

Van Lanschot NV
Financial report
2012 annual results



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KEY DATA

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Statement of income					
Income from operating activities	524.5	539.2	-3%	258.4	266.1
Operating expenses	408.7	412.3	-1%	203.0	205.7
Gross result before non-recurring charges	115.8	126.9	-9%	55.4	60.4
Non-recurring charges	44.7	-	-	32.8	11.9
Impairments	235.4	78.3	-	190.5	44.9
Operating result before tax	-164.3	48.6	-	-167.9	3.6
Net result	-155.4	43.1	-	-161.1	5.7
Underlying net profit	2.0	43.1	-95%	-14.0	16.0
Efficiency ratio excluding non-recurring charges (%)	77.9	76.5	-	78.6	77.3
<i>(x € million)</i>					
	31-12-2012	31-12-2011		30-06-2012	
Balance sheet and capital management					
Equity attributable to shareholders	1,353	1,507	-10%	1,498	
Equity attributable to minority interests	53	59	-10%	51	
Savings and deposits	11,369	13,100	-13%	11,942	
Loans and advances to customers	13,464	14,270	-6%	13,994	
Total assets	17,988	18,454	-3%	18,462	
Funding ratio (%)	84.4	91.8		85.3	
Risk-weighted assets	10,535	11,000	-4%	11,050	
Core Tier I ratio (%)	11.0	10.9	-	11.0	
Tier I ratio (%)	11.0	10.9	-	11.0	
BIS total capital ratio (%)	11.9	11.9	-	12.1	
Leverage ratio ¹ (%)	7.5	8.2	-	8.1	
<i>(x € billion)</i>					
	31-12-2012	31-12-2011		30-06-2012	
Client assets					
Client assets	52.3	49.8	5%	49.4	
- Assets under management	40.9	36.7	11%	37.5	
- Savings and deposits	11.4	13.1	-13%	11.9	
Assets under management	40.9	36.7	11%	37.5	
- Discretionary	29.0	24.3	19%	25.2	
- Non-discretionary	11.9	12.4	-4%	12.3	
<i>(x € billion)</i>					
	31-12-2012	31-12-2011		30-06-2012	
Key figures					
Weighted average number of outstanding ordinary shares (x 1,000)	40,883	40,870		40,865	
Earnings per share based on average number of ordinary shares (€)	-3.87	0.84		0.11	
Return on average Core Tier I capital ² (%)	-13.4	3.0		0.7	
Number of staff (FTEs) ³	1,862	2,009		1,908	

¹ Leverage ratio is the ratio of equity attributable to shareholders to total assets

² Annualised on the basis of half-year data

³ The number of FTEs at year-end 2012 inclusive of non-strategic investments was 2,010 (year-end 2011: 2,171 FTEs)

**RESULTS**

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Interest	235.7	281.0	-16%	109.2	126.5
Income from securities and associates	21.1	11.4	85%	7.5	13.6
Commission	216.8	230.5	-6%	109.7	107.1
Profit on financial transactions	50.9	16.3	-	32.0	18.9
Income from operating activities	524.5	539.2	-3%	258.4	266.1
Staff costs	218.5	216.7	1%	110.4	108.1
Other administrative expenses	157.6	159.0	-1%	76.6	81.0
Depreciation and amortisation	32.6	36.6	-11%	16.0	16.6
Operating expenses	408.7	412.3	-1%	203.0	205.7
Gross result before non-recurring charges	115.8	126.9	-9%	55.4	60.4
Non-recurring charges	44.7	-	-	32.8	11.9
Gross result after non-recurring charges	71.1	126.9	-44%	22.6	48.5
Addition to loan loss provision	115.2	64.3	79%	73.3	41.9
Other impairments	120.2	14.0	-	117.2	3.0
Impairments	235.4	78.3	-	190.5	44.9
Operating result before tax	-164.3	48.6	-	-167.9	3.6
Operating result before tax of non-strategic investments⁴	-11.9	-2.1	-	-12.8	0.9
Income tax	-20.8	6.2	-	-19.6	-1.2
Net result from continuing operations	-155.4	40.3	-	-161.1	5.7
Discontinued operations	-	2.8	-	-	-
Net result	-155.4	43.1	-	-161.1	5.7
Underlying net profit excluding non-recurring charges	2.0	43.1	-	-14.0	16.0

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Underlying net profit excluding non-recurring charges	2.0	43.1	-95%	-14.0	16.0
Non-recurring charges	-44.7	-	-	-32.8	-11.9
Impairment on goodwill and intangible assets	-126.6	-	-	-126.6	-
Tax effect	13.9	-	-	12.3	1.6
Net result	-155.4	43.1	-	-161.1	5.7

⁴ Since 2009, a number of non-strategic investments have been included in the consolidated figures of Van Lanschot. Van Lanschot has stated that it intends to sell these investments in due course as their activities are not in line with the bank's private banking strategy.



