



Van Lanschot

Van Lanschot

Lunet & Citadel

RMBS Programme

Update

April 2015



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Van Lanschot has various funding programmes

Unsecured programmes

Debt Issuance Programme / MTN

- € 5.0 billion programme
- Used for public wholesale funding (senior unsecured and subordinated), and structured retail products
- Prospectus last updated on 17 April 2015
- Private placements

Bloomberg ticker: LANSNA Corp

Non-MTN / Specials

- Euro and non-euro issues on stand-alone documentation
- Private placements
- Structured products
- Hybrid instruments

Bloomberg ticker: LANSNA Corp

Secured programmes

RMBS Programmes

- Residential mortgage loan portfolio, fully originated and serviced by Van Lanschot
- Lunet RMBS 2013-I structured to be PCS and DSA compliant
- Courtine RMBS 2013-I retained by Van Lanschot for liquidity management purposes
- The Citadel programmes were successfully established with the objective of diversifying funding and creating eligible assets

Bloomberg ticker: LUNET Mtge / CRTIN Mtge / CITAD Mtge

CPT Covered Bond Programme

- Residential mortgage loan portfolio, fully originated and serviced by Van Lanschot
- Conditional Pass-Through Structure
- Registered with the Dutch Central Bank
- ECBC Covered Bond Label
- Significant de-linkage from Van Lanschot rating

Bloomberg ticker: LANSNA Corp

Van Lanschot at a glance

Van Lanschot's profile

- One strategy: pure-play, independent wealth manager focusing on preservation and creation of wealth for our clients
- Two leading brands: Van Lanschot and Kempen & Co
- Three core activities: Private Banking, Asset Management and Merchant Banking
- A- / BBB+ rated by Fitch and S&P

Mortgage portfolio

- Mortgages are an integral part of Van Lanschot's service offering
- High quality portfolio of prime residential mortgage loans to wealthy private clients in the Netherlands and Belgium
- Distinctive mortgage offering dedicated to clients with specific income and/or wealth position
- All residential mortgages originated and serviced by Van Lanschot
- Total mortgage book € 6bn
- Average net principal balance per borrower € 440,000
- Low historical losses on residential mortgage loan portfolio
- A dedicated Mortgage Centre is up and running since July 2014 to accelerate production

* 2014 Return on Common Equity Tier I is based on net profit excluding the one-off gain from pension scheme change

Solid performance on all key financials

	2014	2013
• Net profit	€ 108.7m	€ 33.5m
• Net profit excluding pension gain	€ 54.2m	€ 33.5m
• Dividend per share	€ 0.40	€ 0.20
• Common Equity Tier I ratio	14.6%	13.1%
• Total Capital ratio	15.2%	13.9%
• Leverage ratio (fully loaded)	5.3%	5.1%
• Funding ratio	95.3%	81.3%
• Client assets	€ 57.4bn	€ 53.4bn

Financial targets 2017

	Target 2017	2014
• Common Equity Tier I ratio	> 15%	14.6%
• Return on Common Equity Tier I *	10-12%	4.0%
• Efficiency ratio	60-65%	69.8%



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Lunet & Citadel

RMBS Programme Update

1. Funding and Liquidity

2. Van Lanschot RMBS programmes

3. Profile of Van Lanschot

4. Annex I – Van Lanschot

5. Annex II – Dutch economy and housing market

6. Annex III – Contact information

Balance sheet with strong capital and funding position

Significant capital buffer

- Total equity of € 1.35 billion, of which € 1.19 billion in share capital and reserves
- Common Equity Tier I ratio (phase-in) 14.6%
- Leverage ratio (fully loaded) 5.3%

Low risk assets

- Loan book decreased € 1.5 billion to € 11.0 billion in line with focus on wealth management. Loan book comprises still 64% of the balance sheet
- Investment portfolio extended with low risk European government bonds and bonds issued by financial institutions

Solid funding position

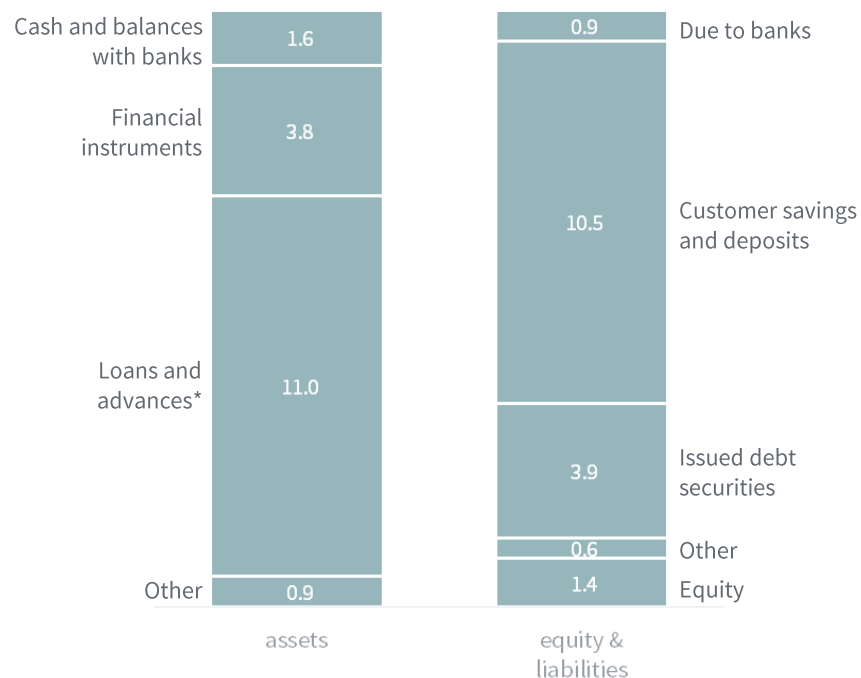
- Funding profile is well diversified in terms of instrument, source and maturity
- Several capital market transactions executed in 2014 (senior unsecured note and various medium term notes)
- Funding ratio increased to 95.3%

* 55% of the Loans and Advances are mortgages

Balance sheet at 31-12-2014

(€ billion)

