

## PRESS RELEASE

### Van Lanschot trading update: first quarter of 2016

- **Net profit comes in at €14.0 million (Q1 2015: €28.9 million)**
- **Unfavourable market conditions at the start of the year and lower returns on investment portfolio result in lower income in Q1**
- **Sizeable drop in loan loss provisioning to €3.4 million (Q1 2015: €15.3 million)**
- **Assets under management up 5% to €52.7 billion (year-end 2015: €50.2 billion) thanks to €2.3 billion net inflow at Asset Management**
- **Solid capital base: Common Equity Tier I ratio<sup>1</sup> sharply up at 16.9%**

*'s-Hertogenbosch, the Netherlands, 26 April 2016*

Van Lanschot today publishes a detailed trading update for the first quarter of 2016, while at the same time releasing a strategy update, which will be presented via a webcast on the Van Lanschot website this afternoon.

Constant Korthout, Chief Financial & Risk Officer at Van Lanschot, comments: "We are happy with the quality of our income, which derived almost entirely from commission and interest this quarter with commission income again accounting for the largest proportion. Another positive is the steep fall in loan loss provisioning: a very low €3.4 million in the quarter.

"Despite the volatile start of the year in the world's financial markets, our securities commission was only 6% below the year-earlier figure, at €50 million. Higher management fees partly offset the – expected – drop in transaction fees. In fact, activity in the capital markets was significantly down across Europe at the start of 2016 and this pushed other commission income, which is mainly generated by Merchant Banking, down to €8.4 million. Merchant Banking was a party to capital market transactions in its selected niches in the quarter, such as the private placements of France's Nanobiotix and Germany's TAG Immobilien.

"Our interest income added 11% to €56.0 million, as amortisation charges on discontinued interest hedges came in lower. The profit on financial transactions (consisting of sales profits and revaluation results relating to our investment portfolio among other items) was significantly lower than last year, when a large gain was realised. Operating expenses fell by 5% to €93.3 million thanks to lower staff costs.

"Client assets of both private individuals and institutional clients advanced from €62.6 billion to €64.3 billion, while our assets under management were 5% higher at €52.7 billion (up from €50.2 billion) on the back of net inflows of €2.3 billion mainly from two major mandates won by Kempen Capital Management. Despite stock market jitters in January and February, our Private Banking clients kept their eyes firmly trained on the longer term and AuM outflow was limited to less than €0.1 billion. In line with our funding strategy, savings contracted further to €9.3 billion, while assets under administration were down €0.5 billion to €2.3 billion.

"Corporate Bank's SME and real estate loan portfolio was run off further and currently stands at €1.7 billion. This made for another positive showing for our capital position: the phase-in Common Equity Tier I ratio<sup>1</sup> climbed further, to 16.9%. Our fully loaded Common Equity Tier I ratio<sup>1</sup> was also up, at 16.4%, while our leverage ratio<sup>2</sup> has held firm at 6.3%."

<sup>1</sup> Excluding retained earnings for the current financial year.

<sup>2</sup> Fully loaded, excluding retained earnings for the current financial year.

### KEY DATA<sup>3</sup>

(x € million)	Q1 2016	Q1 2015	
<b>Statement of income</b>			
Net result	14.0	28.9	-52%
Efficiency ratio excluding one-off gains/charges (%)	82.2	66.0	

(x € million)	31-03-2016	31-12-2015	
<b>Statement of financial position and capital management</b>			
Equity attributable to shareholders	1,310	1,299	1%
Equity attributable to minority interests	13	21	-39%
Savings and deposits	9,300	9,572	-3%
Loans and advances to clients	10,123	10,168	0%
Total assets	15,570	15,496	0%
Funding ratio (%)	91.9	94.1	
<b>Risk-weighted assets<sup>4</sup></b>	6,178	6,431	-4%
Common Equity Tier I ratio (%) <sup>4</sup>	16.9	16.3	
Tier I ratio (%) <sup>4</sup>	16.9	16.3	
Total capital ratio (%) <sup>4</sup>	17.7	17.0	
<b>Basel III</b>			
Common Equity Tier I ratio (%) (fully loaded) <sup>4</sup>	16.4	15.4	
Liquidity coverage ratio (%) (delegated act)	146.7	139.5	
Net stable funding ratio (%)	118.6	118.1	
Leverage ratio (%) (fully loaded) <sup>4</sup>	6.3	6.1	

