

Analyst meeting

's-Hertogenbosch
6 October 2006

Private Banking

Hubèr Agterberg
Deputy Director Private Banking Netherlands

Van Lanschot's strategy

- **Unique business model in competitive market**
- **Van Lanschot is the only Dutch bank that targets both on mass affluent and (ultra) high net worth individuals**

Van Lanschot's values

- **Client Intimacy** **Pro-active client approach in combination with good risk management/compliance**
- **Content** **High level, 'best in class' products, open architecture, if necessary tailor-made**
- **Employee** **Encourage own responsibility**

Business Alignment



Client:
Pro-active

Content: Tailor-
made high level

Employee:
Own
responsibility

- Talents
- High Income
- Mass affluent
- Affluent
- HNWI
- Ultra HNWI

- Bus..Profs
- Expats
- SME
- Business Owners
- Executives
- Institutes

32 local branches

Competence and
acquisition
centres for
specific client
groups

Based on client
group needs

Segmentation
plan

Desired contact
frequency

Client treatment

Risk
management

Client group/
Product matrix

e.g. Investment
and compliance
products

e.g. International
mortgages

Understanding
different client
groups

Investment
products

Deal structuring

Tax and estate
planning

Strategy introduced after C&E acquisition

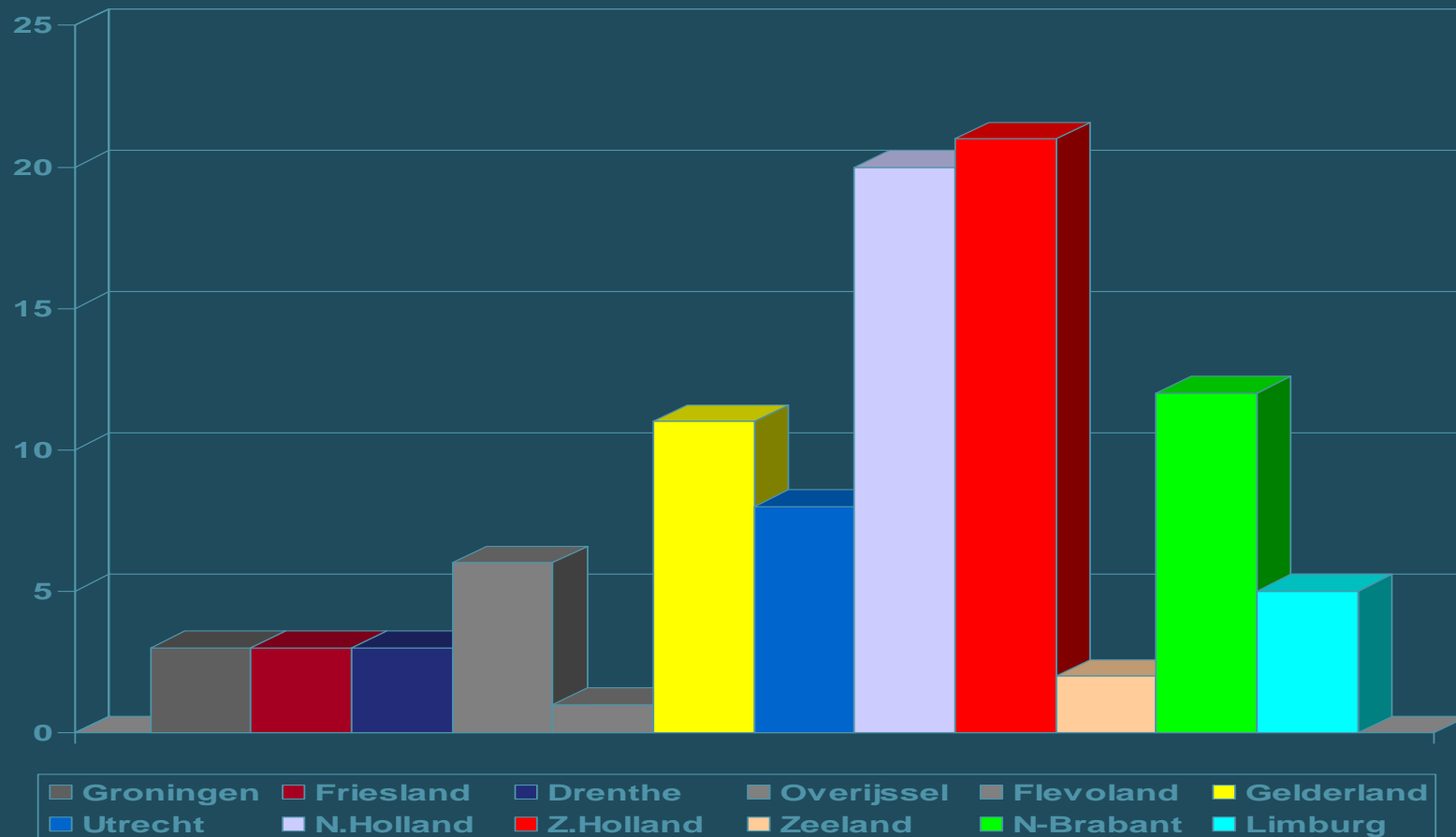
Increasing focus on top client segments



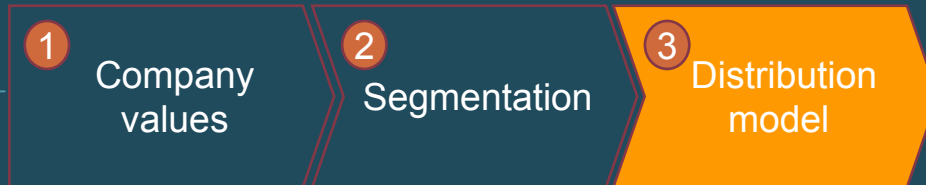
Total growth target group clients 2006-I 2.7%

- Talents, Mass affluent / affluent, HNWI (> €1 million), Ultra HNWI (> €5 million), Institutes, Business Professionals, Business Owners, Expats, Executives, Sport, Media and Entertainment above average
- Income related customers below average

HNWI concentration in the Netherlands



Source: CBS, 2000



High Net Worth Individuals

- **Local branches with focus on HNWI**
