



# Van Lanschot NV

Investor presentation  
January 2010

# Executive summary (I)

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## **Van Lanschot aims to be the best Private Bank in the Netherlands and Belgium**

- Offering high quality financial services to high net-worth individuals, director-owners and other select client groups
- Over 270 years of experience, and a reputable franchise in the Netherlands and Belgium
- Solid capital base, strong funding and liquidity
- Strong client focus
- Business strategy is constant and focused

# Executive summary (II)

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## **Van Lanschot did not and does not need any government support**

- Balance sheet has remained intact
- The balance sheet is used solely for client-related business (no CDOs, SIVs, etc): the client has always come first
- Effective risk management
- Mainly funded by customer deposits

**→ Van Lanschot's business model is capable of withstanding the crisis**

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## - Profile of Van Lanschot

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- Financial performance H1 2009 and trading update 2009
- Risk profile and asset quality
- Capital and funding
- Summary

# Evolution into an independent Private Bank

1737

2010

1737  
Established as  
a trading  
house in  
's-Hertogenbosch

29-6-1999  
Listed on  
Euronext  
Amsterdam

**LANS**  
**LISTED**  
NYSE  
EURONEXT

30-9-2004  
Acquisition  
of  
CenE Bankiers

CEN E  BANKIERS

2006  
Strategy  
to be the best  
Private Bank  
in Netherlands  
and Belgium

Van Lanschot 

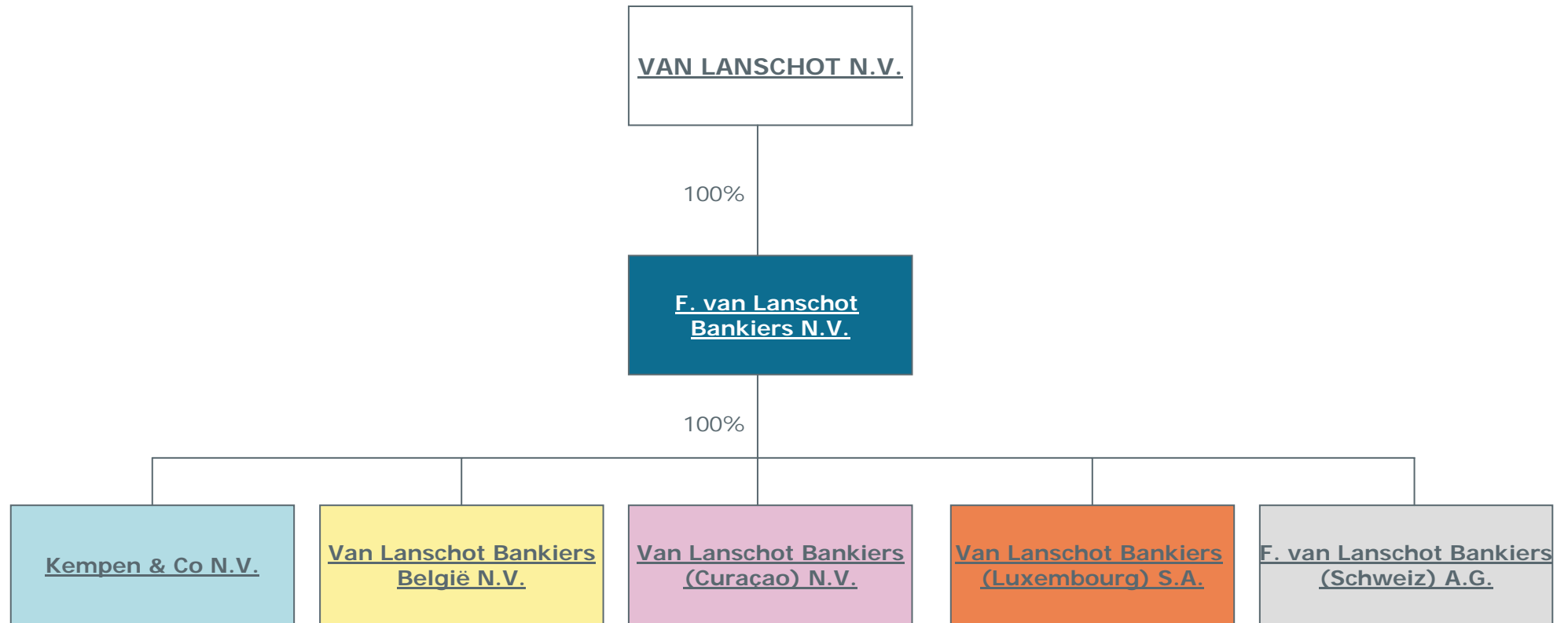
1-1-2007  
Acquisition  
of  
Kempen & Co

  
KEMPEN & CO  
Merchant Bank

30-11-2007  
Sale of 51% of  
insurance arm  
to De Goudse

2008  
Acquisition of  
ING Private  
Banking Curaçao  
and Buttonwood  
in Belgium

# Simplified legal structure of Van Lanschot NV



# Long-term shareholders

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- Delta Lloyd (31%) → shareholder since the early 70's
- Friesland Bank (25%) → shareholder since the mid-90's  
→ shareholder agreement terminated on 13 December 2009
- ABP (12%)
- Van Lanschot family (11%) → shareholder agreement with right to maintain shareholding at current level in the event of share issues and to nominate one member of the Supervisory Board
- SNS (5%)
- Management and staff (4%)

# Management structure

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## Board of Managing Directors

- Floris Deckers, Chairman (1950)
- Ieko Sevinga (1966)
- Arjan Huisman (1971) - appointment to be approved at AGM in May 2010

A vacancy currently exists for a new Board member who will be responsible for finance and risk; Els de Groot is currently acting as interim CFO

