses	-	70,194
Operating profit before tax	-	-2,522
Income tax	-	-541
Net profit	-	-1,981
Changes in fair value	2,859	-



Additional notes

In thousands of euros

22 Earnings per ordinary share

	H1 2011	H1 2010
Net profit	42,827	20,251
Interest on perpetual loans	-4,679	-4,958
Minority interests	-746	-
Profit attributable to shareholders of Van Lanschot NV	37,402	15,293
Weighted average number of ordinary shares outstanding	40,865,239	35,901,488
Earnings per ordinary share (in euros)	0.92	0.43

23 Diluted earnings per ordinary share

	H1 2011	H1 2010
Profit attributable to shareholders of Van Lanschot NV	37,402	15,293
Weighted average number of ordinary shares outstanding	40,865,239	35,901,488
Potential ordinary shares	135,330	115,378
Weighted average number of ordinary shares outstanding fully diluted	41,000,569	36,016,866
Diluted earnings per ordinary share (in euros)	0.91	0.42

24 Earnings per ordinary share from continuing operations

	H1 2011	H1 2010
Net profit from continuing operations	39,968	22,232
Interest on perpetual loans	-4,679	-4,958
Minority interests	-746	-
Profit attributable to shareholders of Van Lanschot NV	34,543	17,274
Weighted average number of ordinary shares outstanding	40,865,239	35,901,488
Earnings per ordinary share (in euros)	0.85	0.48

25 Diluted earnings per ordinary share from continuing operations

	H1 2011	H1 2010
Profit attributable to shareholders of Van Lanschot NV	34,543	17,274
Weighted average number of ordinary shares outstanding	40,865,239	35,901,488
Potential ordinary shares	135,330	115,378
Weighted average number of ordinary shares outstanding fully diluted	41,000,569	36,016,866
Diluted earnings per ordinary share (in euros)	0.84	0.48



26 Related parties

Related parties	Income	Expenses	Amounts receivable	H1 2011 Amounts payable
<i>Parties with a shareholding in Van Lanschot of at least 5%</i>				
Delta Lloyd	-	-	-	-
Friesland Bank	-	-	-	-
LDDM Holding	-	-	-	139
Pref B Van Lanschot Participatie	-	-	-	-
SNS Reaal	-	-	-	-
Stichting Administratiekantoor van gewone aandelen A Van Lanschot	-	-	-	15
Stichting Pensioenfonds ABP	-	59	-	1,873
<i>Associates</i>				
Ducatus	-	-	-	-
MIP kempen	-	-	-	-
<i>Shareholdings in which Van Lanschot is a participant</i>				
BV Exploitiemaatschappij Riemersma	328	1	18,487	-
Credit Yard	642	-	11,931	5
DBS Business Solutions	-	3	-	715
DORC	-	-	-	-
Gerco	-	-	-	-
Heijmans	116	3	4,376	1,815
Instituut voor Ziekenhuis Financiering	-	-	-	-
Main Actuera	31	2	1,917	3
Main Entertainment BV	-	-	-	-
Newion	-	-	-	-
Tecnotion	-	-	-	-
Van Lanschot Chabot	-	13	-	1,448

Related parties	Income	Expenses	Amounts receivable	H1 2010 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 segmentation basis is determined based on operating 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 four operating segments. Intra-segment transactions are conducted based on commercial conditions and market circumstances (at arm's length).

- Private & Business Banking Van Lanschot offers high-income or high net-worth private individuals a broad range of products in the private banking market. Van Lanschot mainly focuses on medium-sized businesses in the corporate market, with a special interest in family businesses. A spin-off to private banking activities is crucial in this respect.
- Asset Management The asset management services focus on high net-worth private individuals, institutions and the in-house funds.
- Corporate Finance and Securities The activities in the field of Corporate Finance & Securities focus on a specific target group. This often concerns separate assignments for which one-off fees and commissions are received.
- Other activities After the refined method of allocating, which is described below, this segment comprises mainly income and expenses relating to the treasury activities and results of the venture capital unit. In addition the segment Other Activities comprises income from the trading and investment portfolio. The valuation results and dividends received from minority interests and the results of non-strategic investments are also included in this segment.

* With effect from H1 2011 income and expenses from the segment Other Activities have been re-allocated to the segments Private & Business Banking, Asset Management and Corporate Finance & Securities. This mainly concerns allocated costs of corporate departments and amortisation charges. The subsidiary Van Lanschot Participaties is also re-allocated from the segment Private & Business Banking to the segment Other Activities. The comparative figures for 2010 have been adjusted accordingly.

