

Corporate Social Responsibility Policy



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1 Motivation

In our business activities we are primarily concerned with the creation of trust among our customers and the generation of added value for them. Our high-quality service delivery to our customers is given concrete form right down to level of the most minor daily transactions. Our employees constantly strive to offer added value to customers in all of our services. In doing so, we always aim to provide outstanding service at highly competitive prices. This has been our natural way of working ever since our company was founded, and therefore in our vision a concern for the social effects of the company's functioning is at the core of our business. For this reason we are providing a further explanation of our policy on Corporate Social Responsibility (CSR policy) in this document.

We aim to constantly consider the influence of our business operations on those around us, in this case our customers and shareholders. Environmental aspects, our suppliers and any other socially relevant stakeholders also occupy a prominent place in our considerations. By acknowledging and defining our social values, designating standards associated with them and actively giving these standards specific content, we anchor a socially responsible policy in our manner of working. These policy provisions help us to make more effective internal considerations in our business decisions, and to translate policy into concrete aims. We can then carry out evaluations on the basis of the actual results.

1.1 What do we want to achieve?

By now explicitly establishing these actions, we are giving our CSR policy a new impetus from within BinckBank. In this way all those concerned, both internally and externally, can acquire greater insight into BinckBank's business operations. This contributes to the transparency of our company, because we reveal the totality of the influence of our business. Moreover, in this way the effects of BinckBank's business operations can be compared with those of other banks. This contributes towards our most important goal: the creation of trust among our customers, and with this the generation of added value for our shareholders.

2 Definition and policy

Corporate social responsibility and sustainable entrepreneurship are commonly used terms that are often interpreted in different ways. At BinckBank we use the term ‘corporate social responsibility’. We particularly prefer this definition from the perspective of the position we wish to take in society and the responsibilities that this entails. In this way our CSR policy and our business policy go hand in hand. In our view, this calls for an integrated approach where the creation of trust by offering added value for our customers is our primary responsibility. The sustainable aspects of our business operations are an extension of this concept. We refer to an integrated approach because all of these elements are interlinked. This is illustrated in the diagram accompanying the paragraph on delineation and scope.

2.1 What is our ambition

The basic principles formulated in this plan have been utilized and applied within BinckBank ever since its foundation. A new aspect, however, is that we now define them explicitly, and communicate them both internally and externally. The approach is in harmony with our working methods at BinckBank. With this plan we are now taking a first step in terms of corporate social responsibility. By sharpening our focus and making results measurable we can communicate transparently, clearly and openly with the outside world. This can provide an impetus towards accountability regarding sustainability.

2.2 Stakeholders

The expectations of our various stakeholders play a major role in arriving at a proper balance in setting our basic principles and priorities. Dialogue with stakeholders helps us in evaluating and, where necessary, amending our goals. Their various separate interests form an integral part of BinckBank’s strategy.

Our stakeholders are:

- Customers’ and collective interest groups: the Consumers’ Association (Consumentenbond), Shareholders’ Association (Vereniging van Effecten Bezitters – VEB) and Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling - VBDO);
- Regulators and supervisors: the Netherlands Authority for the Financial Markets (AFM) and De Nederlandsche Bank (DNB), accountants;
- Shareholders, analysts;
- Employees;
- Suppliers, investment funds, financial instruments, stock exchanges, software, advisors;
- Media, internet, traditional and new media.

3 Delineation and scope

Research by McKinsey* has shown that consumers attach much greater importance to trust in the products and services provided by banks than to all other aspects concerning corporate social responsibility. According to consumers, the following issues are the most definitive of the corporate social responsibility of banks:

- Customer contact and customer service;
- A customer-centred approach: putting customers' interests first;
- Clarity regarding products and conditions.

Research carried out after the credit crisis confirms these outcomes. The conclusions and recommendations of, among others, the Maas Commission and the government vision document 'The Future of the Financial Sector' all point in the same direction, and add weight to McKinsey's research results.