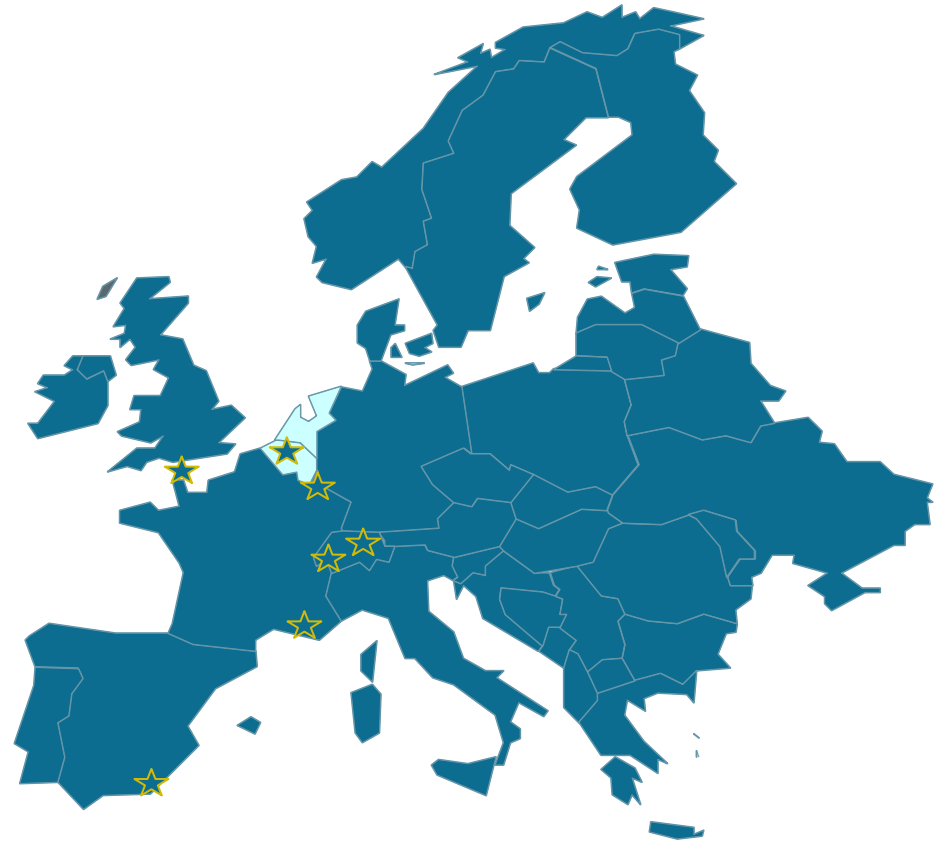
## Supervisory Board

- |  |  |
|--|--|
| ▪ Tom de Swaan, Chairman (1946)        | Former Board member of ABN AMRO                |
| ▪ Jos Streppel, Deputy Chairman (1949) | Former Board member of Aegon                   |
| ▪ Willy Duron (1945)                   | Honorary chairman of KBC Group                 |
| ▪ Godfried van Lanschot (1964)         | Independent investor                           |
| ▪ Truze Lodder (1948)                  | Director of Dutch Opera                        |
| ▪ Cees de Monchy (1950)                | Attorney and civil-law notary                  |
| ▪ Abel Slippens (1951)                 | Former Executive Chairman of Sligro Food Group |

# Office network

- 30 offices in the Netherlands
- 8 offices in Belgium
- Van Lanschot also has a presence in Switzerland, Luxembourg, Curacao and Jersey, and representative offices in France and Spain
- Around 2,000 employees

Neth. Antilles ★



# Van Lanschot's strategy

<b>Mission</b>	To offer high-quality financial services to high net-worth individuals, director-owners and other select client groups				
<b>Vision</b>	Van Lanschot aims to be the best private bank in the Netherlands and Belgium				
<b>Targets 2009-2013</b>	To be able to measure the achievement of its vision, Van Lanschot has formulated targets relating to clients and employees, and financial targets				
<b>Strategy</b>	<ol style="list-style-type: none"><li>1. Focus on private banking</li><li>2. Enhance commercial effectiveness</li><li>3. Invest continually in service quality</li><li>4. Maintain a solid profile</li></ol>				
<b>Core values</b>	<table><tr><td>Independent</td><td>Professional</td></tr><tr><td>Committed</td><td>Ambitious</td></tr></table>	Independent	Professional	Committed	Ambitious
Independent	Professional				
Committed	Ambitious				

# Business segments

Van Lanschot



## PRIVATE BANKING

- Integrated advisory services for private clients
  - Private banking (*up to € 1 million*)
  - Private wealth (*€ 1-5 million*)
  - Van Lanschot Kempen (*from € 5 million*)
  - International Wealth Management
  - Business professionals / Executives
- Van Lanschot Belgium
- International Private Banking
- Equity Management Services
- Trust

## ASSET MANAGEMENT

- Institutional asset management
- Fiduciary management
- Management of investment funds

## BUSINESS BANKING

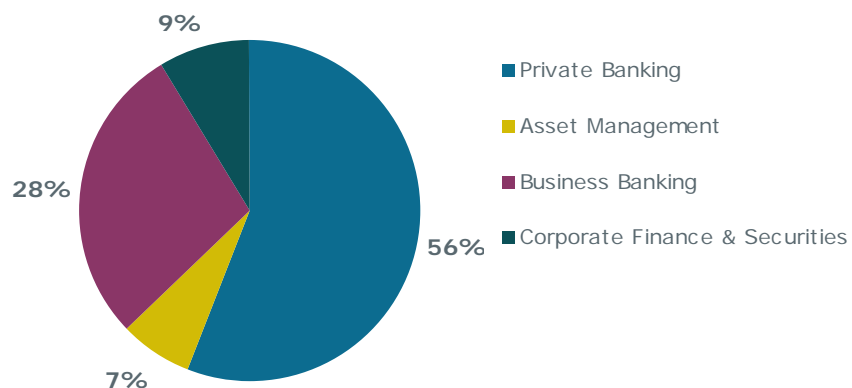
- Advisory services and financing for family businesses
- Participations
- Healthcare