INCOME FROM OPERATING ACTIVITIES

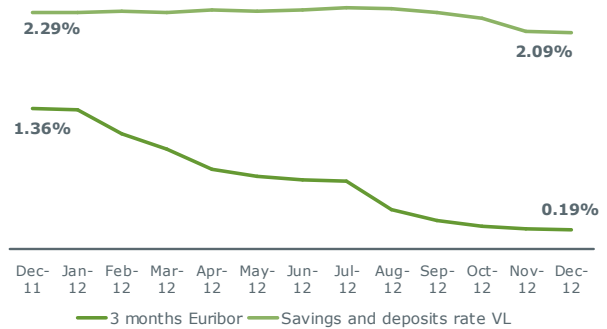
<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Interest	235.7	281.0	-16%	109.2	126.5
Income from securities and associates	21.1	11.4	85%	7.5	13.6
Commission	216.8	230.5	-6%	109.7	107.1
Profit on financial transactions	50.9	16.3	-	32.0	18.9
Income from operating activities	524.5	539.2	-3%	258.4	266.1

Interest

The interest margin in 2012 was 129 basis points (2011: 144 basis points). This decline was in particular the result of a sharp fall in the Euribor rates in 2012, which was followed only to a limited extent by a drop in rates on the Dutch savings. Consequently, Van Lanschot saw interest income on loans linked to Euribor decrease more than the interest paid on customer savings.

The interest result also suffered from a decline in the volume of both lending and savings and deposits in 2012. This decline can be partly attributed to Van Lanschot's intention to close down the branches on Curacao and in Luxembourg and the scaling down of fiduciary management operations in Belgium.

3 months Euribor versus average savings and deposits rate of Van Lanschot



The amortisation charges associated with terminated hedges in connection with lengthening the duration were reclassified from Profit on financial transactions to Interest in 2012. The comparative figures have been restated accordingly. For 2012, the amortisation charge amounted to € 11.9 million negative.

Income from securities and associates

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Dividend	4.5	16.1	-72%	0.4	4.1
Capital gains	5.2	5.2	-	3.4	1.8
Valuation gains and losses	11.4	-9.9	-	3.7	7.7
Income from securities and associates	21.1	11.4	-85%	7.5	13.6

The result (dividend and valuation) on Van Lanschot's equity stake in Ducatus in 2012 was € 7.4 million (2011: € 2.1 million negative). This equity stake is recognised at fair value.



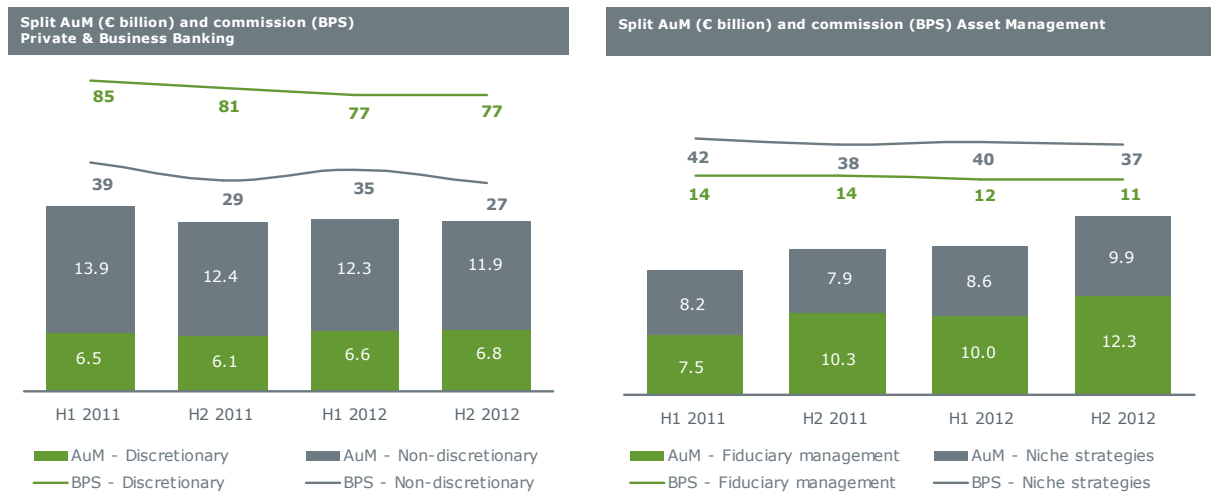
Commission

(x € million)	2012	2011		H2 2012	H1 2012
Securities commission	167.0	171.9	-3%	85.1	81.9
- transaction fees	39.1	47.1	-17%	19.8	19.3
- management fees ⁵	125.7	124.4	1%	63.7	62.0
- performance fees	2.2	0.4	-	1.6	0.6
Other commission	49.8	58.6	-15%	24.6	25.2
Commission	216.8	230.5	-6%	109.7	107.1

Total securities commission remained at a relatively stable level in 2012, while at the same time reflecting a further shift from transaction fees to management fees. Management fees are generated by discretionary asset management activities for banking clients as well as the asset management activities undertaken by Kempen Capital Management. Both activities posted a further rise in assets under management (AuM) in 2012, resulting in a slight rise in management fees on 2011. Transaction fees were lower than in 2011, due to uncertainty in the stock markets and primarily low trading volumes in the second and third quarters.

Management fees form a more stable source of income than transaction fees, since the latter are more dependent on the stock market sentiment. Recurring commission in 2012 made up 75% of total securities commission (2011: 72%).

Margins in basis points (bps) on assets under management developed as follows:



Other commission comprised corporate finance commission, totalling € 18.9 million in the year under review (2011: € 24.3 million), while cash transactions and funds transfer commission came to € 19.0 million (2011: € 21.4 million).