In short, customer confidence represents a key concept in the financial sector. Other factors are also relevant in the eyes of consumers, but these are of lesser importance. Consequently, high-quality customer contact, a customer-centred approach and transparency form the basis of our CSR policy. In addition, we give concrete form to good employment practice and good management, and strive towards sustainable business operations.

The diagram below gives a clear illustration of the integrated approach within our CSR policy. By identifying the various component areas, it also shows their cohesion and interlinking. The division into component areas helps in clearly defining our various activities. In 2010 this should result in a CSR policy where activities are defined for each component area. For each activity, a concrete result and a timeline must be established, and the action owner must be identified. Once these have been defined they can be added to the diagram below. By creating clarity regarding the action plan in this way, both the activities and the guarantees for the component areas have been mapped out in 2010. The closer a component area is to the innermost circle, the more closely it relates to the core of our business or the greater the progress that has been made on this point. This helps in setting priorities in the CSR policy.

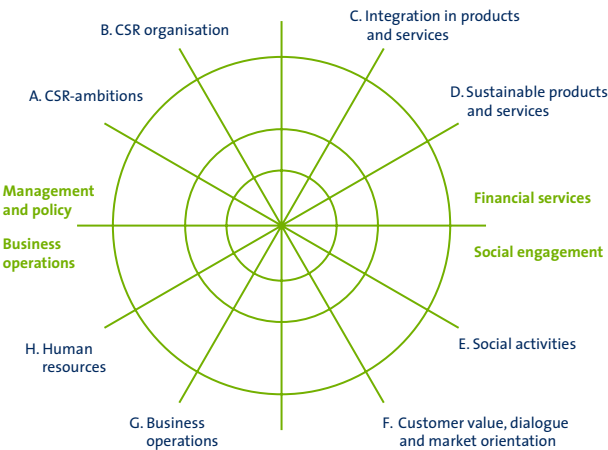


Figure 1. Component areas of the CSR policy**

The component areas listed above form the building blocks of the CSR policy. Each component area is explained in detail below, with a description of the activities that are either taking place already or are planned at BinckBank.

* McKinsey: Trust gap between consumers and corporations: "Companies must gain a better understanding of consumer perceptions and expectations about corporate social responsibility if they are to win the public's trust". To earn the public's trust, banks must first address the issues that concern their ordinary retail customers, but should also think about wider moral issues.

** Anchoring of CSR in the financial sector: Marieke Gombault, Karen Maas, Bouwe Taverne, Feb 2005.

4 Ambitions and key points

The success of BinckBank is largely due to the fact that the customer has always been central to everything we do. That remains the cornerstone of our policy. The integration of the CSR policy into BinckBank's services has largely been completed, and will be taken into consideration in innovations and product renewal. An approval process has been introduced for future products, in accordance with the Banking Code. A new aspect within this process is reporting on this issue. The first steps have been taken in this direction in 2010.

From 2010 an important key point is to continue to put sustainable investment firmly on the maps. BinckBank wishes to promote this theme continuously, and has the ambition to overcome the existing scepticism among investors concerning sustainable investments. BinckBank is convinced that a breakthrough in this field will have a far greater social impact than the contribution we can make by increasing the sustainability of our internal business processes.

4.1 Timeline

The ambition of this policy plan extends over a period of three years. In 2010 we are giving concrete form to the activities in the 'steering wheel' of corporate social responsibility. This provides an overarching action plan in which separate actions are made concrete. This calls for a clear description of the expected results, including action holders and delivery dates. Guarantees must also be built into the organisation, and progress must be made clear by means of reports.

5 Organisation and anchoring

Furthermore, the board of BinckBank acknowledges the importance of sustainability in products and services, and have laid the basis for a progressive policy.

Within the board of directors, the responsibility for initiating the CSR policy is held by the Retail board member, Nick Bortot. He is also responsible for its implementation. The assurance and progress of the implementation of the CSR policy will subsequently be embedded in the existing organisation. The Internal Audit Department within BinckBank will carry out annual auditing. Because of the transparent manner of reporting, stakeholders can also carry out their own monitoring of the extent to which the envisioned policy has been put into practice. As a result, the anchoring of the defined processes and the CSR policy in the organization of BinckBank is made clear and measurable.