## CORPORATE FINANCE & SECURITIES

- Mergers & acquisitions
- Capital markets
- Sales & trading
- Research

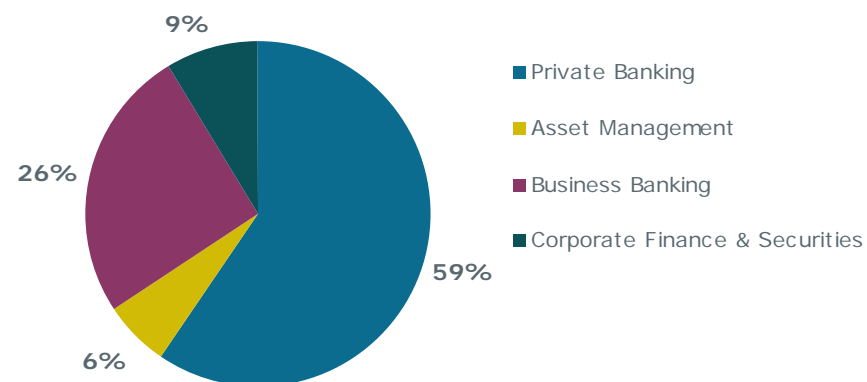


# Operating income by business segment



100%  
 Other activities  
 Total income from  
 operating activities

€ 569.6m  
€ (76.0)m  
€ 493.6m



100%  
 Other activities  
 Total income from  
 operating activities

€ 274.9m  
€ (16.0)m  
€ 258.9m

2008

H1 2009

# Key figures by segment

Amounts in € billion, at 30-06-2009

	PRIVATE BANKING	ASSET MANAGEMENT	BUSINESS BANKING	CORPORATE FINANCE & SECURITIES	OTHER ACTIVITIES
Employees (FTEs)	1,382	107	304	170	160
Assets under management	15.6	9.6			
Loan book	10.4		7.1		
Funds entrusted	11.0		3.7		
Total assets	10.9	0.2	7.6	0.3	2.1
Total liabilities	11.4	0.2	4.6	0.2	3.0

# Growth strategy

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- Private banking market (Assets under Management) in the Netherlands totals approx. € 150 billion: Van Lanschot's market share is some 10 - 12%
- Other restructuring banks will continue to be inward looking  
→ more opportunities for acquiring clients and bankers
- Focus on sales effectiveness
- Improved and transparent asset management product offering

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- Profile of Van Lanschot

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- **Financial performance H1 2009 and trading update 2009**

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- Risk profile and asset quality

- Capital and funding

- Summary

# Key figures H1 2009

	30-06-2009
Total assets	€ 20.9 billion
Loan book	€ 17.5 billion
Assets under management	€ 25.2 billion
Funding ratio	84.0%
Return on equity	-8.6%
BIS ratio	11.2%
Tier I ratio	9.2%
Core Tier I ratio	6.1%
Leverage ratio	14

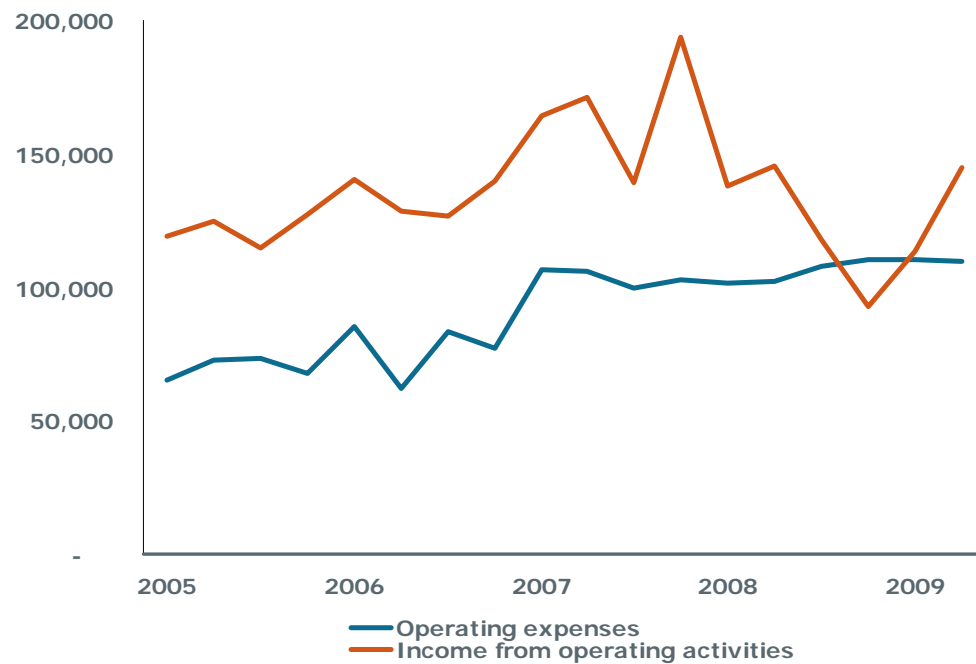
## Overview of results 2007 to H1 2009

x € million	H1 2009	2008	2007
Income from operating activities	258.9	493.6	648.0
Operating expenses	220.0	422.1	414.7
Gross result	38.9	71.5	233.3
Addition to loan loss provision	50.6	20.2	0.1
Other impairments	48.1	30.1	-
Operating result before tax	- 59.8	21.2	233.2
Tax	- 13.5	- 8.9	43.8
Discontinued operations	-	-	26.0
<b>Net result</b>	<b>- 46.3</b>	<b>30.1</b>	<b>215.4</b>
Efficiency ratio	85.0%	85.5%	64.0%

# Items impacting results

x € million	H1 2009	2008	2007
Addition to loan loss provision	50.6	20.2	-
Amortisation of IT project	34.5	20.5	-
Reorganisation provision	3.6	-	-
Impairment of in-house funds and shareholdings	13.6	-	-
Loss on equity portfolio	-	51.7	-
Obligation under deposit guarantee scheme (Icesave)	-	4.2	-
Release of pension provision	-	-8.5	-
Release of healthcare costs provision	-	-5.2	-
Amortisation of intangible assets	-	-	13.6

# Recovery in operating results from March / April



- Recovery continued in the second half of the year
- Improvement in interest margin due to falling saving and deposit rates
- Commission income helped by increased investor activity and higher share prices

Income from operating activities / operating expenses 2005 - H1 2009 (€ millions)

# Efficiency measures are delivering savings

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## Operating expenses

- Measures taken to reduce the cost base of the bank: selected mid-office activities centralised
- Workforce has been reduced to approximately 2,050 FTEs at year-end 2009, a reduction of around 9%
- Full impact of cost savings will be visible as from 2010