- **Central relationship management and acquisition teams for (Ultra) High Net Worth Individuals**

Internal statistics HNWI (30-6-2006)

- Above-average growth in first 6 months of 2006

Excluding HNWI Business Owners, Executives and Business Professionals

- Estimated market share 3.6 %
- Average client volume € 1.6 million
- Cross sell 2.6



Business Professionals

Specialized approach for Equity and Salary partners of:

- Law firms
- Audit and tax firms
- Notaries

Business professionals

Services:

- Financial services on becoming a partner
- Pension plans / insurance cover for loss of income
- Investment and compliance products (restricted lists)

Individually and for the firm as a whole

Distribution model:



Full-service arrangement

- Central team for acquisition and relationship management (team of 4)
- 20 dedicated bankers in the different branches
- Client group manager

Internal statistics Bus. Profs. (30-6-2006)

- Above-average growth in first 6 months of 2006
- Estimated market share (*source BCG*) 14%
- Strong position at Big 4 audit firms and regional law firms
- Average client volume € 0.65 million
- Cross sell 2.8

1

Company values

2

Segmentation

3

Distribution model

4

Service model

5

Product portfolio



International Mortgages

International Mortgages

Focus on:

- **Business owners**
- **(Ultra) High Net Worth Individuals**
- **High-income employees**
- **Houses from € 500,000**

International Mortgages

We provide:

- **Documentation in Dutch**
- **Network of local and international specialists (lawyer, solicitor, estate planner, real estate agent)**
- **International mortgages are based on Dutch mortgage standards**
- **Position: leading bank in developing International Mortgages**

International Mortgages

	Principal Residence	Recreational Home
France	Yes	Yes
Spain	Yes	Yes
Italy	Yes	Yes
Germany	No	Yes
Switzerland	No	Yes

Questions?