⁵ Management fees include portfolio commission and custody fees



Profit on financial transactions

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Profit on securities	2.9	-5.3	-	3.2	-0.3
Profit on currency trading	14.6	13.0	12%	7.3	7.3
Profit on investment portfolio	26.8	14.4	86%	17.7	9.1
Profit on interest rate hedges	14.9	-5.3	-	11.7	3.2
Other income	-8.3	-0.5	-	-7.9	-0.4
Profit on financial transactions	50.9	16.3	-	32.0	18.9

Profit on the investment portfolio included an amount of € 11.3 million generated by the sale of bonds from the available-for-sale portfolio (2011: € 19.6 million). Furthermore, a € 15.5 million valuation result on the Marked-to-Market portfolio was generated (2011: € 5.1 million negative) in particular due to a lower spread on Dutch government bonds in mid 2012. This result was realised on the sale of bonds.

Van Lanschot applies hedge accounting to a number of swaps. These swaps serve to hedge the interest rate risk of fixed-interest mortgages in particular. Imperfections in these hedges and shifting interest rate curves cause ineffectiveness; the amount involved was added to the result in 2012.

<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Ineffectiveness of current hedges	7.1	-4.5	-	4.9	2.2
Swap on perpetual loans	-	1.1	-	-	-
Other profit on interest rate hedges	7.8	-1.9	-	6.8	1.0
Profit on interest rate hedges	14.9	-5.3	-	11.7	3.2

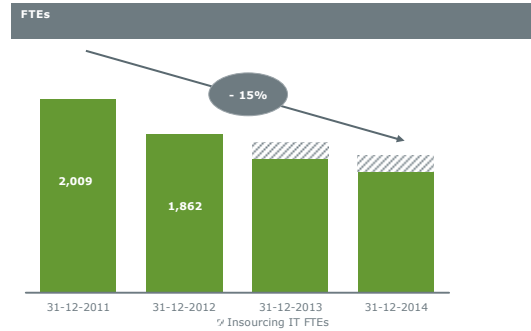


OPERATING EXPENSES

(x € million)	2012	2011		H2 2012	H1 2012
Staff costs	218.5	216.7	1%	110.4	108.1
Other administrative expenses	157.6	159.0	-1%	76.6	81.0
Depreciation and amortisation	32.6	36.6	-11%	16.0	16.6
Operating expenses	408.7	412.3	-1%	203.0	205.7

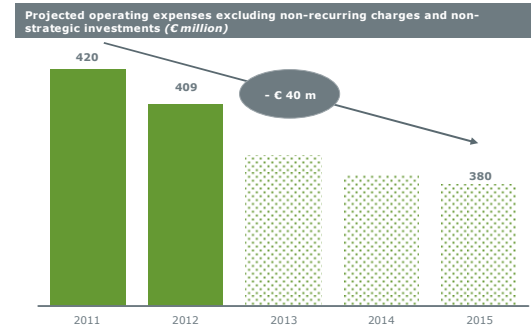
Staff costs

The salary costs declined by € 8.2 million due to a decrease in the number of FTEs in 2012 by 147 to 1,862 (2011: 2,009). This decline was offset by higher pension costs due to a temporary guaranteed indexation and the valuation of pension assets on the balance sheet (asset ceiling) in accordance with IFRS.



Progress of investment and cost reduction programme

The investment and cost reduction programme announced in early 2012 is progressing as planned. With the execution of this programme, the bank seeks to lower its cost level to about € 380 million in 2015 (operating expenses exclusive of non-strategic investments).



Accelerated investments were made in systems and processes in 2012 for an amount of € 13.1 million. These investments will bring greater efficiency, a reduction in headcount and costs and a further improvement of client services in the years to come.

Within the scope of the investment and cost reduction programme, € 44.7 million in non-recurring charges were taken in 2012. These charges comprise of:

(x € million)	2012
Accelerated investments in client services	13.1
Additional charges relating to achieved headcount reduction	26.4
Gains on sale and impairments of office buildings	5.2
Non-recurring charges	44.7

Efficiency ratio

Adjusted for the non-recurring charges in connection with the investment and cost reduction programme, the efficiency ratio was 77.9% (2011: 76.5%).



IMPAIRMENTS

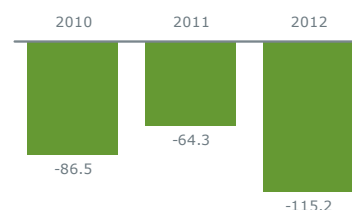
<i>(x € million)</i>					
	2012	2011		H2 2012	H1 2012
Addition to loan loss provision	115.2	64.3	79%	73.3	41.9
Impairment of investments and participations	2.9	10.8	-73%	1.5	1.4
Capital loss on buildings and assets obtained through the seizing of collateral	4.2	3.2	31%	2.6	1.6
Impairment on goodwill and intangible assets	113.1	-	-	113.1	-
Other impairments	120.2	14.0	-	117.2	3.0
Impairments	235.4	78.3	-	190.5	44.9

Addition to loan loss provision

The economic conditions and recent property appraisals had a major impact on the level of provisioning. The higher addition to the loan loss provision can in particular be attributed to property clients.

For more information about the loan portfolio, reference is made to the section on the balance sheet.

Addition to loan loss provision
(€ million)



Other impairments

As announced in December 2012, a one-off impairment on goodwill and other intangible assets of € 126.6 million was taken in 2012 (net effect: € 121.7 million). Of this amount, € 113.1 million relates to goodwill and other intangible assets of the banking operations and € 13.5 million to non-strategic investments.