# Provisional results 2009

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## Recovery in income

- Net profit for H2 2009 of approximately € 31 million (H1 2009: net loss of € 46.3 million)
- Net loss for full year 2009 of approximately € 15 million
- Addition to loan loss provision in 2009 of around € 113 million, or 79 basis points of RWA
- Provision of € 7.6 million formed for obligation under deposit guarantee scheme in connection with DSB Bank

## Solid balance sheet

- Funding ratio at year-end 2009 of over 78%
- BIS ratio of nearly 12% at 31-12-2009
- Assets under management up 19% in 2009 to approximately € 29 billion

Full annual results for 2009 will be published on 12 March 2010

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# Sale of institutional healthcare portfolio

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**Sale reinforces the bank's strategy of focusing on private banking services to high net-worth individuals, entrepreneurs and their businesses**

- Sale of institutional healthcare portfolio
- Value of the portfolio € 550 million
- Transfer of part of portfolio in 2009 and remainder in 2010
- Sale increases capital ratios by between 25 to 40 basis points

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- Profile of Van Lanschot
  - Financial performance H1 2009 and trading update 2009

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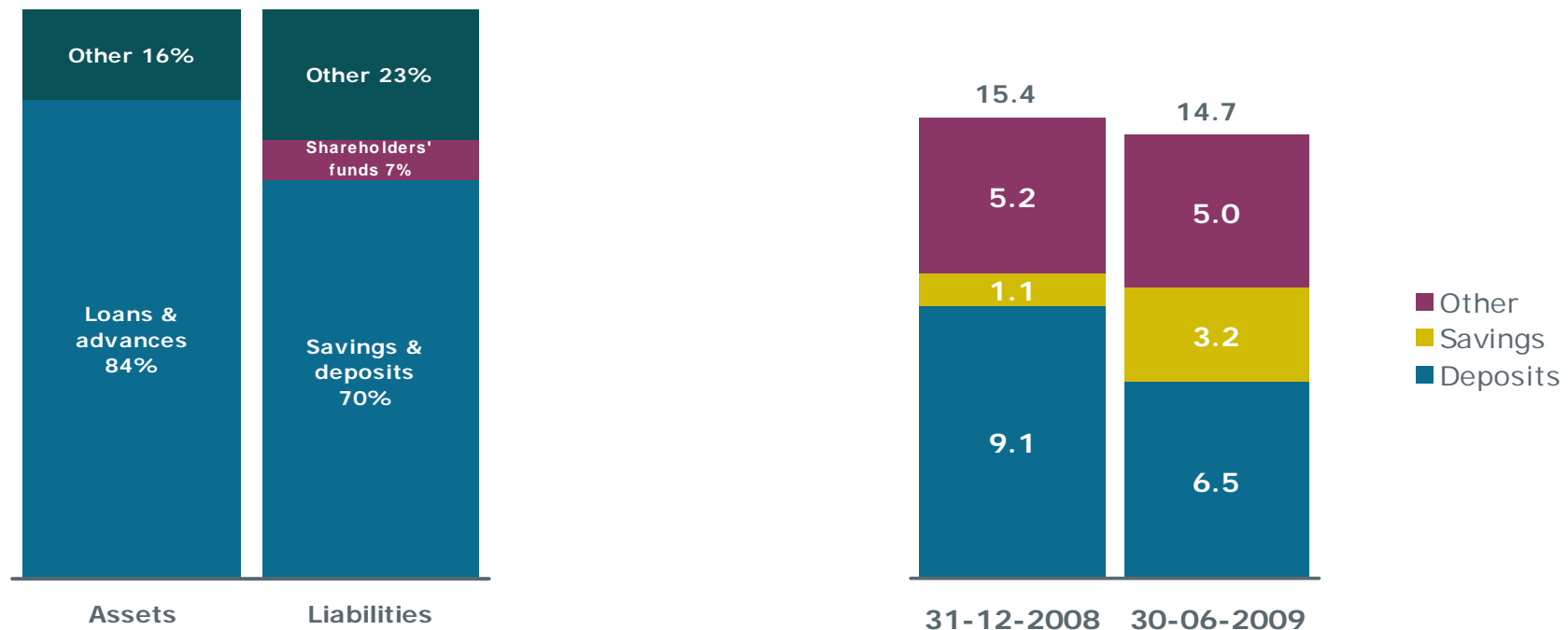
- **Risk profile and asset quality**

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- Capital and funding
- Summary

# Solid balance sheet

- Balance sheet does not contain complex financial investments
- Loan book largely financed by customer savings and deposits

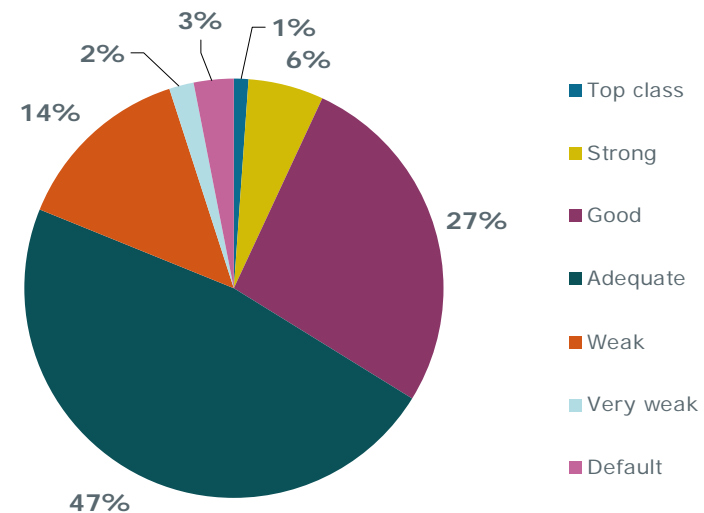
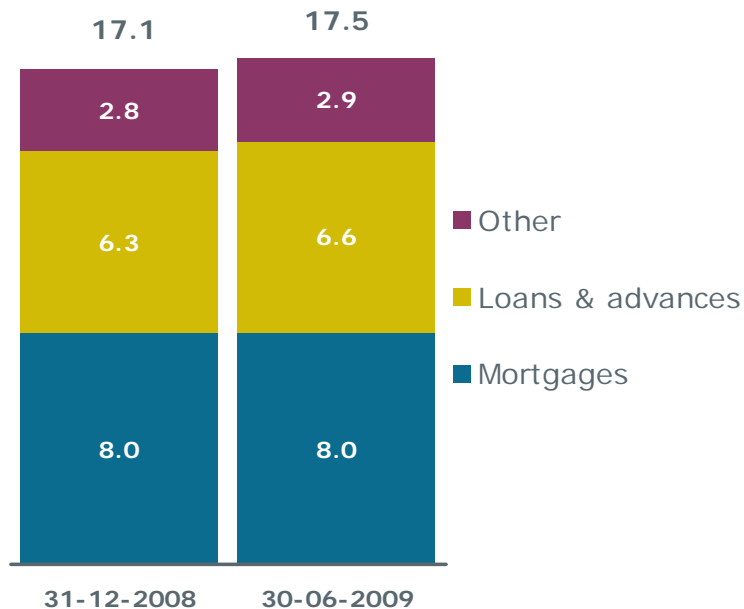