5.1 Implementation

For the implementation of the policy, activities have been established for each area of attention, each with its own action holder, output and delivery date. For example, a direct, one-on-one relationship can be found between the activities formulated in the action plan and the corresponding policy points. This guarantees that the principles of the formulated goals run synchronously with the detailed planning of the policy. The activities are then described in detail for each component area.

6 Integration in products and services

Many of the basic principles in our corporate social responsibility policy are interlinked with our day-to-day services to customers. In our view, this everyday interaction with the customer is a key link for generating confidence in BinckBank. For this reason, the integration of the basic principles of corporate social responsibility in our products and services forms an integral component of our company policy. The main building blocks of this integration are described below.

6.1 Excellent service important for customer satisfaction

BinckBank constantly strives to provide services that match the wishes of the investor as closely as possible. Customers are therefore provided with excellent support on all kinds of trading issues by our customer service desks. We require our service desk employees to be of such good service to our customers that they exceed their expectations.

The quality of our service level will be monitored by our customers by means of enquiries into their experiences with BinckBank. They can also make suggestions for improved services. Customer satisfaction can then be expressed with reference to target scores.

6.2 Commitment to investor education

BinckBank wishes to see its customers invest as successfully as possible. BinckBank therefore offers a variety of opportunities to customers by providing training and coaching on investment issues. Customers can follow online seminars and training modules at varying degrees of difficulty. BinckBank also offers training and coaching sessions on location. 10,000 participants take part in these sessions every year. Our aim in this is to increase customers' knowledge, but also to change their behaviour; in short, to teach our customers to be better investors. The quality of these training sessions is measured, among other ways, by means of surveys.

6.3 Improving the security of the PC environment for customers

In view of the fact that BinckBank is an internet broker, in our case internet security extends further than internal measures alone. A secure PC environment for customers is viewed by BinckBank as a key link in the chain of security. Our customers are actively informed and encouraged to work securely with their computers and the internet. In addition, in the near future our service desks will be drawing up a number of guidelines for secure computer use by our customers. These guidelines will be actively promoted to customers via our website and our service desks.

6.4 TOM guarantees customers the best transaction price of best execution

The Order Machine (TOM) is a good example of the integration of corporate social responsibility into BinckBank's services. In the first instance, the regulations contained in the Markets in Financial Instruments Directive (MiFID) provided the motivation to start up TOM. The regulations obliged BinckBank to guarantee its customers the best execution for share transactions, and our customers' interests, as established in MiFID, motivated BinckBank to make substantial investments in our best execution service via TOM. In addition, TOM has the potential to develop into a multilateral trading platform.

7 Overcoming scepticism concerning sustainable investment

At BinckBank we are convinced that sustainable investment is still an insufficiently explored theme in the Netherlands. BinckBank aims to play a pioneering role in increasing awareness of sustainable investment among Dutch investors, in particular by intensifying the level of education regarding sustainable funds and shares and by making such investments more clearly recognizable. A concrete opportunity for this is the creation of a separate space for sustainable investments within our existing website or within the concept of fund investment that is currently being developed. We expect that this will take concrete form in the course of 2010.

7.1 Overcoming scepticism concerning sustainable investment

BinckBank wishes to make the concept of 'sustainable investment' better known among a wide audience. For example, BinckBank is a member of the Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling) and actively supports this organisation's initiative to create a website devoted to sustainable investment. In this way BinckBank is making a contribution to increasing support for sustainable investment and overcoming the prevailing public opinion that sustainability comes at the expense of profitability.

This year, BinckBank also wishes to host online seminars on sustainable investment in partnership with providers of sustainable investment funds. These seminars will deal with the nature of sustainable investments, as well as their fiscal benefits. Customers will also have the opportunity to invest, free of charge, in the funds under discussion. Sustainable investment will also be promoted in a newsletter, and possibly through other projects.