Trends in Private Investments

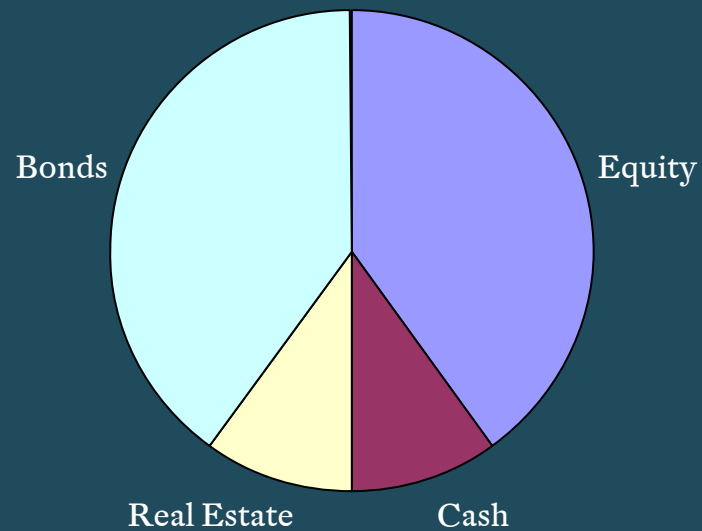
Peter van Galen
Director of Private Investments

Contents

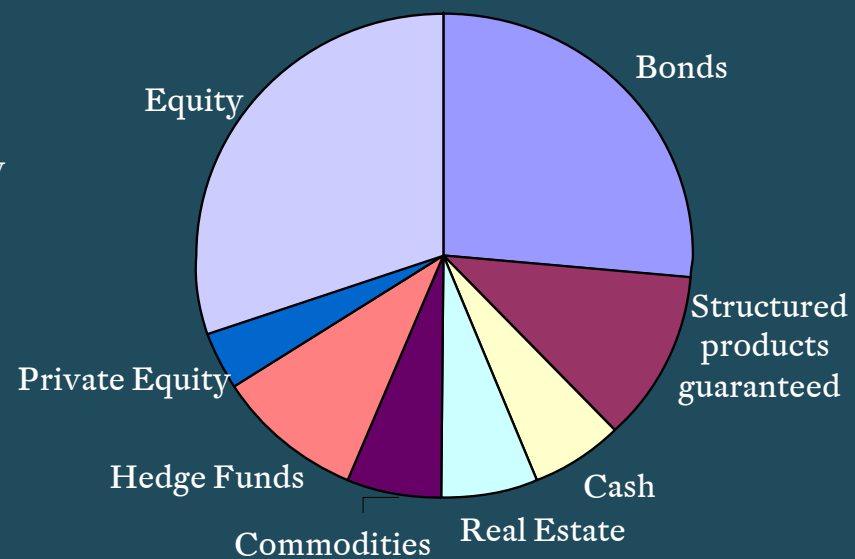
- **Trends in Investment Policy**
- **Development of Van Lanschot Investment Services**
- **Our focus**

Trends in Investment Policy

Portfolio 5 years ago



Portfolio 2006



Trends in Investment Policy

- More asset classes (hedge funds, private equity, commodities, structured products)
- More intensive use of funds and structured products
- More client focus on absolute return
- More focus on realising client goals instead of the index as benchmark
- More focus on themes rather than on regions and sectors
 - China → the world's factory
 - Scarcity of natural resources
 - Water