Balance sheet total = € 17.3 billion

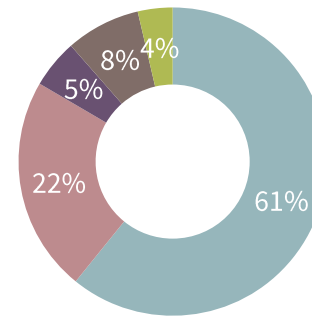


Well diversified funding profile

- Largely 'self funded' with a funding ratio 95.3% at 31-12-2014
- As a wealth manager, majority of funding is customer savings and deposits
- Funding mix complemented by wholesale funding
- Comfortable funding diversification across maturities and instrument types
- The proceeds of the proposed issuance under the Programme are going to be used for refinancing (redemption of Citadel 2010-I and Citadel 2010-II in Augustus 2015) and general corporate purposes

Funding mix at 31-12-2014

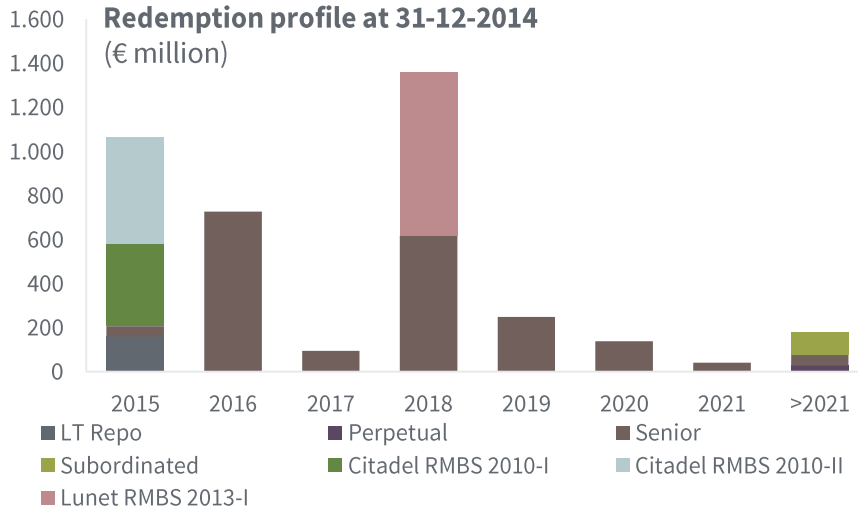
100% = € 17.3 billion



- Client savings & deposits
- Debt securities & subordinated loans
- Interbank funding
- Shareholders' equity
- Other funding

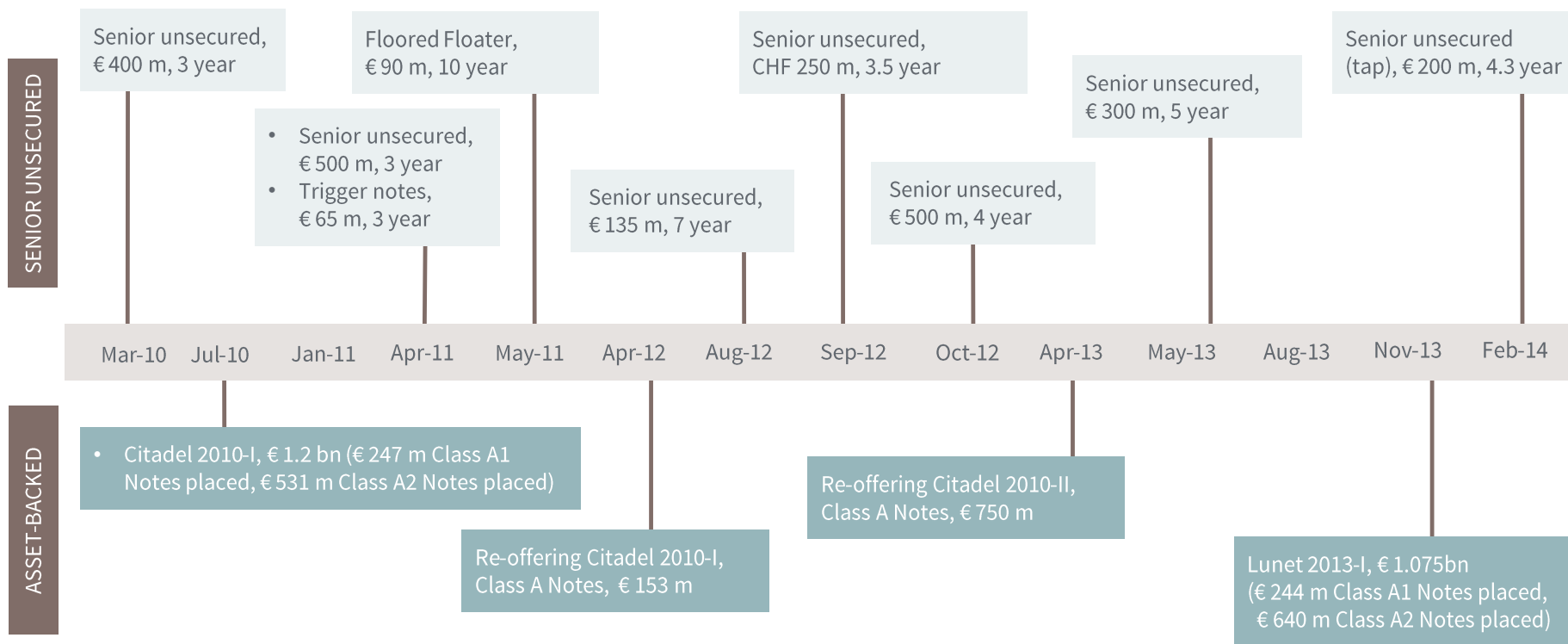
Redemption profile at 31-12-2014

(€ million)



Successful presence in wholesale markets

- Strong funding position based on a stable level of bond issuance and a regular presence in wholesale markets
- Successful in raising funds in wholesale markets every year since 2010





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Van Lanschot RMBS programmes

Lunet RMBS 2013-I

Citadel 2010-I

Citadel 2010-II

- Top quality residential mortgage portfolio, fully originated and serviced by Van Lanschot
- Lunet RMBS 2013-I is PCS and DSA compliant
- The Citadel 2010-I and Citadel 2010-II programmes were successfully established with the objective of diversifying funding

Going forward the Lunet RMBS programme will be used for marketable RMBS transactions

Bloomberg ticker: LUNET Mtge / CITAD Mtge

Public

Courtine RMBS 2013-I

- High quality residential mortgage loan portfolio, fully originated and serviced by Van Lanschot
- Notes retained by Van Lanschot for liquidity management purposes

Going forward the Courtine RMBS programme will be used for retained RMBS transactions

Bloomberg ticker: CRTIN Mtge

Retained

Van Lanschot is an experienced issuer

Currently Van Lanschot has four outstanding RMBS transactions:

- Lunet RMBS 2013-I
- Citadel 2010-I
- Citadel 2010-II
- Courtine RMBS 2013-I

Currently less than 40% of the residential mortgage loan book is funded through publicly placed prime RMBS issuance.