Balance sheet as at 30-06-2009

Savings and deposits at 30-06-2009 (€ billion)

# Total loan book

- Total loan book up €0.4 billion in H1 2009
- Mortgages granted mainly to HNWIs as part of full service offering
- Total addition to provision for loan losses in H1 2009 € 50.6 million (35 bp)

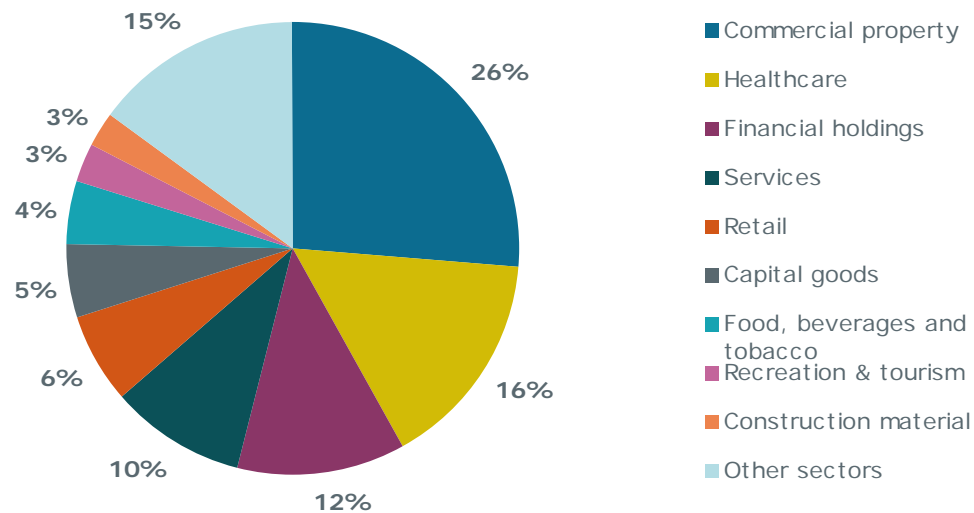


Loan book at 30-06-2009 (€ billion)

Internal credit rating for loan book (excl. mortgages) at 30-06-2009

# Corporate loan book

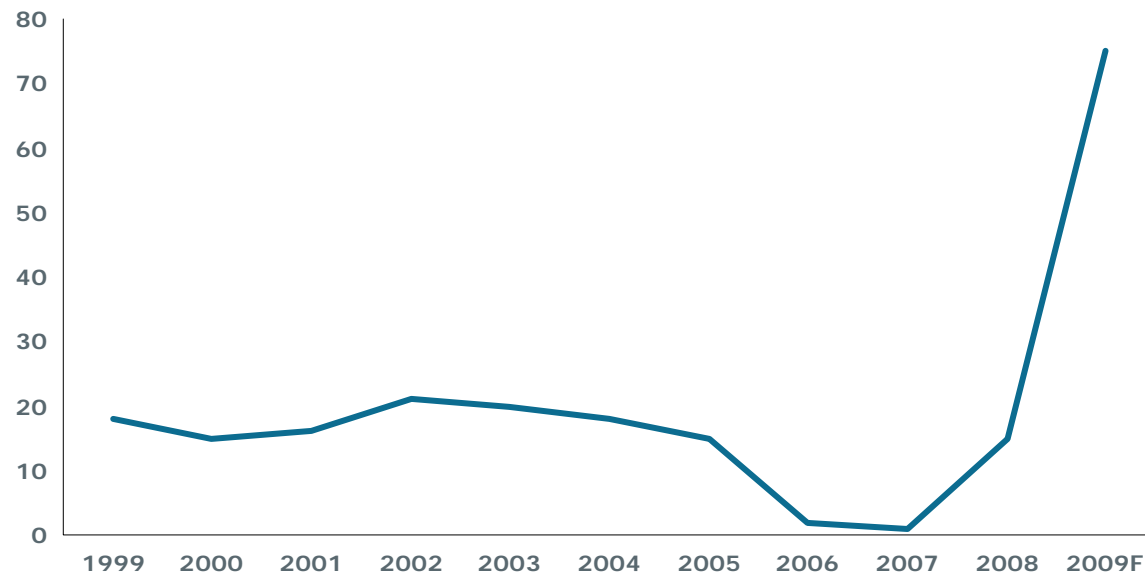
- Corporate loan book € 7.1 billion (face value)
- Corporate lending to director and family-owned businesses
- Impact of the recession is being felt by many entrepreneurs