(x € billion)	31-03-2016	31-12-2015	
<b>Client assets</b>			
- Assets under management	64.3	62.6	3%
- Assets under administration	52.7	50.2	5%
- Savings and deposits	2.3	2.8	-18%
- Assets under management	9.3	9.6	-3%
- Discretionary	52.7	50.2	5%
- Non-discretionary	44.7	41.9	7%
	8.1	8.4	-4%

	Q1 2016	Q1 2015	
<b>Key figures</b>			
Weighted number of outstanding ordinary shares (x 1,000)	40,974	40,826	0%
Underlying earnings per share (€)	0.32	0.63	-49%
Return on average Common Equity Tier I capital (%) <sup>5</sup>	5.1	9.4	
Number of staff (FTEs) <sup>6</sup>	1,649	1,666	-1%

<sup>3</sup> This trading update is slightly more detailed than usual because of the strategy update also presented today. Total figures may not add up exactly, due to rounding. Percentage changes are calculated from unrounded figures.

<sup>4</sup> At 31 March 2016 excluding retained earnings; at 31 December 2015 including retained earnings.

<sup>5</sup> Annualised.

<sup>6</sup> FTE numbers as at 31 March 2016 and 31 December 2015 and excluding non-strategic investments.

## RESULTS

(€ million)	Q1 2016	Q1 2015	
Commission	58.4	68.1	-14%
- Of which securities commission	50.0	53.4	-6%
- Of which other commissions	8.4	14.8	-43%
Interest	56.0	50.5	11%
Income from securities and associates	1.3	8.0	-84%
Result on financial transactions	-2.2	22.0	-110%
<b>Income from operating activities</b>	<b>113.5</b>	<b>148.6</b>	<b>-24%</b>
Staff costs	52.3	55.8	-6%
Other administrative expenses	37.8	38.3	-1%
Depreciation and amortisation	3.3	4.0	-18%
<b>Operating expenses</b>	<b>93.3</b>	<b>98.2</b>	<b>-5%</b>
<b>Gross result before one-off gains/charges</b>	<b>20.1</b>	<b>50.5</b>	<b>-60%</b>
One-off gains/charges (-)	-0.6	-0.4	62%
<b>Gross result after one-off gains/charges</b>	<b>19.5</b>	<b>50.1</b>	<b>-61%</b>
<b>Gross result before tax of non-strategic investments<sup>7</sup></b>	<b>2.2</b>	<b>2.7</b>	<b>-16%</b>
Addition to loan loss provision	3.4	15.3	-78%
Other impairments	0.4	0.4	25%
<b>Impairments</b>	<b>3.8</b>	<b>15.7</b>	<b>-76%</b>
<b>Operating result before tax</b>	<b>17.9</b>	<b>37.0</b>	<b>-52%</b>
Income tax	3.9	8.1	-52%
<b>Net result</b>	<b>14.0</b>	<b>28.9</b>	<b>-52%</b>

<sup>7</sup> The consolidated figures include a number of non-strategic investments which Van Lanschot intends to sell in due course as these do not fit into its wealth management strategy. Gross results from non-strategic investments are recognised before tax.

## **ADDITIONAL INFORMATION**

For additional information, including a presentation on our 2016 Q1 trading update, please visit <https://corporate.vanlanschot.nl/results>.

## **2016 FINANCIAL CALENDAR**

2016 Annual General Meeting of Shareholders	19 May 2016
Publication of 2016 half-year results	24 August 2016
Publication of 2016 Q3 trading update	4 November 2016

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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, 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.

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