Van Lanschot RMBS transactions *

Transaction	Rating Class A Notes	Current size	Original size	Placed (of orig. size)	Retained (of orig. size)
Lunet RMBS 2013-I	AAA / AAA	€ 928 m	€ 1,075 m	€ 884 m	€ 191 m
Citadel 2010-I	AAA / AAA	€ 808 m	€ 1,237 m	€ 778 m	€ 459 m
Citadel 2010-II	AAA / AAA	€ 845 m	€ 1,243 m	€ 990 m	€ 253 m
Courtine RMBS 2013-I	AAA / AAA	€ 854m	€ 854 m	-	Fully

* Source: Bloomberg, 31 March 2015

Capital structure and main features

Van Lanschot RMBS Programmes											
Class	Current Rating (S&P/F)	Balance as per last QPD * (x 1mm)	Subordination as per last QPD *	Remaining WAL as per last QPD ***	Balance at Issuance (x 1mm)	Subordination at issuance	Total CE at issuance **	F.O.R.D. ****	Legal maturity	Coupon	Step-up Coupon
LUNET 2013-I											
A1	AAA/AAA	97.3	20.8%	0.86	244.0	17.8%	18.8%	Dec 2018	Dec 2045	3mE + 50bp	3mE + 100bp
A2	AAA/AAA	639.6	20.8%	3.51	639.6	17.8%	18.8%	Dec 2018	Dec 2045	3mE + 108bp	3mE + 216bp
B	AAA/A	49.4	15.5%	3.68	49.4	13.2%	14.2%	Dec 2018	Dec 2045	3mE	3mE
C	nr/nr	71.0	6.7%	3.68	71.0	6.6%	7.6%	Dec 2018	Dec 2045		
D	nr/nr	71.0	0.0%	3.68	71.0	0.0%	1.0%	Dec 2018	Dec 2045		
Total		928.3			1,075.0						
E	nr/nr	3.4		0.44	10.8		0.0%	Dec 2018	Dec 2045		
CITADEL 2010-I											
A1	NR	0.00			247.4	19.1%	20.1%	Fully repaid	Nov 2042	3mE + 130bp	3mE + 260bp
A2	AAA/AAA	571.5	29.8%	0.34	753.4	19.1%	20.1%	Aug 2015	Nov 2042	3mE + 140bp	3mE + 280bp
B	AAA/nr	75.5	20.4%	0.34	75.5	13.0%	14.0%	Aug 2015	Nov 2042	3mE	3mE
C	BBB+/BBB	129.9	4.4%	0.34	129.9	2.5%	3.5%	Aug 2015	Nov 2042	3mE	3mE
D	nr/nr	30.9	0.0%	0.34	30.9	0.0%	1.0%	Aug 2015	Nov 2042	3mE	3mE
Total		807.8			1,237.0						
E	nr/nr	0.00			12.4		0.0%		Nov 2042	3mE	3mE
CITADEL 2010-II											
A	AAA/AAA	592.3	30.3%	0.34	990.7	20.3%	21.3%	Aug 2015	Nov 2042	3mE + 120bp	3mE + 240bp
B	AA-/nr	84.6	20.3%	0.34	84.6	13.5%	14.5%	Aug 2015	Nov 2042	3mE	3mE
C	BBB+/BBB	136.7	4.2%	0.34	136.7	2.5%	3.5%	Aug 2015	Nov 2042	3mE	3mE
D	nr/nr	31.1	0.0%	0.34	31.1	0.0%	1.0%	Aug 2015	Nov 2042	3mE	3mE
Total		844.6			1,243.0						
E	nr/nr	0.00			12.5		0.0%		Nov 2042	3mE	3mE

*) Lunet RMBS 2013-I: 26 March 2015, Citadel 2010-I and Citadel 2010-II: 26 February 2015, source: Bloomberg

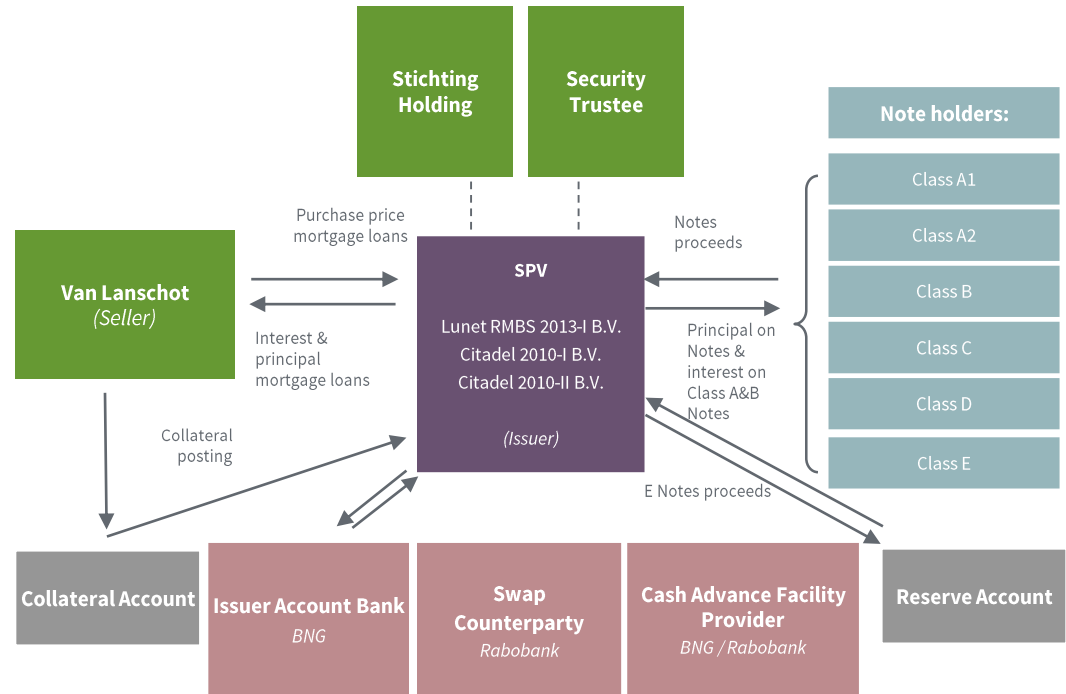
***) Includes the reserve account of 1% of the Class A-D notes and excludes the excess spread of 50bps p.a.

