



## PRESS RELEASE

### Van Lanschot: net profit rises in first half of 2013

- **Net profit rises to € 33.7 million in first six months (H1 2012: € 10.5 million) thanks to higher commission income and substantial cost savings**
- **Underlying net profit excluding non-recurring charges € 37.7 million (H1 2012: €19.6 million)**
- **Solid capital base strengthened substantially: Core Tier I ratio up from 11.0% to 12.5%**
- **Client assets slightly down on balance at € 51.3 billion (year-end 2012: € 52.3 billion)**

*'s-Hertogenbosch, the Netherlands, 13 August 2013*

Van Lanschot today presents its results for the first six months of this year.

Karl Guha, Chairman of the Board of Managing Directors of Van Lanschot: "The recovery in profit in the first half of 2013 is encouraging, particularly in view of the continuing difficult economic conditions. This result was largely attributable to higher securities commission and a 7% fall in operating expenses.

The interest margin improved slightly compared with the second half of last year owing to factors such as loan repayments and lower savings rates. Our private and business banking clients continued to use savings and deposits to repay mortgages and other loans. In addition, clients are increasingly inclined to invest rather than save, in part prompted by the low deposit rates.

Higher loan repayments and the shift towards investments led to a fall in client assets, which was partly offset by the inflow of new asset management mandates from private and institutional clients. Consequently, total assets under management rose to € 41.2 billion. Our clients' preference for discretionary mandates is reflected in higher management fees. The asset management and merchant banking activities made a good contribution to profit in the first half of the year.

The loan portfolio continued to decline as private and business banking clients repaid their loans. The addition to the loan loss provision, which amounted to € 41.5 million, is significantly lower than the second half of 2012 and is in line with the same period last year. The challenging economic climate in the Netherlands has meant that, for several years now, our loan losses have been at elevated levels compared with prior periods. However, they now seem to have stabilised.

The bank's solid profile is evidenced by its strong capital base and comfortable liquidity position. There was a substantial rise in the Core Tier I ratio, which stood at 12.5%, compared with 11.0% at year-end 2012. We are therefore on track to achieve our long-term objective of a Core Tier I ratio of at least 15%. Our robust capital base is also reflected in a leverage ratio of 7.5%, which is strong compared with other Dutch banks. The bank also continues to focus on diversifying its funding profile, in order to achieve a balanced funding mix that draws on a range of sources. In the first half of this year we carried out a number of funding transactions on the wholesale market, including a 5-year unsecured bond and the securitisation of part of the mortgage portfolio.

The bank is making good progress with the implementation of the strategy announced in May, which is aimed at strengthening our position as an independent, specialised wealth manager. This autumn will see the launch of our new personal banking service model, which will also result in the expansion of our online services in the areas of asset management, investment advice and savings. The establishment of the new Corporate Banking business unit, which will be responsible for running off the corporate loan portfolio, is well underway. The cost reduction programme is also progressing well, partly as a consequence of a further reduction of the workforce."



### H1 2013 HIGHLIGHTS

- Net profit € 33.7 million (H1 2012: € 10.5 million); underlying net profit (excluding non-recurring charges) € 37.7 million (H1 2012: € 19.6 million)
- Earnings per share € 0.71 (H1 2012: € 0.23)
- Income from operating activities € 277.4 million (H1 2012: € 268.1 million)
- Interest income € 109.6 million (H1 2012: € 127.3 million); interest margin 1.24% (H1 2012: 1.38%; H2 2012: 1.20%)
- Commission income increases to € 119.5 million (H1 2012: € 108.3 million); recurring commission<sup>1</sup> makes up 75% of total securities commission (H1 2012: 75%)
- Total costs down 7% to € 187.2 million (H1 2012: € 201.2 million) thanks to cost saving measures
- Addition to loan loss provision stable at € 41.5 million (H1 2012: € 41.8 million)

### SOLID BALANCE SHEET RATIOS AT 30 JUNE 2013

- Strong capital position: Core Tier I ratio 12.5% at 30 June 2013 (year-end 2012: 11.0%)
- Leverage ratio<sup>2</sup> 7.5% (year-end 2012: 7.0%)
- Highly diversified funding profile: loan portfolio is chiefly financed by savings and deposits (funding ratio<sup>3</sup>: 77.5%)

### CLIENT ASSETS

Total client assets fell slightly, from € 52.3 billion at year-end 2012 to € 51.3 billion at 30 June 2013. This was partly attributable to a decline in savings and deposits, caused among other things by the maturity of the premium deposit (the *Jubileumdeposito* celebrating the 275<sup>th</sup> anniversary of the bank) earning a relatively high rate which the bank did not extend. There has been fierce competition in the savings market for a number of years owing to the structural shortage of private savings compared with the total mortgage debt in the Netherlands. Against this backdrop, Van Lanschot is deliberately not a price leader on the savings market. Savings balances were also used by our clients for loan repayments and investments.