Van Lanschot Investment Services

Advisory

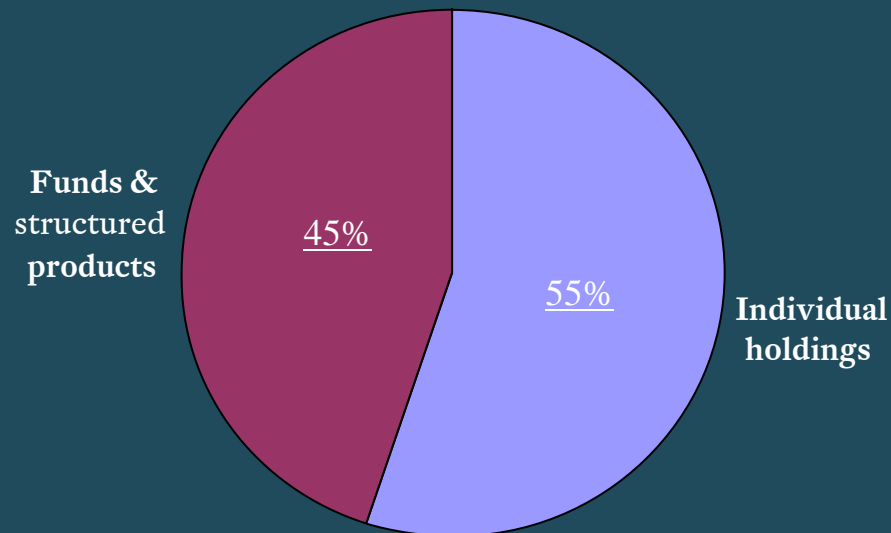
- Fund support
- Individual stocks /
bonds combined
with funds

Discretionary

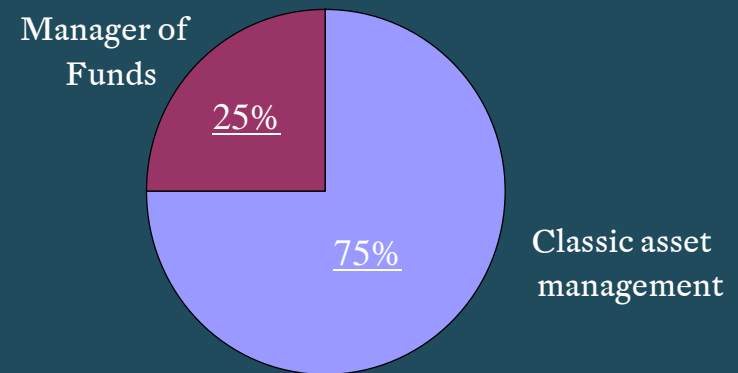
- Manager of Funds
- Individual mandates

Van Lanschot Investment Services

Assets under advisory management (NL)



Assets under discretionary management (NL)



Van Lanschot Investment Services

Advisory management is migrating to discretionary asset management

- **One investment policy**
- **Risk profiles give the adviser more guidance to comply with the bank's Investment Policy**
- **Most clients follow the bank's advice**
- **Reduced risk of claims**