****) Based on CPR of 6%, no defaults and delinquencies, source: Bloomberg, as per 23 April 2015

*****) There will be a step-up and call option on the QPD falling in December 2018 for Lunet RMBS 2013-I and in August 2015 for Citadel 2010-I and Citadel 2010-II

Standard Dutch RMBS structures for all transactions

- Dutch SPV owned by an independent foundation (Stichting Holding) and Security Trustee, acting for noteholders and secured parties
- True sale of mortgage loans through silent assignment
- Mortgages and other rights of the issuer pledged to the Security Trustee via pledge agreement
- Only prime Dutch residential mortgage loans
- Purchase of further advances subject to portfolio and mortgage loan criteria



Overview Van Lanschot RMBS transactions

Programme	Lunet RMBS 2013-I	Lunet RMBS 2013-I	Citadel 2010-II	Citadel 2010-I
Date	31-Dec-2014	7-Nov-2013*	30-Jul-10*	2-Jul-10*
Pool characteristics				
WA CLTMV	59.7%	62.5%	75.0%	75.0%
WA Indexed CLTMV	63.4%	67.4%	74.0%	73.0%
WA Seasoning (months)	131	123	64	67
Avg Loan Balance (€)	346,320	360,617	503,647	483,770
WA Interest Rate	3.90%	4.09%	4.3%	4.3%
Fixed rate	77.9%	68.1%	71.0%	71.4%
Interest-only	78.8%	78.1%	79.6%	79.7%
Credit enhancement				
Class A Subordination	20.8%	17.8%	20.3%	19.1%
Reserve Fund	1.0%	1.0%	1.0%	1.0%
Total Credit Enhancement	21.8%	18.8%	21.3%	20.1%
Swap Excess Spread	50bps	50bps	50bps	50bps
Cash Advance Facility	1.5%	1.5%	1.25%	1.25%

Lunet RMBS 2013-I Key Mortgage Loan Criteria

Each mortgage loan is a life mortgage loan, investment mortgage loan, linear mortgage loan, annuity mortgage loan, interest-only mortgage loan or a combination thereof

Loan to Foreclosure Value (LTFV) of max 120% and Current Loan to Indexed Foreclosure Value (CLTIFV) of max 130%

First and subsequent ranking mortgages

No loans in arrears

Only properties in the Netherlands

Maximum loan amount of € 1,000,000 per borrower

All payments via direct debit

Borrower is a private individual and not an employee of the Seller

No legal maturity beyond December 2043

Each mortgage loan is originated by the Seller

Each mortgage loan is denominated in euro

Property primarily used for residential purpose

Property not subject to residential letting at origination of the mortgage loan

*As per the respective closing dates. Source: Fitch, QIR and relevant prospectus

WAL and CPR analysis of class A notes

WAL* sensitivity to CPR and issuer call at first optional redemption date							
CPR scenarios	CPR 0%	CPR 2%	CPR 4%	CPR 6%	CPR 8%	CPR 10%	CPR 12%
LUNET RMBS 2013-I Class A1 Note							
Assuming call @ F.O.R.D.(yrs)	3.30	2.08	1.21	0.86	0.66	0.54	0.47
Assuming no call (yrs)	7.47	2.11	1.21	0.86	0.66	0.54	0.47
LUNET RMBS 2013-I Class A2 Note							
Assuming call @ F.O.R.D.(yrs)	3.68	3.68	3.63	3.51	3.37	3.22	3.07
Assuming no call (yrs)	17.70	14.40	11.37	9.03	7.29	6.0	5.05
CITADEL 2010-I Class A2 Note							
Assuming call @ F.O.R.D.(yrs)	0.34	0.34	0.34	0.34	0.33	0.33	0.33
Assuming no call (yrs)	18.03	13.24	9.72	7.26	5.62	4.50	3.73
CITADEL 2010-II Class A Note							
Assuming call @ F.O.R.D.(yrs)	0.34	0.34	0.34	0.34	0.33	0.33	0.33
Assuming no call (yrs)	17.11	12.68	9.41	7.08	5.52	4.44	3.68

Main assumptions WAL calculations:

No arrear

No event of default / no enforcement notice

No losses

No regulatory call

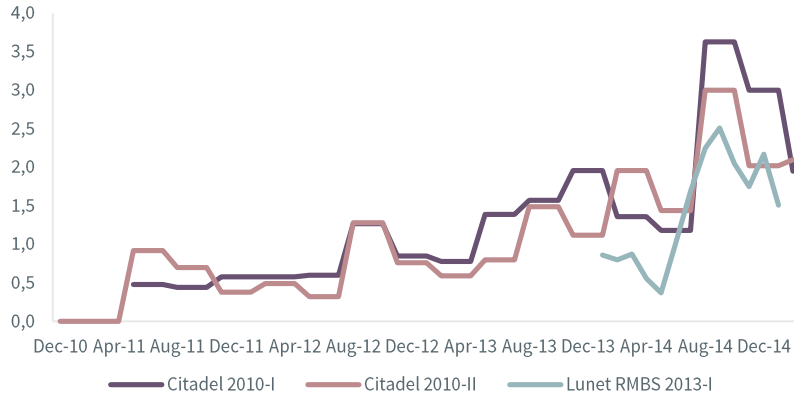
No further advances

No clean-up call

* source: Bloomberg, 23 April 2015

Performance of RMBS transactions

Delinquencies (30+ days, %)