In addition, several equity stakes in the participations portfolio were impaired in 2012 for a total amount of € 2.9 million. On balance, the fair value of the participations portfolio was up. In 2012, a capital loss on buildings and assets obtained through the seizing of collateral was recognised of € 4.2 million. This impairment concerned an amount of € 1.4 million relating to own office buildings and € 2.8 million to assets obtained through the seizing of collateral. When seizing collateral, Van Lanschot sometimes acquires the assets at less than their carrying amounts. Any decreases in value subsequently arising are recorded as impairments.

INCOME TAX

The income tax credit for 2012 totalled € 20.8 million (2011: tax charge of € 6.2 million). The tax burden is influenced by the equity holding exemption applicable to some of the income of subsidiaries.



PROFIT APPROPRIATION

<i>(x € million)</i>		
	2012	2011
Net result	-155.4	43.1
Net interest on perpetual loans	-1.1	-7.6
Share of other minority interests	-1.7	-1.0
Net profit for calculation of earnings per ordinary share	-158.2	34.5
Earnings per ordinary share (€)	-3.87	0.84
Weighted average number of outstanding ordinary shares (x 1,000)	40,883	40,870

The interest on perpetual loans declined in 2012 as a result of the capital management transaction (exchange and tender offer) carried out by Van Lanschot in September 2011, whereby a substantial part of the perpetual loans were redeemed.

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



BALANCE SHEET

CLIENT ASSETS

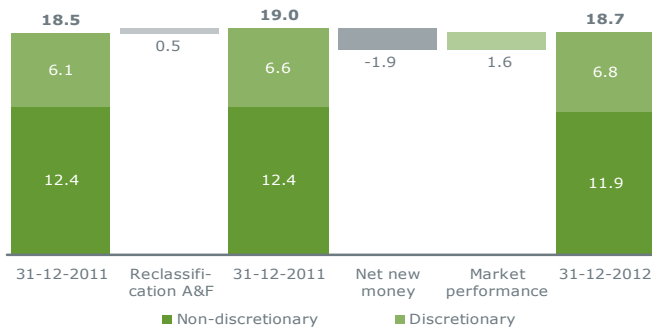
(x € billion)	31-12-2012	31-12-2011		30-06-2012
Client assets	52.3	49.8	5%	49.4
Assets under management	40.9	36.7	11%	37.5
Savings and deposits	11.4	13.1	-13%	11.9
Assets under management	40.9	36.7	11%	37.5
Assets under discretionary management	29.0	24.3	19%	25.2
- of which double-counted	1.8	1.1	64%	1.2
Assets under non-discretionary management	11.9	12.4	-4%	12.3
Assets under management	40.9	36.7	11%	37.5
Private & Business Banking	18.7	19.0	-2%	18.9
Asset Management	22.2	17.7	25%	18.6

The increase in client assets was accompanied by a change in the asset mix. A strong inflow of institutional asset management was achieved, while client assets of private and business banking clients were down. This decline can mostly be attributed to active repricing of savings and deposits and clients using assets for deleveraging.

ASSETS UNDER MANAGEMENT

The increase in assets under management was largely due to a robust performance of the bank's asset management products and a positive market performance. Responsibility for the Foundations & Associations segment transferred to Private & Business Banking with effect from 1 January 2012. This change has been reflected in the closing balances as at year-end 2011 as shown in the graphs below.

Assets under management
Private & Business Banking (€ billion)

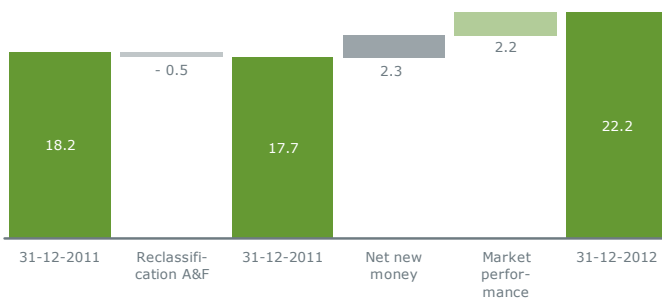


PRIVATE & BUSINESS BANKING

A significant portion of the outflow took place at the foreign branches of Van Lanschot. This was connected with the closing down of operations in Luxembourg and on Curacao and the scaling down of fiduciary management activities in Belgium.

In 2012, the trend of opting for the benefits of a discretionary mandate continued; the share of discretionary assets was up from 33% to 36%.

Assets under management
Asset Management (€ billion)



ASSET MANAGEMENT

The inflow of institutional assets at Kempen includes a new mandate from the Pension Fund for the Dutch Butchers Industry.



LOAN PORTFOLIO

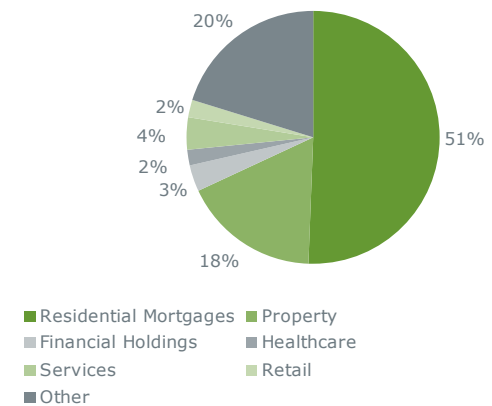
(x € million)	31-12-2012	31-12-2011		30-06-2012
Mortgage loans to private individuals	6,945	7,350	-6%	7,159
Other private loans	1,827	2,056	-11%	2,012
Corporate loans	5,002	5,082	-2%	5,071
Impairments	-310	-218	42%	-248
Total	13,464	14,270	-6%	13,994

In keeping with general market trends, Van Lanschot saw a further decline in demand for mortgages and corporate loans. In addition, clients increasingly repaid their loans. This was due partly to changes in tax legislation, and partly to clients choosing to reduce their level of debt.