Van Lanschot Investment Services

Fee structure

Advisory

- Custody fee
- Transaction commission

Discretionary

- Custody fee
- Transaction commission
- Management fee

Van Lanschot Investment Services

Revenues for Van Lanschot

Advisory

Recurring revenues

- Custody fee
- Trailer fee

Variable revenues

- Transaction commission

Discretionary

Recurring revenues

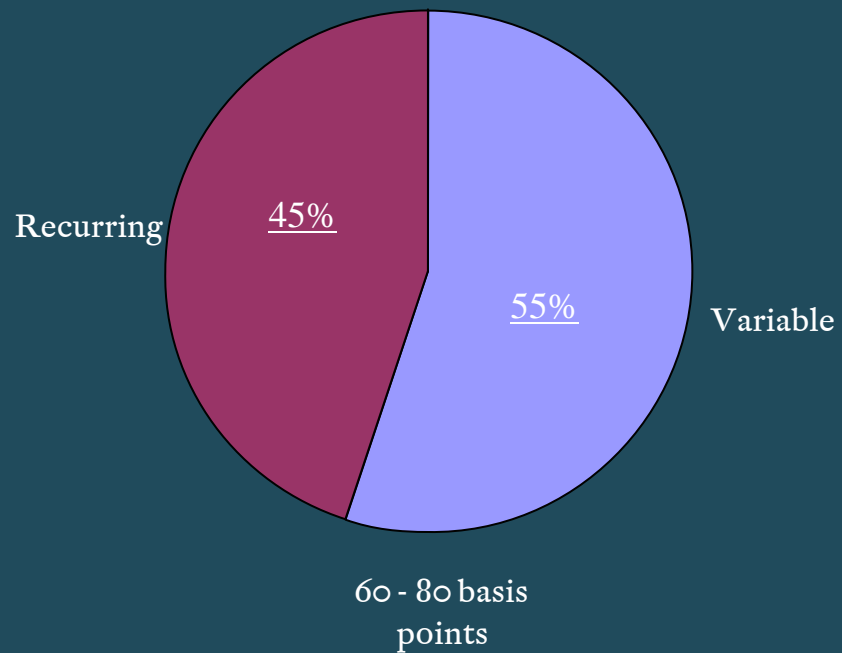
- Custody fee
- Management fee
- Trailer fee

Variable revenues

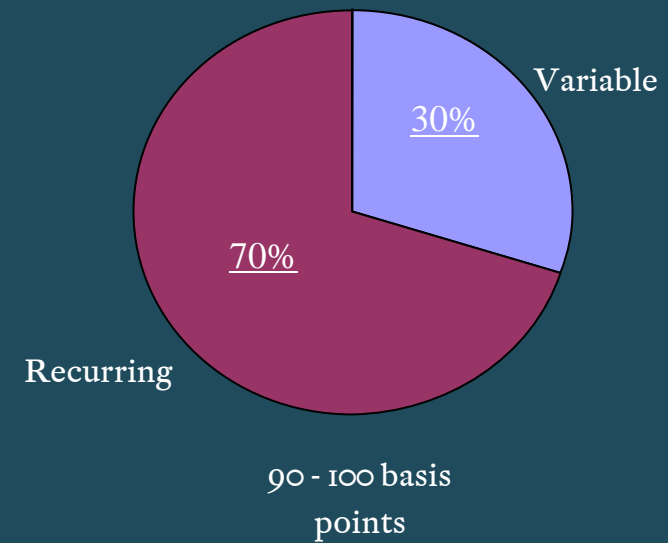
- Transaction commission

Van Lanschot Investment Services

Revenues (NL): Advisory management



Revenues (NL): Discretionary management



Van Lanschot Private Investments

Focus

More recurring income by:

- moving from advisory management to discretionary management
- higher volumes in third party funds and structured products
- investigating the introduction of an advisory fee combined with a reduction in transaction commission

Van Lanschot Private Investments

Successful outcome:

Stable revenue stream

Questions?