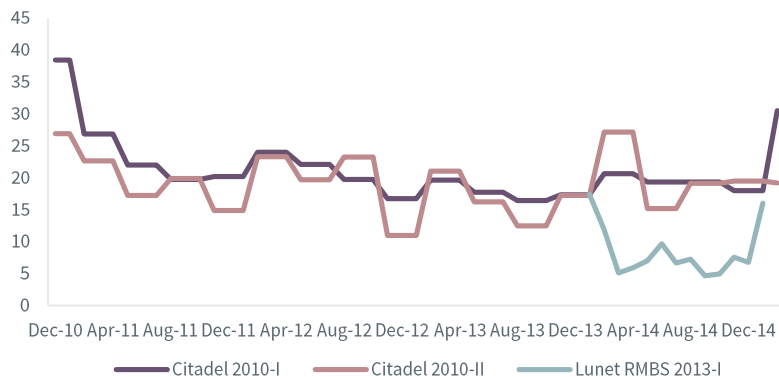


Cumulative losses

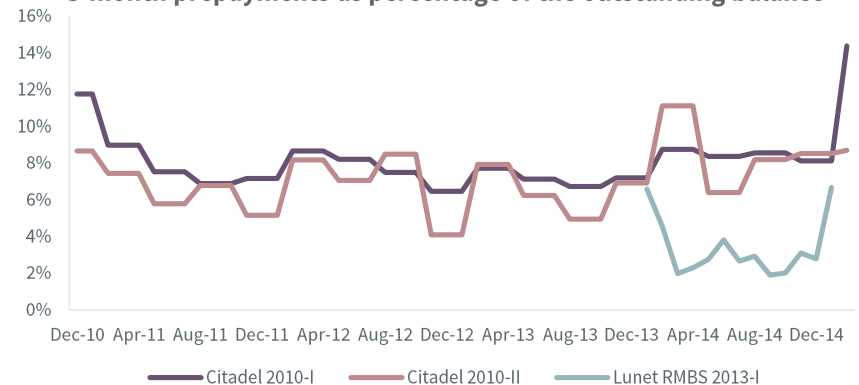
No losses in Lunet RMBS 2013-I, Citadel 2010-I, 2010-II since issuance

Loss Provisioning Required Amount for Lunet RMBS 2013-I is null

3-month prepayments in EUR mln



3-month prepayments as percentage of the outstanding balance





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Van Lanschot has chosen to be an independent wealth management firm

Why wealth management?

Building on our distinctive strengths

We can build on our inherent strengths in private and institutional wealth management by working together for the benefit of new and existing clients

Supported by demographics and economic fundamentals

There is room for a high-quality, high-service, independent wealth manager in the Benelux, leading to an attractive business model supported by high levels of prosperity, capital surpluses, low growth expectations and an ageing population

Our commitment

Mission

Preservation and creation of wealth for our clients

Vision

To be the preferred wealth manager for our domestic and international client base by providing top-quality advice and service, and superior risk-adjusted returns. And in doing so attract, develop and retain the best available talent in the market and provide an exciting, entrepreneurial working environment

Van Lanschot builds on its experience in its three core activities

Private Banking

- Private Bank of choice for high net-worth individuals, entrepreneurs and family businesses
- Specialised services for business professionals and executives, healthcare professionals, and foundations and associations
- Three service concepts: Personal Banking, Private Banking and Private Office

Asset Management

- Specialised EU investment management boutique
- Focus on a limited number of high quality investment strategies in combination with integrated solutions for national and international pension funds and insurance companies

Merchant Banking

- The most relevant boutique firm for corporates and institutional investors based on superior market knowledge in its niches
- Growth through increased share of served market niches based on leading advisory, research and trading knowledge

Mortgages form an anchor product within Private Banking activities

Van Lanschot's solid profile is reflected in its creditworthiness

Fitch

- Long-term credit rating: A-
- Outlook long-term credit rating: Negative
- Short-term credit rating: F2
- Latest press release: 30-09-2014
- Rating has been reconfirmed since 2009

Standard & Poor's

- Long-term credit rating: BBB+
- Outlook long-term credit rating: Stable
- Short-term credit rating: A-2
- Latest press release: 04-11-2014
- Outlook revised to Stable from Negative in November 2014

“Van Lanschot's good capitalisation is strongly supporting its rating... The rating incorporates the bank's established ... franchise in wealth management and merchant banking and expectation that its management will be able to execute on its strategy ... The rating is further supported by the bank's good and balanced funding profile and sound liquidity management.”
(30 September 2014)

“Van Lanschot has advanced well in refocusing on pure wealth management business. We think this business model should enable the bank to strengthen its core franchise..., as well as to simplify its product offering while reducing its risk exposure and increasing its capitalization over time, in line with what we view as a relatively cautious strategy and management.”
(4 November 2014)

Highlights 2014 annual results

Solid profit growth in 2014	Net profit of € 108.7 million; proposed dividend of € 0.40 per share <ul style="list-style-type: none">• Net profit of € 54.2 million (+62%) excluding one-off gain from pension scheme change• Income from operating activities +3%• Operating expenses +2%• Loan loss provision -26%
Growth in client assets	Client assets increase to € 57.4 billion (+7%) <ul style="list-style-type: none">• Strong market performance• Client assets of Evi (our online service for savings and investment) grow to over € 1 billion• Inflow of discretionary mandates and savings and deposits at Private Banking• Discretionary mandates comprise 42% of Private Banking assets under management• Client assets at Asset Management grow 13%
Capital ratios strengthened	Common Equity Tier I ratio grows to 14.6% (+1.5%-point) <ul style="list-style-type: none">• Leverage ratio (fully loaded) 5.3%• Common Equity Tier I ratio (fully loaded) 13.4% (+2.9%-point)• Well diversified funding profile: funding ratio of 95.3%, supported by successful wholesale market transactions
Execution of strategy on track	Good progress in execution <ul style="list-style-type: none">• Private Banking: transformation finalized, introduction of new wealth planning advisory service• Asset Management: global funds launched in Small-caps and Real Estate, flourishing third party distribution• Merchant Banking: solid market share in selected niches, involved in appealing transactions, more international clients• Corporate Banking: run-off is ahead of schedule, interest margin improving



