

FITCH AFFIRMS F. VAN LANSCHOT BANKIERS N.V. AT 'A-'; OUTLOOK STABLE

Fitch Ratings-London-16 November 2011: Fitch Ratings has affirmed F. Van Lanschot Bankiers N.V.'s. (Van Lanschot) Long-term Issuer Default Rating (IDR) and senior unsecured notes at 'A-'. The Outlook for the Long-term IDR is Stable. A full list of rating actions is at the end of this comment.

The affirmations reflect the bank's well-established Dutch private banking franchise, conservative risk appetite, improved funding profile, solid liquidity and solid capitalisation. The ratings also reflect Van Lanschot's high cost base and performance which is vulnerable to broader capital market sentiment.

Performance has gradually improved from the lows experienced in 2009 but remains below pre-crisis levels as a result of pressures from capital markets volatility, a heavy cost base and still high, when compared historically, loan impairment charges (LICs). Fitch believes performance remains susceptible to capital market sentiment and the strength of the economic recovery in the Netherlands.

Van Lanschot has a conservative risk appetite. Exposure to riskier corporate lending has been actively managed down. Nonetheless, its exposure to Dutch residential mortgages, where a high percentage have LTVs greater than 100%, while well performing, remains high. Although asset quality has deteriorated since the beginning of the financial crisis it remains solid with non-performing-loans at end-H111 of 3.33%. Other assets are of high credit quality. Van Lanschot has no exposure to peripheral European sovereign debt.

The bank has been proactive in improving its funding profile and its liquidity is solid, boosted in H111 by pre-funding of its expected business growth. Van Lanschot accessed the capital markets with some opportune transactions during 2010 and H111.

Capitalisation is solid while a higher core capital ratio is likely to be targeted over the medium-term. Liquidity is supported by a large, high quality securities portfolio, retained securitisations and large cash position. As Van Lanschot is a small bank, Fitch believes there to be a limited probability of support being provided if necessary, as reflected in the support rating of '4'.

Fitch has affirmed the ratings of Van Lanschot's innovative tier 1 securities at 'BBB'. This also corrects a previous rating action comment on the bank dated 25 November 2010 in which the rating affirmation of the bank's dated subordinated debt at 'BBB+' was incorrectly applied also to the bank's innovative tier 1 securities.

The rating actions are as follows:

Long-term IDR: affirmed at 'A-'; Outlook Stable

Senior debt affirmed at 'A-'/F2'

Short-term IDR: affirmed at 'F2'

Viability Rating: affirmed at 'a-'

Individual Rating: affirmed at 'C'

Support Rating: affirmed at '4'

Support Rating Floor: affirmed at 'B+'

Dated subordinated debt: affirmed at 'BBB+'

Innovative tier 1 securities (NL0000117745): affirmed at 'BBB'

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The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria and research, 'Global Financial Institutions Rating Criteria' dated 16 August 2010; 'Rating Hybrid Securities' dated 28 July 2011 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649171

Rating Hybrid Securities

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647091

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