Operating segments					H1 2011
in millions of euros	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other activities	Total
INCOME STATEMENT					
Interest income	482.4	-	1.6	50.0	534.0
Interest expense	296.0	-	-	88.6	384.6
Net interest income	186.4	-	1.6	-38.6	149.4
Income from securities and associates	0.1	-	-	13.0	13.1
Commission income	73.1	25.2	25.4	1.4	125.1
Commission expense	1.2	-	0.7	-	1.9
Net commission income	71.9	25.2	24.7	1.4	123.2
Profit on financial transactions	3.6	-	0.2	-1.4	2.4
Other income	-	-	-	6.3	6.3
Total income from operating activities	262.0	25.2	26.5	-19.3	294.4
Of which income from other segments	6.8	-2.6	3.0	-7.2	-
Staff costs	84.3	13.2	14.1	5.4	117.0
Other administrative expenses	66.4	4.8	5.5	4.9	81.6
Depreciation and amortisation	11.4	3.8	3.0	0.2	18.4
Impairments	27.4	-	0.4	3.1	30.9
Total expenses	189.5	21.8	23.0	13.6	247.9
Operating profit before tax	72.5	3.4	3.5	-32.9	46.5
Income tax	16.0	0.5	-0.2	-9.8	6.5
Net profit from continuing operations	56.5	2.9	3.7	-23.1	40.0
Discontinued operations	-	-	-	2.8	2.8
Net profit	56.5	2.9	3.7	-20.3	42.8
Balance sheet					
Total assets	15,664	157	512	2,953	19,286
Of which: investments using the equity method	0	0	0	41	41
Total liabilities	14,939	246	239	2,075	17,499
Investments	4.8	0.1	0.5	2.2	7.6



Operating segments	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other activities	H2 2010* Total
in millions of euros					
INCOME STATEMENT					
Interest income	479.8	0.2	1.6	30.9	512.5
Interest expense	278.1	-	-	58.8	336.9
Net interest income	201.7	0.2	1.6	-27.9	175.6
Income from securities and associates	-0.9	-0.3	-0.3	7.6	6.1
Commission income	67.4	27.0	24.2	0.6	119.2
Commission expense	2.5	-	0.7	-1.0	2.2
Net commission income	64.9	27.0	23.5	1.6	117.0
Profit on financial transactions	5.0	0.2	8.0	12.0	25.2
Other income	-	-	-	18.6	18.6
Total income from operating activities	270.7	27.1	32.8	11.9	342.5
Of which income from other segments	7.7	-1.9	3.9	-9.7	-
Staff costs	85.6	14.3	15.9	10.6	126.4
Other administrative expenses	69.1	4.8	6.2	8.3	88.4
Depreciation and amortisation	11.3	3.7	2.9	0.7	18.6
Impairments	41.5	-0.1	0.5	9.5	51.4
Total expenses	207.5	22.7	25.5	29.1	284.8
Operating profit before tax	63.2	4.4	7.3	-17.2	57.7
Income tax	15.2	2.5	0.2	-3.6	14.3
Net profit from continuing operations	48.0	1.9	7.1	-13.6	43.4
Discontinued operations	-	-	-	3.1	3.1
Net profit	48.0	1.9	7.1	-10.5	46.5
Balance sheet					
Total assets	17,338	85	369	2,533	20,325
Of which: investments using the equity method	0	0	0	42	42
Total liabilities	14,643	280	143	3,474	18,540
Investments	13.3	-0.1	-0.2	16.0	29.0

* With effect from H1 2011 income and expenses from the segment Other Activities have been re-allocated to the segments Private & Business Banking, Asset Management and Corporate Finance & Securities. This mainly concerns allocated costs of corporate departments and amortisation charges. The subsidiary Van Lanschot Participaties is also re-allocated from the segment Private & Business Banking to the segment Other Activities. The comparative figures for 2010 have been adjusted accordingly.



Operating segments					H1 2010*
in millions of euros	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other activities	Total
INCOME STATEMENT					
Interest income	363.3	0.1	1.3	35.3	400.0
Interest expense	174.2	-	-	65.6	239.8
Net interest income	189.1	0.1	1.3	-30.3	160.2
Income from securities and associates	0.1	-	-	6.9	7.0
Commission income	68.3	22.9	27.1	0.7	119.0
Commission expense	1.7	0.1	0.9	1.1	3.8
Net commission income	66.6	22.8	26.2	-0.4	115.2
Profit on financial transactions	5.0	-0.1	-0.6	0.7	5.0
Other income	-	-	-	1.0	1.0
Total income from operating activities	260.8	22.8	26.9	-22.1	288.4
Of which income from other segments	1.4	-1.6	4.5	-4.3	-
Staff costs	83.1	11.1	13.5	1.9	109.6
Other administrative expenses	66.1	5.0	6.1	1.6	78.8
Depreciation and amortisation	11.2	3.8	2.9	0.2	18.1
Impairments	43.9	0.1	1.4	5.7	51.1
Total expenses	204.3	20.0	23.9	9.4	257.6
Operating profit before tax	56.5	2.8	3.0	-31.5	30.8
Income tax	14.3	0.9	0.4	-7.0	8.6
Net profit from continuing operations	42.2	1.9	2.6	-24.5	22.2
Discontinued operations	-	-	-	-1.9	-1.9
Net profit	42.2	1.9	2.6	-26.4	20.3
Balance sheet					
Total assets	17,389	139	353	2,732	20,613
Of which: investments using the equity method	0	0	0	41	41
Total liabilities	13,726	205	129	4,819	18,879
Investments	2.9	-	0.1	6.4	9.4

* With effect from H1 2011 income and expenses from the segment Other Activities have been re-allocated to the segments Private & Business Banking, Asset Management and Corporate Finance & Securities. This mainly concerns allocated costs of corporate departments and amortisation charges. The subsidiary Van Lanschot Participaties is also re-allocated from the segment Private & Business Banking to the segment Other Activities. The comparative figures for 2010 have been adjusted accordingly.