Corporate loans by sector at 30-06-2009

# Historically low loan losses

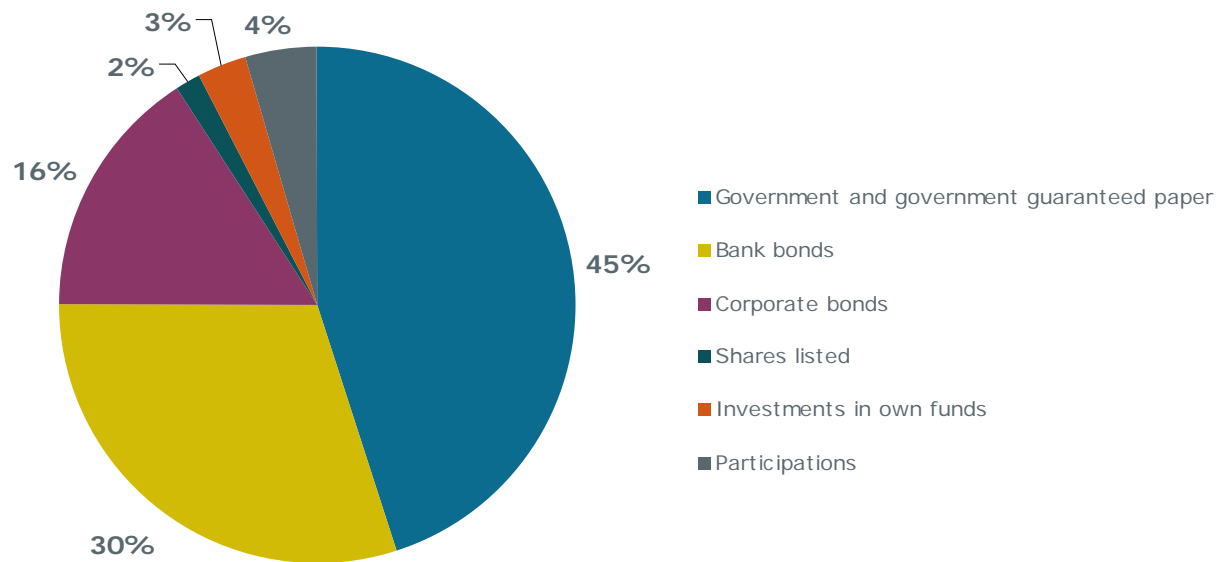
- Strict lending procedures and strong governance of credit risk
- Losses on loan book historically low



Addition to loan loss provisions 1999 – 2009F (bps of RWA)

# Investment portfolio

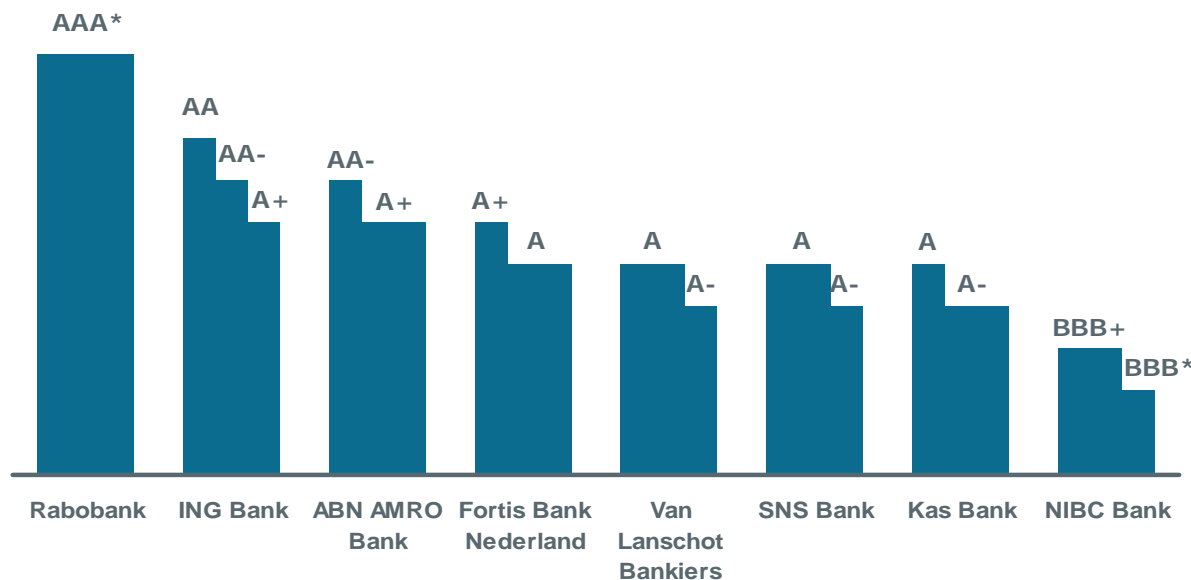
- Investment portfolio: €860 million
- No investments in CDOs, SIV, subprime sector
- 58% triple-A rating, 21% double-A rating, 11% single-A rating



Investment portfolio at 30-06-2009

# Credit ratings

- **Van Lanschot: A minus, stable outlook from S&P and Fitch**
- **S&P** “We believe that liquidity will remain strong. Van Lanschot continues to maintain its strong funding profile and sustain its deposit base in the competitive environment”



- **Fitch** “Van Lanschot’s ratings continue to take into account the bank’s well-established domestic niche banking franchise, limited risk appetite, adequate liquidity and acceptable capitalisation”

Credit rating history (S&P) of Dutch banks from 2008

\* Negative outlook

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- Profile of Van Lanschot
  - Financial performance H1 2009 and trading update 2009
  - Risk profile and asset quality