Private Clients

Peter Verbaas
Director of Private Clients

Segmentation strategy

Segment

Service model

Advice

Added value

Investment

Marketing strategy

Income
Wealth

2+3

Life cycle

Thematic

Wealth
building

Push

100k+
100k -
1 million

Banker +
investment
adviser

House,
marriage,
children, etc

Personal
Financial
Plan

Fund-based
PFP related

Database
Life cycle
Selection

Millionaires
UHNW
Professionals

4

Holistic

Drivers

Wealth
preservation

Pull

1 million +
Business Owner
Executive
Business Profes.
etc

Sr. Banker +
investment
adviser/ mgr +
specialist=
Deal teams

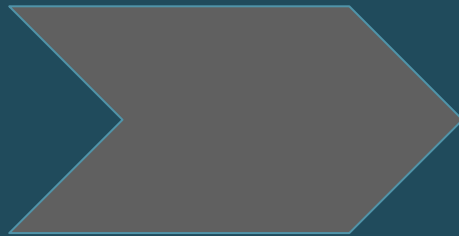
Consultative
relationship

Risk
Life
Family
Social conscience
Professional

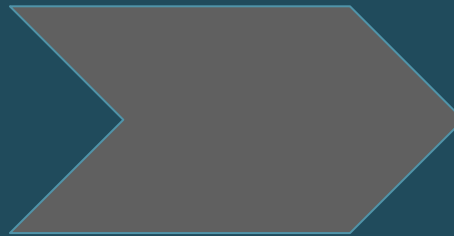
Personal goal=
Benchmark
Multimanager

"sharp
shooting"

Case: the Executive market



**Advise, build,
service, share and
option plans**



**Compliance
management
AFM
reports**



**Executive banker
Executive matrix**

Compliance is the single most important professional driver ...



'...and these are the executive suites.'

Case: targeting the millionaire

Country estates and monuments are the homes of millionaires

Drivers:
Life
Family
Social consc.

Country estate and monument mortgage

750 country estates
40,000 eligible monuments

- Mortgage includes government loans
- Special insurance (building, contents, art & antiques)
- Guidance for tax and subsidy advice included

Questions?



Business Banking

Jeroen Meeuwissen
Deputy director Business Banking

Contents

- **Strategy and positioning**
- **Target groups**
- **Service model**
- **Client approach**
- **Highlights 2006**
- **Focus on manufacturing industry**

Business Banking Strategy

- **Focus on HNWI and on those who create wealth**
- **Entrepreneurs are important wealth creators**
- **Key principle is that we need to understand entrepreneurs and their business in order to advise them**
- **There is no better way to understand their business than by providing services to their enterprises**

Positioning of Business Banking

- **Credible alternative to the large banks**
- **Extensive experience as a former family-owned bank**
- **Focus on companies where ownership and management are combined**
- **Independence is distinguishing feature**

Target groups

- **Medium sized family-owned companies (no start-ups)**
 - **Overlap of ownership and management**
 - **Turnover € 3 - € 150 million**
 - **At least ten employees on the payroll**
- **Real Estate clients**
 - **Strong link with Private Banking**
 - **Property owned by family businesses**

