

Remuneration report 2010

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Remuneration report*

This Remuneration Report is prepared in accordance with best practice provision II.2.12 of the Dutch corporate governance code of 2008 (“the Code”).

Remuneration policy for 2010

Introduction

The Remuneration Policy for 2010 (“Remuneration Policy for 2010”) was established at the General Meeting of Shareholders held in 2010.

The Remuneration Policy for 2010 follows the recommendations in relation to variable payments stated principally in the Code, the Banking Code, the Principles for a Controlled Remuneration Policy and the Regulation for a Controlled Remuneration Policy in the Financial Supervision Act introduced in 2011.

The Remuneration Policy for 2011 is based thereon, and the performance criteria and methodology used by the supervisory board to establish the remuneration of the executive directors, taking account of the Remuneration Policy for 2010, contribute to the realisation of the long-term objectives of the company and its affiliated companies in accordance with the appropriate risk profile.

The Remuneration Policy for 2010 is the framework used by the supervisory board to establish the remuneration of the executive directors of BinckBank N.V. (“the directors”) for the 2010 calendar year.

A copy of the Remuneration Policy for 2010 is attached to this report as **Appendix 1**.

Remuneration elements

Under the Remuneration Policy for 2010, the remuneration package for directors consists of the following elements:

- a) Basic salary
- b) Variable short-term payment
- c) Variable long-term payment
- d) Pension scheme and supplementary disability insurance
- e) Company car lease scheme and reimbursement of mobile telephone charges

The Remuneration Policy for 2010 for each element and its implementation in practice in 2010 is described below:

a) Basic salary

The basic salary is the fixed gross annual salary, which reflects the seriousness of the duties and responsibilities of the chairman and the other directors.

The basic salary is set by the supervisory board within the following framework:

chairman:	€ 375,000,-	€ 450,000,-
other directors:	€ 275,000,-	€ 325,000,-

* Remuneration report by the supervisory board of BinckBank N.V. for the financial year 2010

Implementation

The amount of the basic salary for 2010 has been established by the supervisory board in accordance with the Remuneration Policy for 2010 as follows:

Mr K.N. Beentjes:	€ 375,000
Mr P. Aartsen:	€ 300,000
Mr E.J.M. Kooistra	€ 300,000
Mr N. Bortot	€ 300,000

b) Variable short-term payment

The variable short-term payment is a variable gross cash payment that may be awarded to a director in addition to the basic salary over a calendar year (pro rata) of up to one-third of the basic salary. The award of a variable short-term payment depends on the extent to which the budgeted adjusted net annual profit is realised*.

Implementation

The amount of the variable short-term payment for 2010 has been established by the supervisory board in accordance with the Remuneration Policy for 2010 as follows:

Mr K.N. Beentjes:	€ 110,398
Mr P. Aartsen:	€ 88,318
Mr E.J.M. Kooistra	€ 88,318
Mr N. Bortot	€ 88,318

The adjusted annual net profit realised in 2010 of € 75.2 million amounted to approximately 95% of the budgeted figure. The supervisory board considers the variable short-term payment awarded of approximately 88% of the maximum to be consistent with the extent to which the budgeted adjusted net profit per share was realised. Current and future risks, the cost of capital and the required liquidity were all in line with normal business conduct and thus gave no reason to adjust the variable short-term payment.

c) Variable long-term payment

A variable long-term payment is a variable gross payment in ordinary shares of BinckBank which, in addition to the basic salary and any variable short-term payment, can be awarded to a director for a calendar year (pro rata). The variable long-term payment is capped at two-thirds of the basic salary.

The award of a variable long-term payment is based on the following:

- I. I. 50% depending on the degree to which the annual qualitative long-term targets set by the supervisory board have, in the discretionary opinion of the supervisory board, been realised
- and
- II. 50% depending on the degree to which the quantitative long-term annual targets set by the supervisory board have, in the discretionary opinion of the supervisory board, been realised**.

* The term budgeted adjusted net annual profit refers to the budgeted net profit as established by the supervisory board at the beginning of a calendar year, adjusted for IFRS amortisation and the tax saving resulting from the difference between the fiscal and commercial amortisation of the goodwill and intangible fixed assets acquired with the acquisition of Alex. The budgeted adjusted net annual profit will be announced at the time of BinckBank's publication of the results for the relevant calendar year. For a variable short-term bonus to be payable, at least 80% of the budgeted adjusted net annual profit must be realised.

** Unless they contain commercially sensitive information, the qualitative long-term targets and quantitative long-term targets are announced by BinckBank at the annual general meeting held in the calendar year following the calendar year in which they are set.

Implementation

The amount of the variable long-term payment for 2010 has been established by the supervisory board in accordance with the Remuneration Policy for 2010 as follows:

Mr K.N. Beentjes:	€ 184,563
Mr P. Aartsen:	€ 147,560
Mr E.J.M. Kooistra	€ 147,560
Mr N. Bortot	€ 147,560

BinckBank shares will be purchased in the above amounts.

I. The qualitative targets as at 1 January 2010 included the following:

- a) The offering of the SRD (Deferred Settlement Service) product in France.
- b) The introduction of Fund Investments in Belgium.
- c) The establishment of the future software architecture of BinckBank, and making sufficient progress with the completion of a European basic platform.
- d) The completion of the study to identify a fourth country for European expansion.
- e) The conclusion of two Business Process Outsourcing (BPO) contracts by the business unit Professional Services.
- f) The associate TOM (The Order Machine) should be in possession of a derivatives licence and operational as an MTF (Multilateral Trading Facility).

Implementation

The SRD product has been introduced in France. SRD allows French investors to purchase stocks or investment funds and settle the transaction at the end of the month. BinckBank's competitors in the French market have been offering this 'deferred settlement' service for some time. The SRD product has been welcomed by French investors. BinckBank hopes that the introduction of SRD will accelerate the growth of the number of account holders and transactions in France. A Mutual funds supermarket has been launched in Belgium. This concerns an application for the selection of investment funds. Investors are guided to the most suitable investment proposal by means of a fully automated process. The Mutual funds supermarket offered by BinckBank thus differs from mutual funds supermarkets offered until now. The objectives that were set in order to make the software and the IT systems future-proof in the context of the European expansion have been realised. BinckBank has announced it intends to open a branch in Italy. This completes the study to identify a fourth country. Professional Services has succeeded in winning two new BPO clients. TOM has encountered some delay, mainly due to external circumstances. In particular, obtaining a membership of Euronext has proved to be problematic.

II. The quantitative targets as at 1 January 2010 included the following:

- a) Targets in relation to the long-term earnings development.
- b) Targets in relation to the development of the number of accounts in the medium term.

Implementation

The objectives for the earnings for 2010 have been achieved for 95% , and 74% of the target number of new accounts has been realised.

The supervisory board considers the variable long-term payment awarded of 74% of the maximum to be consistent with the degree to which the qualitative and quantitative targets have been realised. Current and future risks, the cost of capital and the required liquidity were all in line with normal business conduct and thus gave no reason to adjust the variable long-term payment.

d) Pension scheme and supplementary disability insurance

In accordance with the Remuneration Policy for 2010, the directors participated in a pension plan in which 20% of the basic salary is deducted annually by the company and placed in a defined contribution plan. BinckBank pays 50% of the premium for the supplementary disability insurance, which entitles the insured person to receive a maximum of 70% of their last-earned salary. The premium is 2.3630% of the insured sum per year.

e) Company car lease scheme and reimbursement of mobile telephone charges

In accordance with the Remuneration Policy for 2010, the directors participated in the relevant BinckBank company car leasing scheme and were reimbursed for their mobile telephone costs.



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