Loan portfolio by sector

A breakdown of the loan portfolio by sector is provided in the diagram. More than half of the loan portfolio consists of residential mortgages. Mortgage loans for an amount exceeding € 2.0 million make up only € 0.5 billion, or 4%, of the total loan portfolio. Mortgages are characterised by a relatively low risk profile. At year-end 2012, the average loan-to-value ratio was 91% (year-end 2011: 89%). This ratio represents the ratio of the total mortgage debt to the value of the collateral provided. In addition to the usual collateral, mortgage clients also hold client assets at Van Lanschot representing 48% of the total mortgage debt.

Loans and advances by sector at 31 December 2012



Another sector in which the bank is active relates to entrepreneurs (director-owners) and their businesses. As part of its private banking strategy, the bank constantly assesses its loan portfolio to determine the direct and indirect private banking potential associated with these debtors. This may result in Van Lanschot actively letting go of clients whose profile no longer fits with the bank's strategy.

The property portfolio is now managed more strictly so that potentially increased risks can be identified at an early stage and adequate measures can be taken. Despite the negative trends in the property sector, the property portfolio is relatively healthy:

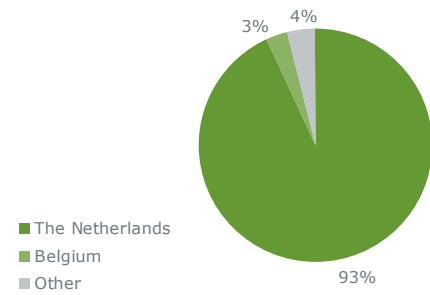
- Financed property is located in the Netherlands
- Vacancy rates are relatively low at 8.3%
- In many cases, additional collateral and guarantees are provided besides the provision of the underlying property as collateral
- Approximately 26% of property loans relate to office buildings; the portfolio contains virtually no project development loans



Loan portfolio by country

The loan portfolio is concentrated in the Netherlands and Belgium. In addition, Van Lanschot has some loans in Switzerland (mostly securities-backed loans). Loans issued through the Luxembourg and Curacao branches are very limited and will disappear from the balance sheet in the course of 2013 due to the closure of these branches.

Loans and advances by country at 31 December 2012



A thorough review of the loan portfolio was carried out in light of market conditions in general and developments on the Dutch property market in particular. As a result of this review, all impaired loans have been identified and provisions have been formed as necessary. A loan is considered to be impaired if the relevant client defaults, or is likely to default, on its obligations to the bank and a provision is formed for all or part of the loan. In total, 56% of impaired loans had been provided for at year-end 2012 (year-end 2011: 47%).

The table below provides a more detailed breakdown of the loan portfolio.

(x € million)	Loan portfolio	Impaired loans	Provision on impaired loans	NPL ⁶	Coverage ratio
Mortgage loans to private individuals	6,945	94	57	1.4%	61%
Other private loans	1,827	128	64	7.0%	50%
Corporate loans	5,002	314	178	6.3%	57%
Impairments	-310	-	-	-	-
Total	13,464	536	299	3.9%	56%
Incurring But Not Reported (IBNR)			11		
Provision including IBNR			310		

⁶ The NPL of the total loan portfolio is calculated excluding impairments



CAPITAL AND LIQUIDITY MANAGEMENT

Van Lanschot continued to prioritise maintaining and reinforcing its capital and liquidity positions in 2012.

(x € million)	31-12-2012	31-12-2011		30-06-2012
Risk-weighted assets	10,535	11,000	-4%	11,050
Core Tier I ratio (%)	11.0	10.9	-	11.0
Tier I ratio (%)	11.0	10.9	-	11.0
BIS total capital ratio (%)	11.9	11.9	-	12.1
Leverage ratio ⁷ (%)	7.5	8.2	-	8.1

CAPITAL MANAGEMENT

At year-end 2012 the Core Tier I ratio stood at 11.0% (year-end 2011: 10.9%), reflecting the bank's strong capital position. The implementation of IAS 19 (revised) and Basel III will have a significant influence on how the Core Tier I ratio develops in future. The ratio is expected to become more volatile due to the new rules.

Introduction of Internal Ratings Based (IRB) approach and Basel III

The transition to IRB had only a limited impact of 47 basis points.

Over the past few years, Van Lanschot has made great efforts to professionalize credit risk management and capital management. To this end, IRB models have been developed to calculate the capital required for credit risk purposes. The Dutch Central Bank approved the use of all non-retail models with effect from 1 July 2012, as a result of which 82% of risk-weighted assets were calculated according to the IRB approach at year-end 2012.

The phased implementation of Basel III, which was due to start on 1 January 2013, was delayed owing to the fact that the rules have not yet been adopted by the European Union. The initial impact of Basel III on the Core Tier I ratio as at 1 January 2014 is expected to be limited.