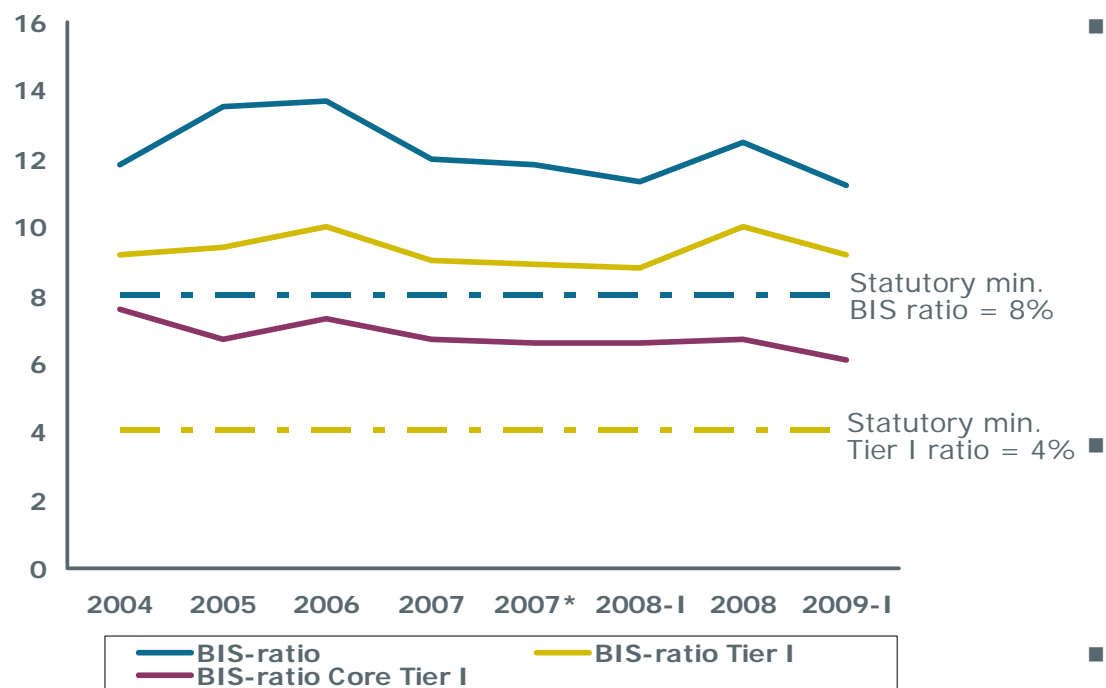
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- **Capital and funding**

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- Summary

# Development of capital base



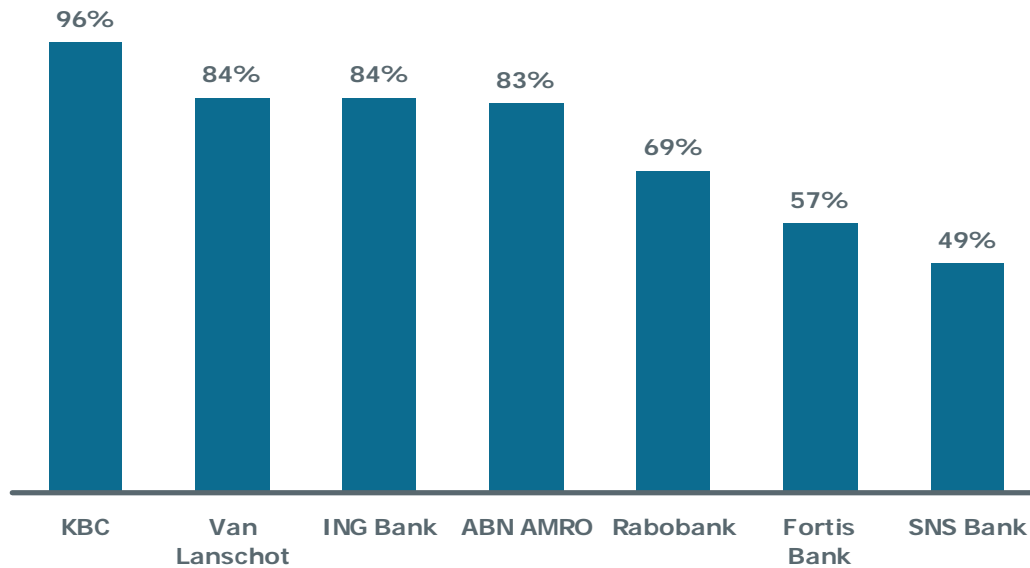
\* 2007 restated in accordance with Basel II

## Development of capital ratios (%)

- Ratios under standardised approach
- New capital raised in 2008:
  - € 100 million Lower Tier II capital in August
  - € 150 million preference share capital raised from new and existing shareholders (Tier I capital) in December
- Preference shares issued at more favourable conditions than state support
- Risk weighted assets at 30-6-2009 € 14.4 billion