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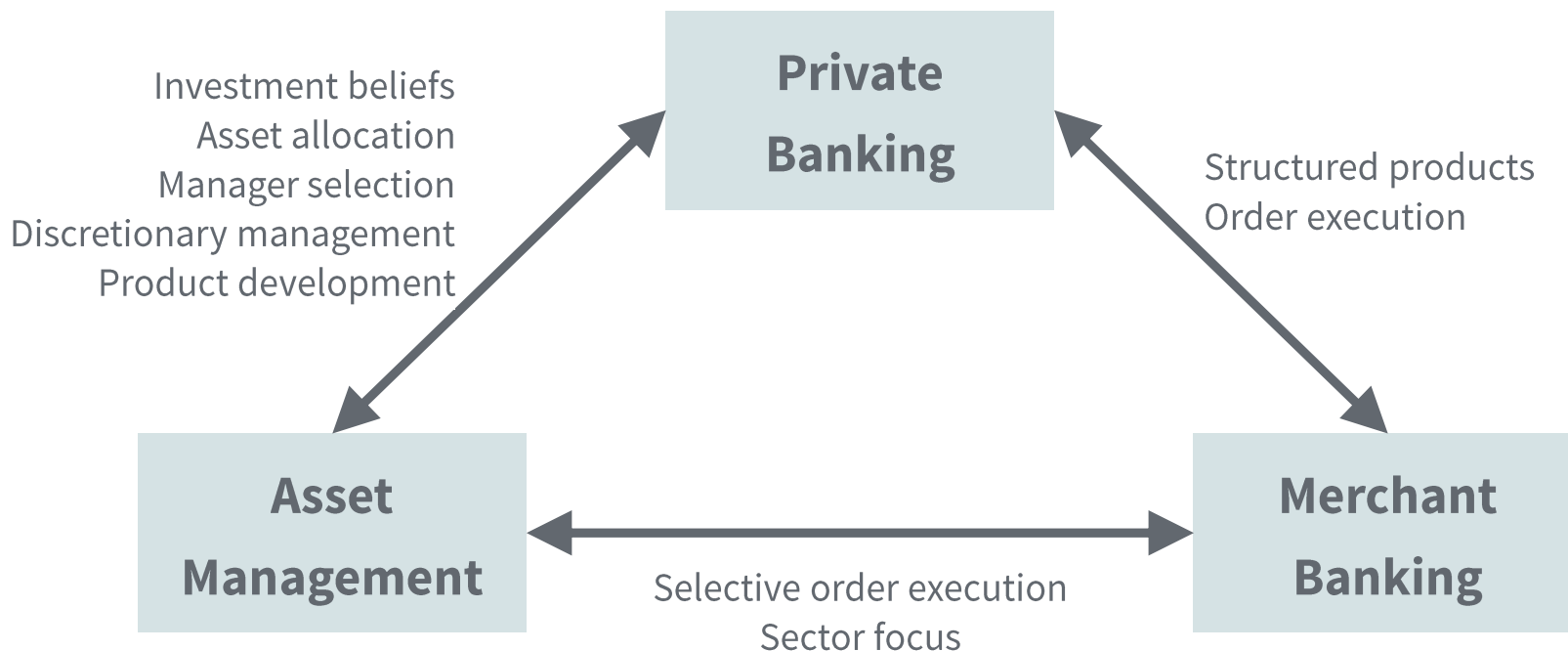
Annex I – Van Lanschot

Key figures 2014 annual results

€ million	2014	2013	Δ
Commission	240.3	234.8	
Interest	213.7	213.9	
Other income	93.0	81.1	
Income from operating activities	547.0	529.8	3%
Operating expenses	381.7	374.9	
One-off gains*	60.3	-8.0	
Gross result after one-off gains	225.6	146.9	54%
Gross result before tax of non-strategic investments	3.4	0.2	
Additions to loan loss provision	76.0	102.4	
Other impairments	19.5	7.3	
Operating profit before tax	133.5	37.4	257%
Income tax	24.8	3.9	
Net result	108.7	33.5	224%
Net result excluding one-off pension gain	54.2	33.5	62%
Efficiency ratio (%)	69.8%	70.8%	

* Including an one-off gain following the pension scheme change

Our core activities cooperate in many ways and benefit from the strong fundamentals of the group



Strong balance sheet and rating. 403-guarantee. Management book.
Diversification of income. Cooperation IT/OPS. Talent exchange.

2015: the year of growth

- Disciplined execution of wealth management strategy on the basis of professionalism, integrity, discretion and hard work
- Full focus on core activities aimed at the preservation and creation of wealth for private and institutional clients
 - Private Banking: focus on wealth planning advisory service, investment services, mortgages and improvement of omnichannel client experience
 - Asset Management: capitalise on promising, increasingly international pipeline and realise outperformance in social responsible investing
 - Merchant Banking: focus on selected niches, exploit synergies between product groups and continue international expansion
- Further increase cost awareness: increase effectiveness and efficiency to achieve sustainable growth and our long term goals



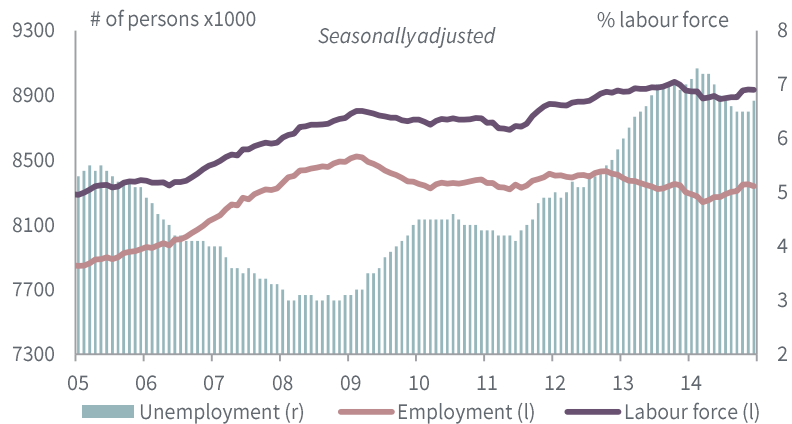
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Annex II – Dutch economy and housing market

Dutch economy

- In 2014, real GDP in the Netherlands grew by an estimated 0.75% compared to the previous year, largely thanks to exports. In 2015 real GDP growth is expected to increase by 1.5%
- The fall in the value of the Euro positively influences export growth. Rising demand for goods and services, coupled with lower production costs for businesses that use oil as a raw material, will also potentially lead to higher growth in business investments
- The slowly recovering labour market stabilised by the end of 2014 in spite of improving employment opportunities, caused by an increasing labour force. Unemployment is however expected to continue its cautious downward trend in 2015
- Consumer confidence improved during the first half of 2014, but fell back somewhat in the second half of 2014 due to the Ukraine/Russia crisis, the currency crisis in Russia and substantial fluctuations on the stock markets. Although real disposable household income has increased, total private consumptions remained the same in 2014
- The EUR 10 year swap rate continues to decline and currently hovers at a new all time low