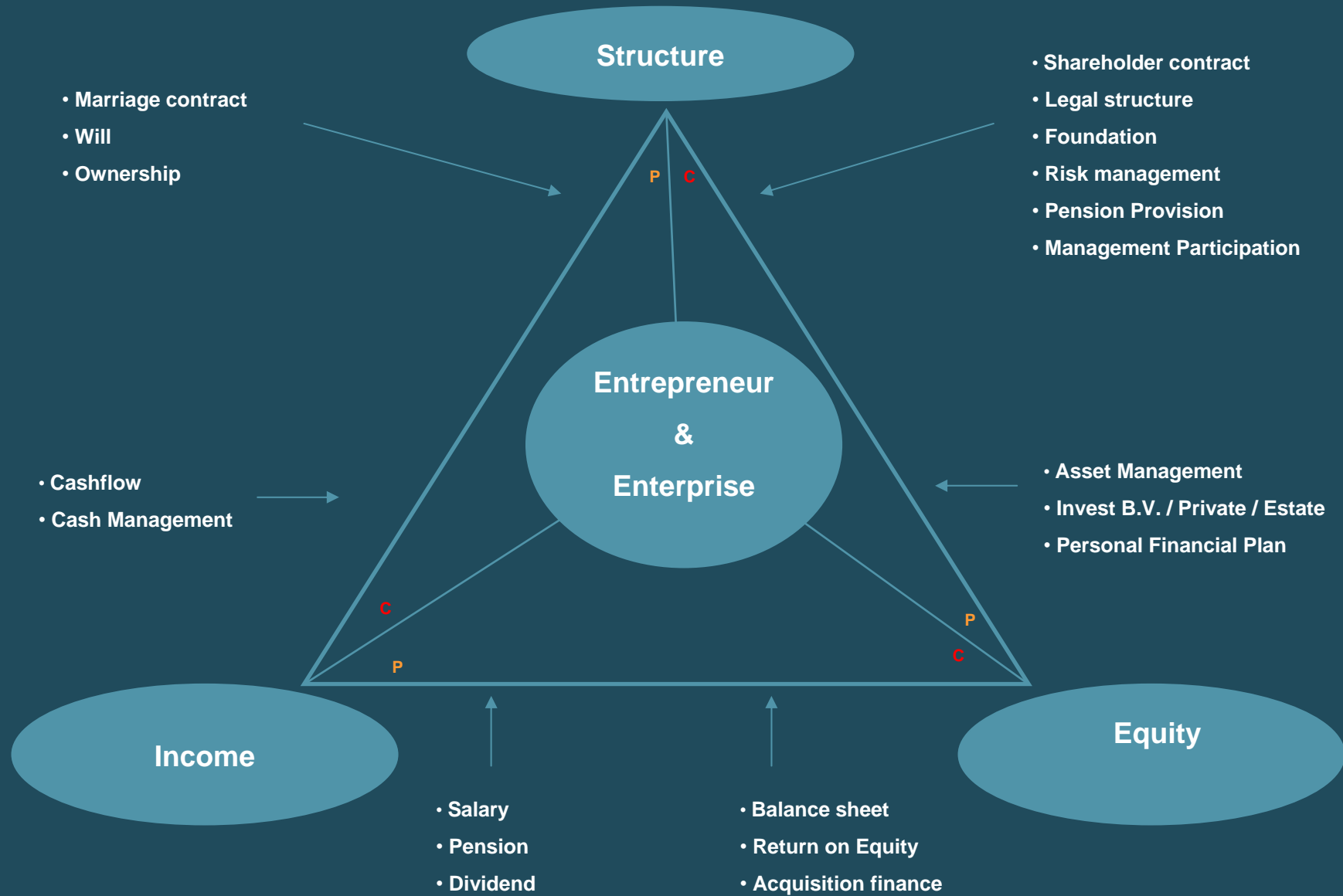
Service model

- **Distinctive personal advice**
- **Full range of services**
- **Offered in 13 locations (in Private Banking premises)**
- **Experienced bankers**
- **Supported by specialists in the field of:**
 - **Real Estate Finance**
 - **Structured and Leveraged Finance (business succession)**
 - **Specialists** - payments
- insurance

Client approach

“Van Lanschot Zakenplan”

- Approach based upon the understanding of the interdependence of an entrepreneur’s business and private activities
- Supported by a team of dedicated ‘Zakenplanners’



Highlights 2006

- **Number of target group clients up 2.7%**
- **Increase in corporate loans portfolio by 6.9% to € 5.3 billion**
- **Successful and award-winning advertising campaign**
- **Graduation Class 2006 of the Successors Academy in co-operation with VNO-NCW De Baak**
- **A number of prestigious transactions were performed**

Highlights 2006

Example: Holland Rail Consult (*Movares*)

- Top-10 civil engineering consultancy
- Turnover exceeds € 135 million
- Buy-out by management and staff

Facilitated by Van Lanschot

- Financial and legal engineering
- Finance arrangement incl. Mezzanine loan
- Participation by Van Lanschot
- Implementation of participation program for employees

Focus on manufacturing industry

- In-depth research by Nyfer, sponsored by Van Lanschot, to be presented on 13 November 2006
- 10 “Parels in de Maakindustrie”, privately-owned, AND very successful, as a result of :
 - Specific values and strategies of the companies which are also applicable to Van Lanschot
 - focus on selected markets
 - ambition to have the best proposal
 - customer interests are paramount
 - business partnership with clients
 - entrepreneurship is leading
- Innovation is essential for survival and prospers better in family-owned businesses

Questions?