IAS 19 Employee Benefits (revised)

The revised accounting standard IAS 19 came into effect on 1 January 2013. The most important change relates to the fact that actuarial gains and losses are to be recognised in equity immediately. The volatility of the Core Tier I ratio will increase as the discount rate fluctuates. The discount rate is based on a basket of approximately 200 European corporate bonds with an AA credit rating. The new rules led to a fall of 79 basis points in the Core Tier I ratio as at 1 January 2013. It is currently unclear whether the regulator will apply a transitional period for this initial impact.

⁷ Leverage ratio is the ratio of equity attributable to shareholders to total assets



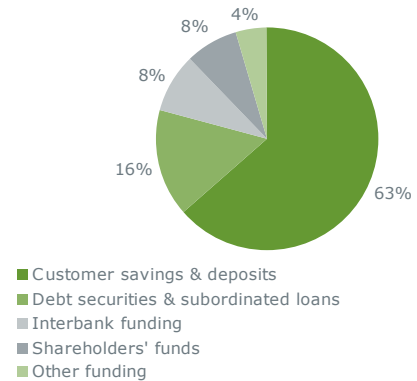
LIQUIDITY AND FUNDING

One of the characteristics of private banks such as Van Lanschot is that the balance sheet is used for the benefit of clients. This is reflected in a high funding ratio, which stood at 84.4% at year-end 2012.

With regard to the bank's funding mix, specific attention has been paid to diversification and the spread of maturities in the bank's funding sources. The following funding transactions were completed successfully in 2012.

- April 2012: € 126 million 7-year retail note with a coupon of 4.75%
- July 2012: € 150 million of Residential Mortgage Backed Securities (RMBS) notes (Citadel 2010-I A2), with the first call date in 2015
- September 2012: CHF 250 million senior unsecured bonds with a term to maturity of 3.5 years and a coupon of 2.125%
- October 2012: € 500 million senior unsecured bonds with a term to maturity of 4 years and a coupon of 2.875%
- Various medium term notes for a total amount of about € 70 million, with terms to maturity of 3-7 years, issued as part of the structured notes programme

Funding mix at 31 December 2012



The Basel III guidelines include requirements for the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR) and a new definition of calculating the leverage ratio. On the basis of rules as they now stand, the Basel III ratios are above the minimum requirements: pro forma LCR >100%, pro forma NSFR >100% and pro forma leverage ratio >3%.



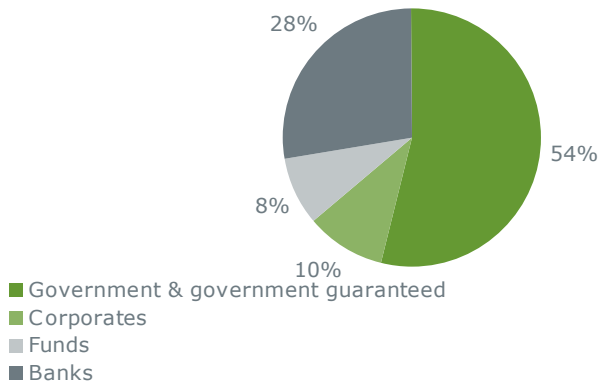
INVESTMENT AND TRADING PORTFOLIO

Van Lanschot's total investment and trading portfolio⁸ stood at € 1.6 billion at year-end 2012, compared with € 1.4 billion at year-end 2011. The portfolio also includes the investment portfolio set up with the funds obtained as a result of participating in the second tranche of the LTRO in March 2012 for an amount of € 750 million. The latter portfolio generated a net return of € 3.9 million (62 basis points) in 2012.

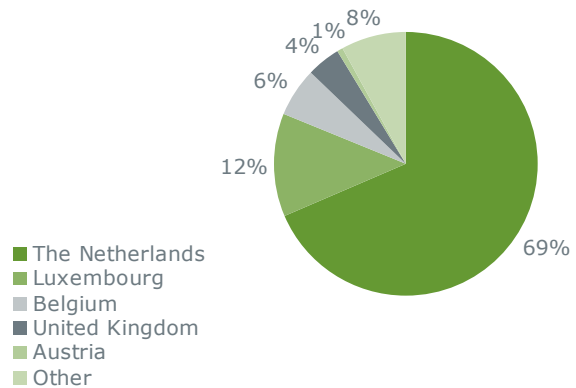
The portfolios are held predominantly for liquidity purposes and therefore contain highly liquid low-risk instruments. At year-end 2012, 78% of Van Lanschot's available-for-sale investments comprised investments in triple-A rated funds, while a further 9% related to investments in funds with an AA rating. Triple-A rated funds made up 88% of the portfolio included in financial assets designated at fair value through profit or loss at year-end 2012. Van Lanschot does not have any exposure to Greece, Ireland, Italy, Portugal or Spain.

The following diagrams show the portfolio as at year-end 2012, broken down by counterparty and country.