Asset Management once again succeeded in attracting new institutional mandates. Private clients continue to opt for discretionary mandates, with assets under discretionary management accounting for 38% of total assets under management at Private & Business Banking at 30 June 2013 (31 December 2012: 36%). The outflow related primarily to custody deposits with relatively low fees. Furthermore, the closure of the offices in Luxembourg and Curacao resulted in a decrease in client assets. A sharp fall in the equity markets in June 2013 resulted in a negative market performance of € 0.1 billion for the first six months of the year.

(x € billion)			
	30-06-2013	31-12-2012	
<b>Client assets</b>	<b>51.3</b>	<b>52.3</b>	<b>-2%</b>
Assets under management	41.2	40.9	1%
Savings and deposits	10.1	11.4	-11%
<b>Assets under management</b>	<b>41.2</b>	<b>40.9</b>	<b>1%</b>
Private & Business Banking	18.3	18.7	-2%
- of which net inflow of new money	-0.4	-1.9	
Asset Management	22.9	22.2	3%
- of which net inflow of new money	0.8	2.3	
<b>Savings and deposits</b>	<b>10.1</b>	<b>11.4</b>	<b>-11%</b>
Savings	7.4	7.8	-5%
Deposits	2.7	3.6	-25%

<sup>1</sup> Recurring commission comprises management fees, portfolio commission and custody fees

<sup>2</sup> The leverage ratio is the ratio of equity attributable to shareholders to total assets

<sup>3</sup> The funding ratio is the extent to which the loan portfolio is financed by customer savings and deposits



## KEY DATA

<i>(x € million)</i>					
	H1 2013	H2 2012 <sup>4</sup>		H1 2012 <sup>5</sup>	
<b>Statement of income</b>					
Income from operating activities	277.4	257.2	8%	268.1	3%
Operating expenses	187.2	196.1	-5%	201.2	-7%
Gross result before non-recurring charges	90.2	61.1	48%	66.9	35%
Non-recurring charges	6.1	35.4	-83%	10.7	-43%
Impairments	46.5	189.2	-75%	46.2	1%
Operating profit before tax	37.6	-163.5	-	10.0	-
Net profit	33.7	-157.8	-	10.5	-
Underlying net profit	37.7	-8.5	-	19.6	92%
Efficiency ratio excluding non-recurring charges (%)	67.5	76.2		75.0	
<i>(x € million)</i>					
	30-6-2013	31-12-2012	30-6-2012		
<b>Balance sheet and capital management</b>					
Equity attributable to shareholders	1,274	1,262	1%	1,453	-12%
Equity attributable to minority interests	56	53	6%	51	10%
Savings and deposits	10,142	11,369	-11%	11,942	-15%
Loans and advances to customers	13,086	13,464	-3%	13,994	-6%
Total assets	17,054	17,941	-5%	18,410	-7%
Funding ratio (%)	77.5	84.4		85.3	
Risk-weighted assets	9,505	10,535	-10%	11,050	-14%
Core Tier I ratio (%)	12.5	11.0		11.0	
Tier I ratio (%)	12.5	11.0		11.0	
BIS total capital ratio (%)	13.4	11.9		12.1	
Leverage ratio (%)	7.5	7.0		7.9	
<i>(x € billion)</i>					
	30-6-2013	31-12-2012	30-06-2012		
<b>Client assets</b>					
Client assets	51.3	52.3	-2%	49.4	4%
- Assets under management	41.2	40.9	1%	37.5	10%
- Savings and deposits	10.1	11.4	-11%	11.9	-15%
Assets under management	41.2	40.9	1%	37.5	10%
- Discretionary	29.8	29.0	3%	25.2	18%
- Non-discretionary	11.4	11.9	-4%	12.3	-7%
<i>(x € billion)</i>					
	30-6-2013	31-12-2012	30-06-2012		
<b>Key figures</b>					
Weighted average number of outstanding ordinary shares (x 1,000)	40,891	40,891		40,865	
Earnings per share based on average number of ordinary shares (€)	0.71	-3.90		0.23	
Return on average Core Tier I capital <sup>6</sup> (%)	5.0	-26.8		1.5	
Number of staff (FTEs) <sup>7</sup>	1,871	1,862		1,908	

<sup>4</sup> The revised IAS 19 applies to all financial statements as from 1 January 2013. The new standard has consequences for the accounting treatment of employee benefits, including the disclosure of the provision for pensions in the interim report. The new standard has been applied with retroactive effect in the interim financial statements. The comparative figures in this document have been restated accordingly.

<sup>5</sup> The banking activities in Curaçao and the trust business in the Netherlands, Curaçao and Jersey were classified as held for sale in the 2012 interim report. These operations were ultimately closed down rather than being sold. The statement of income at 30 June 2012 has been restated accordingly.