Unemployment



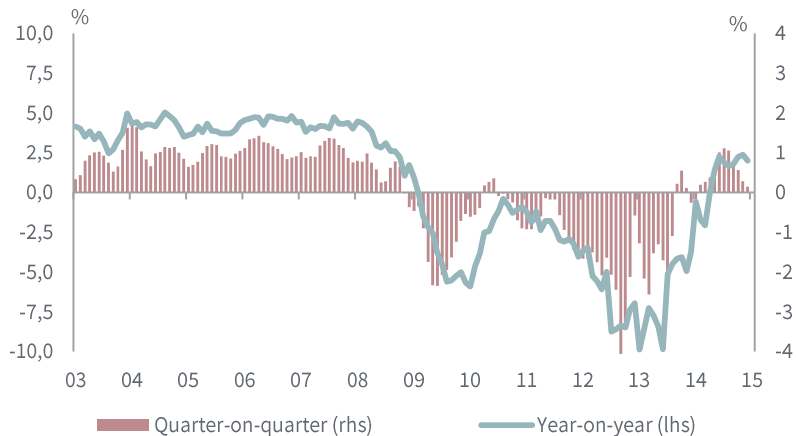
Eurozone 10y swap interest rate



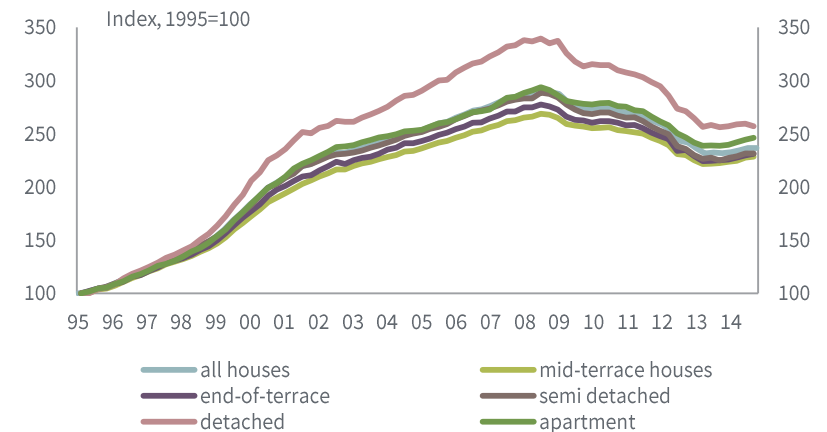
House price developments

- The Dutch housing market bottomed out both in terms of prices and sales numbers in 2013. In 2014 prices of existing homes (PBK-index) recorded an average annual rise of 0.9% for the first time since the crisis
- Seasonally adjusted house prices rose by 0.4% from the third to the fourth quarter of 2014. Compared to the same quarter of 2013, this rise was 2.1%
- The increase in sales prices differ amongst house types and regions, with the less expensive segment (such as apartments or mid-terrace houses) growing faster than the luxury segment (detached houses), and urban areas housing prices outpacing the more peripheral areas
- Despite the recent increase in sales prices, housing prices are still approximately 27% below the 2008 peak in real terms. Prices of detached houses have declined considerably more than prices of houses in the less expensive segments

Price development (Y-o-y / Q-o-q)



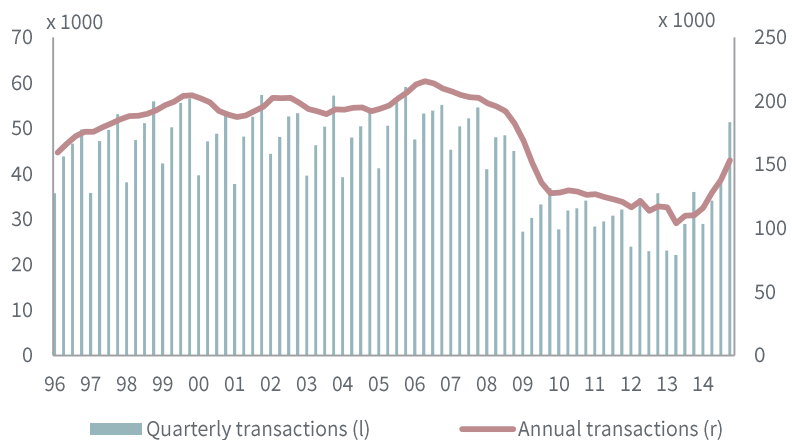
Price development per segment



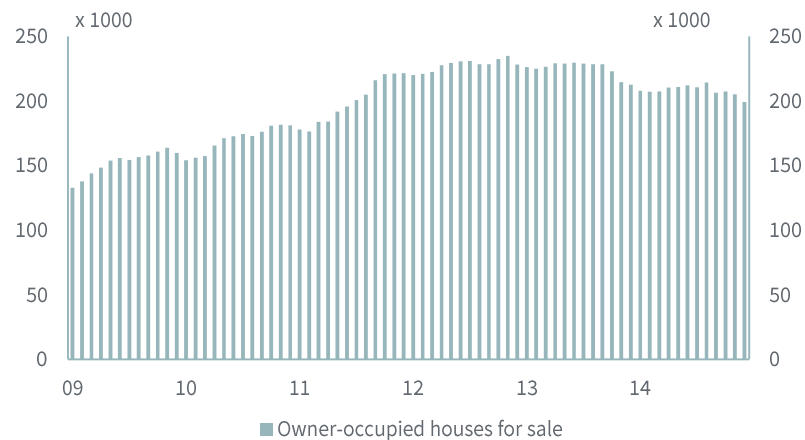
Transaction and supply developments

- In 2014 153,000 homes changed ownership, a rise of more than 40% compared to 2013. This was the highest number of house sales in a single year since 2008
- December 2014 recorded the highest number of transactions ever in a single month, as buyers were still able to benefit from the relaxation of the gift tax exemption and less stringent LTV and Nibud standards until 31 December 2014
- The supply of owner-occupied homes fell only slightly in 2014 despite the strong increase in sales. This modest fall in supply and the rise in sales numbers is expected to tip the market in favour of the sellers
- Economic recovery, high consumer confidence, falling mortgage interest rates and the substantial number of new homes are expected to drive house sales and compensate for the negative factors, such as ending or scaling back stimulus measures, the negative equity problem and credit-restricting measures

