

## PRESS RELEASE

### Van Lanschot trading update third quarter 2011

- **Strong solvency and liquidity position: Core Tier I: 10.4%, funding ratio: 91.1%**
- **Negative market performance impact on assets under management offset by inflow of new assets**
- **Commission under pressure; operating expenses slightly down**
- **Net profit for third quarter of 2011 under severe pressure due to developments in the financial markets**

*Constant Korthout, CFO/CRO Van Lanschot: "The solidity of Van Lanschot is inherent in the low risk profile of a typical Private Bank. The results of the third quarter of 2011 came under pressure. We saw high volatility in market interest rates and credit spreads. Falling share prices led to lower commission income. In terms of profitability versus risk, we consciously opted to put solidity first, for example by placing our substantial surplus liquidity at the ECB."*

Van Lanschot's Core Tier I ratio at 30 September 2011 increased further to 10.4% (consolidated) compared with 10.1% at 30 June 2011, as a result of profit retention and a reduction in risk weighted assets. Following the successful redemption of the perpetual loans, the Core Tier I ratio increased further by approximately 25bp in October. The low risk profile is reflected in the low leverage of 13.3 (at 30 September 2011). Moreover, the bank has no investments in Greece, Portugal, Spain, Italy and Ireland. Van Lanschot meets the published Basel III requirements, with a pro forma Liquidity Coverage Ratio (LCR) of 221.0% and a pro forma Net Stable Funding Ratio (NSFR) of 109.7%.

The funding ratio (the extent to which the loan book is funded by customer deposits) rose in the third quarter to 91.1% (30 June 2011: 87.8%), partly thanks to an inflow of client savings and deposits. The bank has already met its funding requirements for 2011 and 2012. The surplus liquidity has been placed at the ECB which has had a slight adverse impact on the interest margin.

The third quarter saw a continued net inflow of assets under management, in particular institutional discretionary mandates. Despite the negative market performance, total assets under management were on balance slightly up. Securities commission fell compared with the first two quarters of 2011, as clients carried out fewer transactions and due to the negative market performance translating into lower management fees.

Operating expenses decreased slightly compared with the first two quarters of 2011. The addition to loan loss provisions was slightly higher than the first two quarters of the year. Van Lanschot's net profit for the third quarter of 2011 was significantly lower than in the first two quarters of 2011.

#### **Outlook**

The bank expects the current difficult economic circumstances to continue throughout the fourth quarter of this year. In these circumstances, the bank puts solvency and liquidity before profitability. The net profit will therefore remain under pressure. The bank is acting on this by focusing on further cost control. The extent and pace of the economic recovery will determine in part the time it will take for Van Lanschot to return to normalised profit levels.

#### **Publication date of 2011 annual results**

The publication date of the 2011 annual results has been moved forward to Thursday 8 March 2012.



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*Van Lanschot NV is the holding company of F. van Lanschot Bankiers NV, the oldest independent bank in the Netherlands with a history dating back to 1737. Van Lanschot focuses on three target groups: high net-worth individuals, medium-sized businesses (including family businesses) and institutional investors. Van Lanschot stands for high-quality services founded on integrated advice, personal service and customised solutions. Van Lanschot NV is listed on Euronext Amsterdam.*