<sup>6</sup> Annualised on the basis of half-year data

<sup>7</sup> Number of FTEs excluding non-strategic investments; including additional 54 FTEs following the insourcing of IT activities

**RESULTS***(x € million)*

	H1 2013	H2 2012		H1 2012	
Interest	109.6	109.2	0%	127.3	-14%
Income from securities and associates	11.8	7.5	57%	13.6	-13%
Commission	119.5	108.5	10%	108.3	10%
Profit on financial transactions	36.5	32.0	14%	18.9	93%
<b>Income from operating activities</b>	<b>277.4</b>	<b>257.2</b>	<b>8%</b>	<b>268.1</b>	<b>3%</b>
Staff costs	111.7	104.2	7%	102.9	9%
Other administrative expenses	64.5	76.2	-15%	81.4	-21%
Depreciation and amortisation	11.0	15.7	-30%	16.9	-35%
<b>Operating expenses</b>	<b>187.2</b>	<b>196.1</b>	<b>-5%</b>	<b>201.2</b>	<b>-7%</b>
<b>Gross result before non-recurring charges</b>	<b>90.2</b>	<b>61.1</b>	<b>48%</b>	<b>66.9</b>	<b>35%</b>
Non-recurring charges	6.1	35.4	-83%	10.7	-43%
<b>Gross result after non-recurring charges</b>	<b>84.1</b>	<b>25.7</b>	<b>-</b>	<b>56.2</b>	<b>50%</b>
Addition to loan loss provision	41.5	73.4	-43%	41.8	-1%
Other impairments	5.0	115.8	-96%	4.4	14%
<b>Impairments</b>	<b>46.5</b>	<b>189.2</b>	<b>-75%</b>	<b>46.2</b>	<b>1%</b>
<b>Operating profit before tax</b>	<b>37.6</b>	<b>-163.5</b>	<b>-</b>	<b>10.0</b>	<b>-</b>
<b>Operating profit before tax of non-strategic investments<sup>8</sup></b>	<b>0.2</b>	<b>-12.8</b>	<b>-</b>	<b>0.9</b>	<b>-78%</b>
Income tax	4.1	-18.5	-	0.4	-
<b>Net profit</b>	<b>33.7</b>	<b>-157.8</b>	<b>-</b>	<b>10.5</b>	<b>-</b>
<b>Underlying net profit excluding non-recurring charges</b>	<b>37.7</b>	<b>-8.5</b>	<b>-</b>	<b>19.6</b>	<b>92%</b>

*(x € million)*

	H1 2013	H2 2012		H1 2012	
<b>Underlying net profit excluding non-recurring charges</b>	<b>37.7</b>	<b>-8.5</b>	<b>-</b>	<b>19.6</b>	<b>92%</b>
Non-recurring charges	-6.1	-35.4	-83%	-10.7	-43%
Impairment on goodwill and intangible assets	-	-126.6	-	-	-
Tax effect	2.1	12.7	-83%	1.6	31%
<b>Net profit</b>	<b>33.7</b>	<b>-157.8</b>	<b>-</b>	<b>10.5</b>	<b>-</b>

<sup>8</sup> A number of non-strategic investments have been included in the consolidated figures of Van Lanschot since 2009. 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 wealth management strategy.

**ADDITIONAL INFORMATION**

For additional information, please visit [www.vanlanschot.nl/aboutvanlanschot](http://www.vanlanschot.nl/aboutvanlanschot).

**FINANCIAL REPORT / PRESENTATION**

For a detailed explanation of the results and balance sheet of Van Lanschot NV, reference is made to the financial report and the presentation on the 2013 half-year results at [www.vanlanschot.nl/results2013](http://www.vanlanschot.nl/results2013).

**2013 INTERIM FINANCIAL STATEMENTS OF F. VAN LANSCHOT BANKIERS NV**

The 2013 interim financial statements of F. Van Lanschot Bankiers NV are available online at [www.vanlanschot.nl/reportsfvlbankiers](http://www.vanlanschot.nl/reportsfvlbankiers).

**KEY DATES 2013**

Publication of trading update for third quarter of 2013

8 November 2013

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**Media Relations:** +31 73 548 35 25; [mediarelations@vanlanschot.com](mailto:mediarelations@vanlanschot.com)

**Investor Relations:** +31 73 548 33 50; [investorrelations@vanlanschot.com](mailto:investorrelations@vanlanschot.com)

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, a wealth manager operating under the Van Lanschot and Kempen & Co brand names, is active in private banking, asset management and merchant banking, with the aim of preserving and creating wealth for its clients. Van Lanschot NV is listed on Euronext Amsterdam.

**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 and the like. The financial data regarding forward-looking statements concerning future events included in this document have not been audited.