Quarterly and annual transactions



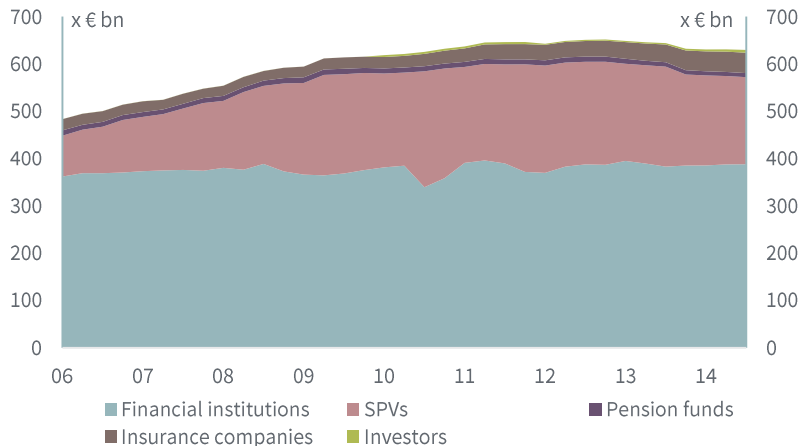
House supply (seasonally corrected)



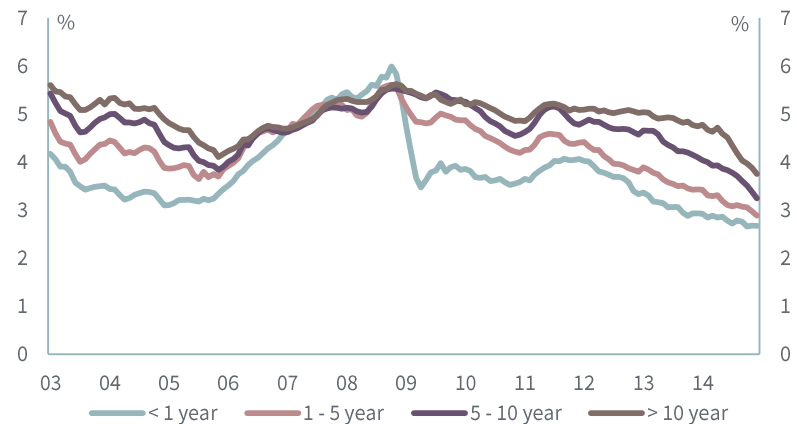
Dutch residential mortgage market

- Total outstanding mortgage debt in the Netherlands declined slightly in 2014, from EUR 632 bn in 2013 to EUR 630 bn by Q3 2014. Q4 2014 is expected to show a further decline of mortgage debt due to the maximum tax exemption on gifts that was applicable until 31 December 2014. The prevailing low saving deposit rates also continues to have a positive effect on prepayments
- With house sales picking up, mortgage issuance has also risen with EUR 12 bn new home mortgage loans in Q4 2014 (48% increase y-o-y)
- The maximum amount that can be borrowed has been reduced from 1 January 2015 onwards based on maximum LTV (104% to 103%) and more stringent standards for maximum debt-to-income limits (Nibud). As of 1 July 2015, the amount covered by NHG guarantee will be reduced to EUR 245,000. In the coming years the maximum LTV and the NHG ceiling are to be lowered further
- Although these measures restrict the issuance of new credits, mortgage rates are at a historic low (prompted in part by ECB's QE), improving affordability of owner-occupied houses. Average mortgage rates in 2015 are expected to be lower compared to 2014

Mortgage debt outstanding



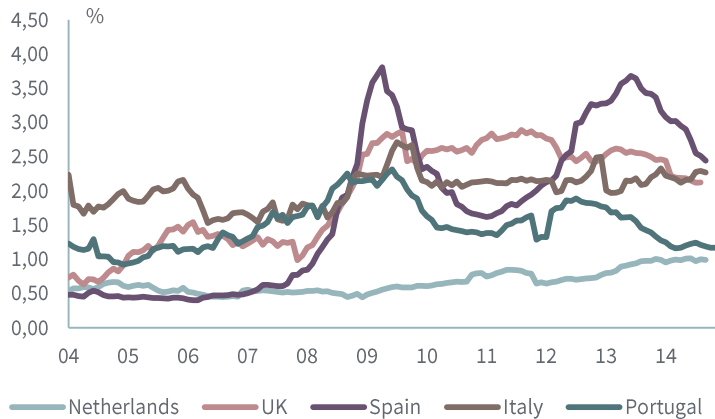
Average mortgage rates



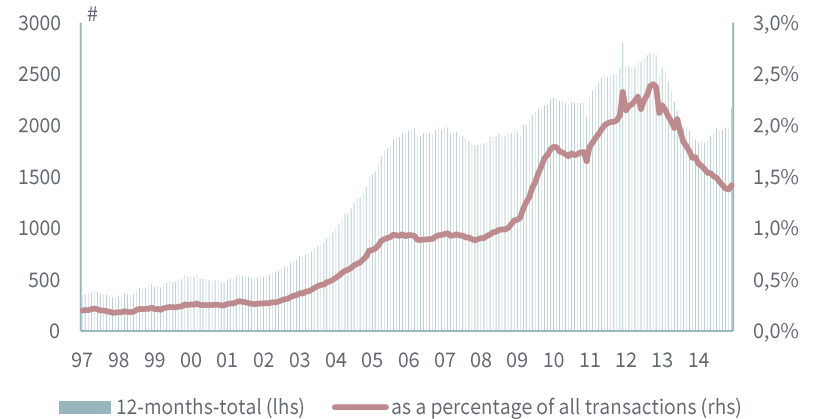
Mortgage foreclosures and losses

- After a few years of increasing mortgages that have fallen into arrears, we have seen a stabilisation of arrears in 2014 (with 60 days+ arrears close to 1%)
- The trend of declining public auctions that has been present in 2012 and 2013 (despite rising payment arrears) also continued in 2014. This drop should not be seen as an improvement of payment problems, but as a sign that banks supervise home-owners who have fallen into arrears more closely
- The Netherlands continues to perform well in terms of the level of payment arrears and forced sales as compared to other European countries

Payment arrears (60+ days)



Foreclosures





Van Lanschot

Annex III – Contact information

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