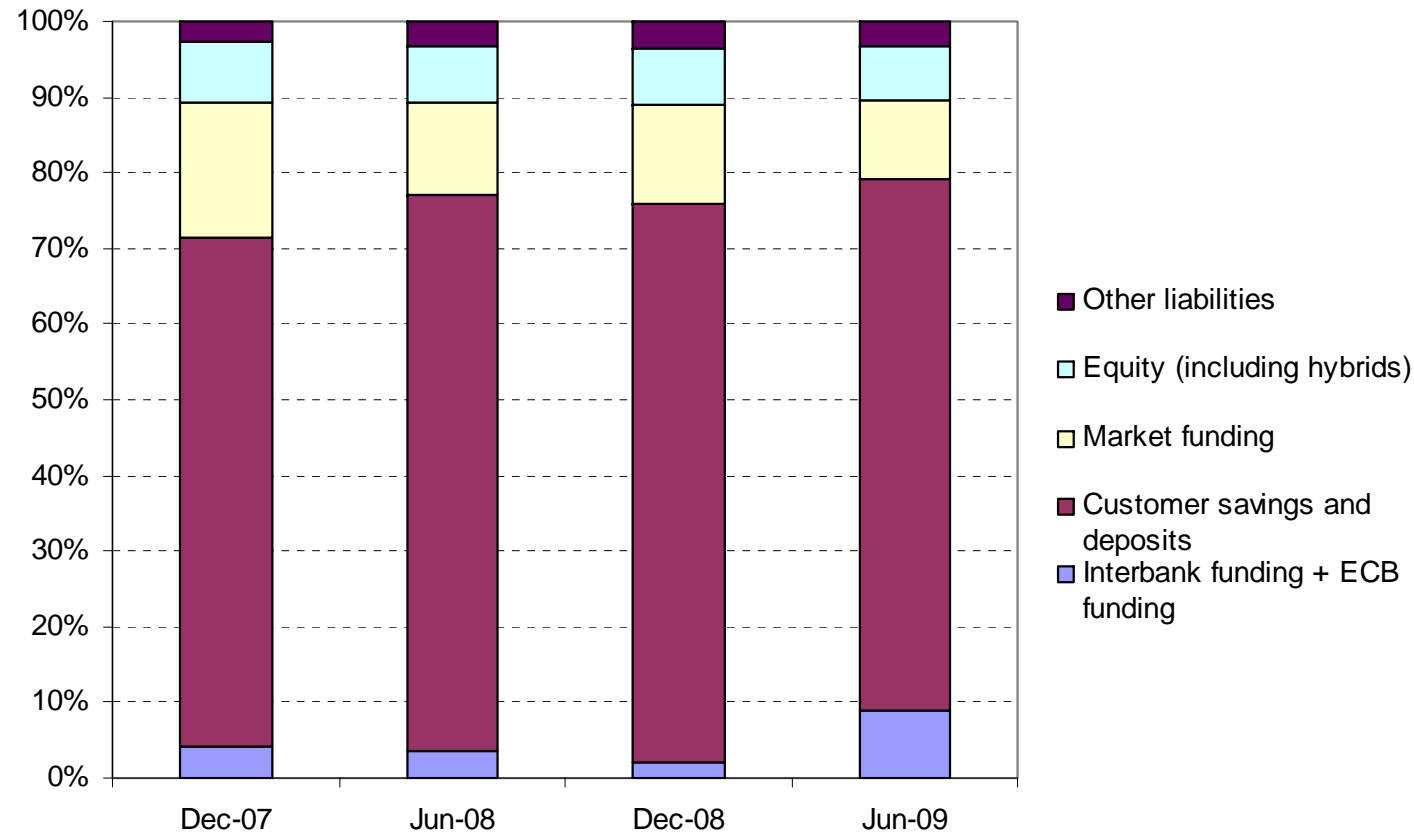
# Solid funding

- Van Lanschot has one of the highest funding ratios of the Benelux banks



Funding ratio at 30-6-09 (%)

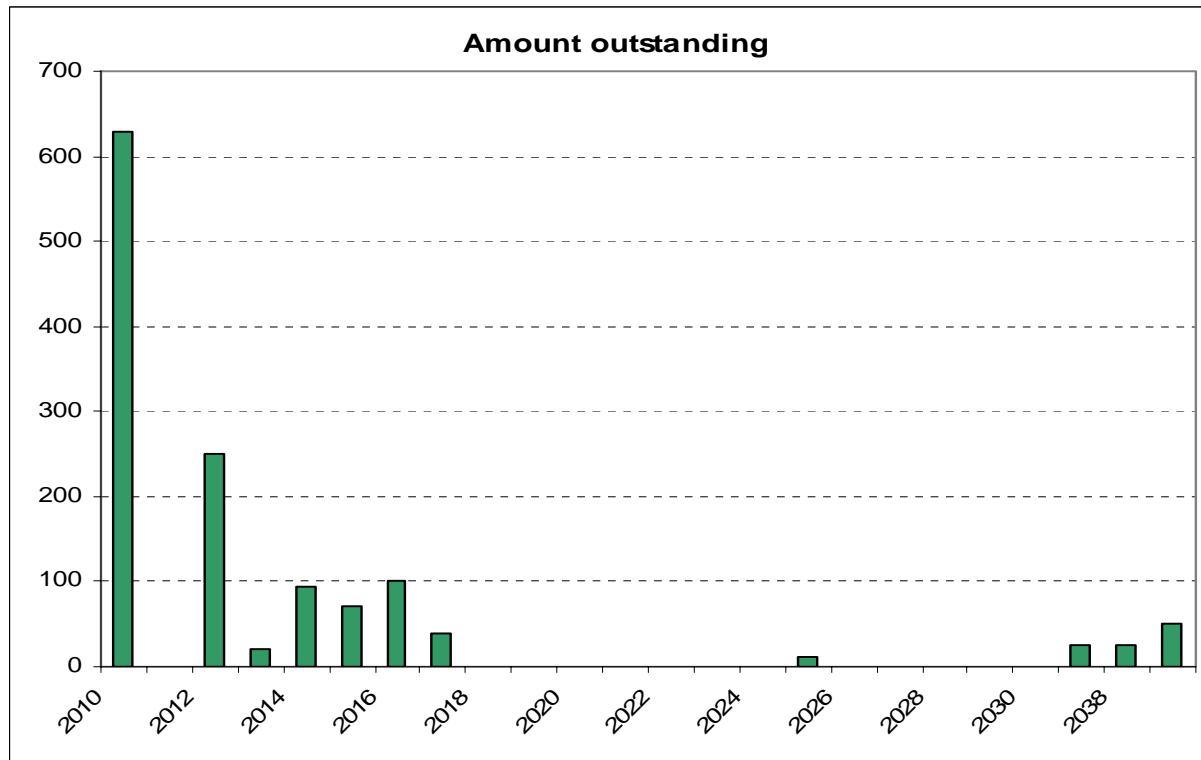
# Stable funding mix



Development in the composition of the bank's liabilities (consolidated balance sheet)

# Debt Issuance Programme

- €5 billion DIP updated 8 January 2010
- Outstanding amount: € 1,318 million
- Redemption schedule:



# Securitisations

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- **Lancelot 2006**
  - Hybrid CMBS
  - Original amount € 600 million, outstanding € 388 million
  - Issue date: 15 December 2006
  
- **Citadel 2007 and Citadel 2008**
  - RMBS
  - Eligible assets transactions
  - Citadel 2007: € 1.47 billion (€ 1.3 billion Class A notes / ECB eligible)
  - Citadel 2008: € 1.95 billion (€ 1.6 billion Class A notes / ECB eligible)

# Funding developments 2009

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- Strong focus on maintaining good liquidity position
- Van Lanschot has chosen not to rely on government support for its funding
- Sale of healthcare portfolio (cash inflow of € 300 million in December)
- Funding ratio of around 80% at end of 2009 (highest of all Dutch banks)

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- Profile of Van Lanschot
  - Financial performance H1 2009 and trading update 2009
  - Risk profile and asset quality
  - Capital and funding

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- **Summary**

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# Van Lanschot is well positioned

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## **Van Lanschot did not and does not need any government support**

- Balance sheet has remained intact
  - The balance sheet used solely for client-related business (no CDOs, SIVs, etc): The client has always come first
  - Effective risk management
  - Solid liquidity and capital position
- Van Lanschot's business model is capable of withstanding the crisis**

# Van Lanschot NV

# Disclaimer

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## Forward looking statements

This presentation 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 and revenue 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 presentation have not been audited.