Investment and trading portfolio by counterparty at 31 December 2012



Investment and trading portfolio by country at 31 December 2012



⁸ The investment and trading portfolio comprises the balance of available-for-sale investments, financial receivables from trading activities and financial assets at fair value through profit or loss



PRESENTATION OF RESULT NON-STRATEGIC INVESTMENTS IN CONSOLIDATED INCOME STATEMENT

2012 <i>(x € million)</i>	Consolidated result	Result non-strategic investments	Consolidated result after reclassification non-strategic investments
Interest	234.7	1.0	235.7
Income from securities and associates	21.1	-	21.1
Commission	216.8	-	216.8
Profit on financial transactions	50.9	-	50.9
Other income	17.5	-17.5	-
Income from operating activities	541.0	-16.5	524.5
Staff costs	226.5	-8.0	218.5
Other administrative expenses	163.1	-5.5	157.6
Depreciation and amortisation	33.7	-1.1	32.6
Operating expenses	423.3	-14.6	408.7
Gross result before non-recurring charges	117.7	-1.9	115.8
Non-recurring charges	44.7	-	44.7
Gross result after non-recurring charges	73.0	-1.9	71.1
Addition to loan loss provision	113.1	2.1	115.2
Other impairments	136.1	-15.9	120.2
Impairments	249.2	-13.8	235.4
Operating result before tax	-176.2	11.9	-164.3
Operating result before tax of non-strategic investments	-	-11.9	-11.9
Income tax	-20.8	-	-20.8
Net result from continuing operations	-155.4	-	-155.4
Discontinued operations	-	-	-
Net result	-155.4	-	-155.4

**PRESENTATION OF RESULT NON-STRATEGIC INVESTMENTS IN CONSOLIDATED INCOME STATEMENT
(CONTINUED)**

2011 <i>(x € million)</i>	Result consolidated	Result non-strategic investments	Consolidated result after reclassification non-strategic investments
Interest	278.7	2.3	281.0
Income from securities and associates	10.9	0.5	11.4
Commission	230.5	-	230.5
Profit on financial transactions	16.3	-	16.3
Other income	16.0	-16.0	-
Income from operating activities	552.4	-13.2	539.2
Staff costs	224.8	-8.1	216.7
Other administrative expenses	164.7	-5.7	159.0
Depreciation and amortisation	37.0	-0.4	36.6
Operating expenses	426.5	-14.2	412.3
Gross result before non-recurring charges	125.9	1.0	126.9
Non-recurring charges	-	-	-
Gross result after non-recurring charges	125.9	1.0	126.9
Addition to loan loss provision	61.1	3.2	64.3
Other impairments	18.3	-4.3	14.0
Impairments	79.4	-1.1	78.3
Operating result before tax	46.5	2.1	48.6
Operating result before tax non-strategic investments	-	-2.1	-2.1
Income tax	6.2	-	6.2
Net result from continuing operations	40.3	-	40.3
Discontinued operations	2.8	-	2.8
Net result	43.1	-	43.1



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2012

(€ thousand)

	31-12-2012	31-12-2011
Assets		
Cash and cash equivalents and balances withdrawable with central banks	1,647,231	1,154,324
Financial assets held for trading	52,427	80,044
Due from banks	430,850	544,947
Financial assets designated at fair value through profit or loss	631,411	515,331
Available-for-sale investments	913,079	844,977
Loans and advances to the public and private sectors	13,464,234	14,270,431
Derivatives (receivables)	213,623	252,648
Investments in associates using the equity method	46,443	43,986
Property, plant and equipment	100,366	135,200
Goodwill and other intangible assets	173,875	318,672
Current tax assets	2,552	4,319
Deferred tax assets	43,071	39,209
Assets of operations held for sale	-	-
Other assets	268,562	249,434
Total assets	17,987,724	18,453,522
Equity and liabilities		
Financial liabilities held for trading	382	29,614
Due to banks	1,522,640	398,052
Public and private sectors liabilities	11,368,814	13,100,131
Financial liabilities designated at fair value through profit or loss	214,355	20,165
Derivatives (liabilities)	364,568	379,541
Issued debt securities	2,543,905	2,321,837
Provisions	30,631	15,884
Current tax liabilities	7,397	9,271
Deferred tax liabilities	26,223	41,532
Liabilities of operations held for sale	-	-
Other liabilities	370,643	418,863
Subordinated loans	132,482	152,764
Total liabilities	16,582,040	16,887,654
Issued share capital	41,017	41,017
Treasury shares	-3,638	-5,837
Share premium	479,914	479,914
Other reserves	993,698	957,652
Undistributed profit attributable to shareholders of Van Lanschot NV	-158,167	34,499
Equity attributable to shareholders of Van Lanschot NV	1,352,824	1,507,245
Equity instruments issued by subsidiaries	36,063	36,063
Undistributed profit attributable to equity instruments issued by subsidiaries	1,132	7,587
Equity attributable to equity instruments issued by subsidiaries	37,195	43,650
Other minority interests	13,995	13,932
Undistributed profit attributable to other minority interests	1,670	1,041
Equity attributable to other minority interests	15,665	14,973
Total equity	1,405,684	1,565,868
Total equity and liabilities	17,987,724	18,453,522



CONSOLIDATED STATEMENT OF INCOME FOR 2012

(€ thousand)

	2012	2011
Income from operating activities		
Interest income	920,013	1,082,688
Interest expense	685,286	804,204
Net interest income	234,727	278,484
Income from associates using the equity method	6,901	3,605
Other income from securities and associates	14,187	7,339
Income from securities and associates	21,088	10,944
Commission income	224,170	236,968
Commission expense	7,384	6,484
Net commission income	216,786	230,484
Profit on financial transactions	50,925	16,433
Other income	17,455	16,041
Total income from operating activities	540,981	552,386
Expenses		
Staff costs	246,841	224,753
Other administrative expenses	181,636	164,697
Staff costs and other administrative expenses	428,477	389,450
Depreciation and amortisation	30,719	37,006
Operating expenses	459,196	426,456
Addition to loan loss provision	113,365	61,090
Other impairments	144,656	18,304
Impairments	258,021	79,394
Total expenses	717,217	505,850
Operating result before tax	-176,236	46,536
Income tax	-20,871	6,211
Net result from continuing operations	-155,365	40,325
Discontinued operations	-	2,802
Net result	-155,365	43,127



SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2012

(€ thousand)

	2012	2011
Opening balance	1,565,868	1,784,895
Net result for the year	-155,365	43,127
Revaluation of shares, investments and derivatives (other comprehensive income)	19,479	-1,756
Dividends	-25,058	-38,392
Movements by virtue of share option plan	793	1,735
Repurchased equity instruments	-	-264,451
Acquisition of/change in minority interests	127	946
Others	-160	39,764
Closing balance	1,405,684	1,565,868

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT FOR 2012

(€ thousand)

	2012	2011
Cash and cash equivalents at 1 January	1,210,702	388,997
Net cash flow from operating activities	144,697	588,552
Net cash flow from discontinued operations	-	-6,250
Net cash flow from investing activities	-65,796	394,747
Net cash flow from financing activities	381,022	-155,344
Cash and cash equivalents at 31 December	1,670,625	1,210,702



SEGMENT INFORMATION

Operating segments 2012 (€ million)	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other activities	Total
Statement of income					
Interest income	792.1	-	3.3	124.6	920.0
Interest expense	471.5	-	1.0	212.8	685.3
Net interest income	320.6	-	2.3	-88.2	234.7
Income from securities and associates	-1.0	-	-	22.1	21.1
Commission income	123.6	59.7	38.5	2.4	224.2
Commission expense	5.6	-	1.6	0.2	7.4
Net commission income	118.0	59.7	36.9	2.2	216.8
Profit on financial transactions	15.6	-	1.1	34.2	50.9
Other income	-	-	-	17.5	17.5
Total income from operating activities	453.2	59.7	40.3	-12.2	541.0
Of which income from other segments	12.5	-9.7	5.1	-7.9	-
Staff costs	156.9	30.8	24.1	35.0	246.8
Other administrative expenses	136.5	10.6	7.5	27.1	181.7
Depreciation and amortisation	23.6	3.2	5.5	-1.6	30.7
Impairments	227.3	-	0.5	30.2	258.0
Total expenses	544.3	44.6	37.6	90.7	717.2
Operating result before tax	-91.1	15.1	2.7	-102.9	-176.2
Income tax	-2.9	5.7	-0.4	-23.2	-20.8
Net result from continuing operations	-88.2	9.4	3.1	-79.7	-155.4
Discontinued operations	-	-	-	-	-
Net result	-88.2	9.4	3.1	-79.7	-155.4
Efficiency ratio (%)	70%	75%	92%	-496%	85%
Staff (number of FTEs)	1,380	224	178	228	2,010
Statement of financial position					
Total assets	13,551.2	107.4	409.9	3,919.2	17,987.7
of which investments using the equity method	-	-	-	46.4	46.4
Total liabilities	12,128.7	138.6	85.5	4,229.2	16,582.0
Investments	7.9	0.1	-	2.5	10.5

Operating segments 2011 (€ million)	Private & Business Banking	Asset Management	Corporate Finance & Securities	Other activities	Total
Statement of income					
Interest income	979.8	-	3.3	99.7	1,082.8
Interest expense	610.7	-	-	193.5	804.2
Net interest income	369.1	-	3.3	-93.8	278.6
Income from securities and associates	1.2	-	-0.6	10.3	10.9
Commission income	138.7	49.3	48.9	0.1	237.0
Commission expense	5.1	-0.4	1.6	0.2	6.5
Net commission income	133.6	49.7	47.3	-0.1	230.5
Profit on financial transactions	10.4	-0.1	-3.5	9.6	16.4
Other income	-	-	-	16.0	16.0
Total income from operating activities	514.3	49.6	46.5	-58.0	552.4
Of which income from other segments	18.3	-11.5	5.8	-12.6	-
Staff costs	161.2	25.5	26.0	12.1	224.8
Other administrative expenses	138.9	9.5	10.0	6.3	164.7
Depreciation and amortisation	25.8	4.6	5.9	0.7	37.0
Impairments	67.6	-	1.2	10.6	79.4
Total expenses	393.5	39.6	43.1	29.7	505.9
Operating result before tax	120.8	10.0	3.4	-87.7	46.5
Income tax	27.8	3.4	0.9	-25.9	6.2
Net result from continuing operations	93.0	6.6	2.5	-61.8	40.3
Discontinued operations	-	-	-	2.8	2.8
Net result	93.0	6.6	2.5	-59.0	43.1
Efficiency ratio (%)	63%	80%	90%	-33%	77%
Staff (number of FTEs)	1,547	198	191	234	2,170
Statement of financial position					
Total assets	14,763.9	90.3	410.8	3,188.5	18,453.5
Of which investments using the equity method	-	-	-	44.0	44.0
Total liabilities	14,151.7	117.5	125.6	2,492.9	16,887.7
Investments	6.0	0.1	0.5	9.2	15.8



DISCLAIMER

Forward-looking statements

This press release 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 or income 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. The financial data regarding forward-looking statements concerning future events included in this document have not been audited.