8 Social activities

From our position as a bank, we are conscious of our position in society, and within our policy on corporate social responsibility we have created space for supporting a number of social initiatives. BinckBank regards this as a social dividend. We are convinced that by working from a social focus we can increase added value, and in 2010 BinckBank is formulating a sponsorship policy to this end. Our financial contributions to good causes fluctuate in line with our profit. BinckBank selects the recipients of its donations in accordance with the criteria specified in our sponsorship policy.

9 Market orientation and dialogue

To keep in touch with social developments, and to truly take our place in society as a company, it is important to constantly remain in dialogue with our various stakeholders. Of course supervisory bodies and regulations play a major role in this. An additional focus is being placed on our dialogues with investors, customers and shareholders, and this is being facilitated in as many ways as possible. The internet is playing an increasingly important role in this area.

9.1 Increasing the frequency of meetings with stakeholders

BinckBank wishes to actively meet with investors, customers and shareholders, both by speaking with them in person at symposia such as the Day of the Investor and on the internet via our online seminars. In addition, of course, BinckBank's employees also communicate with customers on the telephone and by email. In this way BinckBank actively gives content, follow-up and feedback to suggestions made by customers. Customers' wishes are subsequently recorded in detail and evaluated for feasibility.

The board of BinckBank also aims to offer shareholders an opportunity to enter into a dialogue with them. For example, board members can answer 'live' questions that shareholders put to them via internet chat. BinckBank also keeps itself informed of investors' opinions through, for example, regularly consulting internet forums.

Other stakeholders meet with BinckBank in periodic discussions with representatives of relevant interest groups. These include the Shareholders' Association (Vereniging van Effecten Bezitters), the Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling) and the Consumers' Association (Consumentenbond).

10 Business operations

In the context of corporate social responsibility, BinckBank employs a broad definition of 'business operations'. This means that all aspects of investment policy and corporate governance are taken into account, in addition to facilities services. It is precisely these aspects, such as investment policy, risk management and corporate governance, that determine the level of trust in BinckBank's business operations. The measurement of the facilities aspects of our business operations, and making them more sustainable, is also given priority in this context.

With a view to making our overall policy transparent, and enabling 'control' by stakeholders, a change of reporting is needed. In 2010 BinckBank is investigating the steps that need to be taken in this field. The issues outlined in the above paragraph are explored in more detail below.

10.1 High social relevance of BinckBank's risk management

The fact that risk management at BinckBank is a socially relevant theme is demonstrated by the effects of the current financial crisis on the economy and on society. Risk management plays a role at BinckBank in a variety of ways. The supervisory board has a risk and product development committee and an audit committee that, among other things, supervise the structure and operation of control measures for commercial and financial risk areas in accordance with the Banking Code. The continuity of BinckBank's business operations is further dependent on correctly functioning computer systems, so the IT department has established test and change processes in consultation with the Nederlandsche Bank and the Financial Markets Authority. By carrying out regular audits, both of these organisations supervise the maintenance of the processes, and in this way ensure the control of risks in the IT field.

10.2 Investment policy sustainable as well as cautious

The principle of caution is applied in BinckBank's investment policy. Of course a good level of returns on the invested sums is also important, but BinckBank only wishes to run an extremely limited risk in this regard. In addition to this principle of caution, BinckBank strives to make its investment policy for the funds entrusted even more sustainable. One of our goals is to report on the sustainability of our investment policy to customers, shareholders and other stakeholders. The criteria for this investment policy are currently the subject of investigation, and will be more closely defined in the near future.

10.3 Growth with a focus on sustainable aspects

As a fast-growing enterprise, BinckBank also has a growing impact on the environment. Environmental effects due to energy consumption and the amount of waste we generate, for example, determine the extent of BinckBank's ecological footprint. Clearly mapping out our influence on the environment can help to efficiently reduce environmental harm. We do this by making use of 'green energy', separating waste and using recycled paper as well as, for example, using double-sided copying and printing as standard.

11 Human resources policy

Corporate social responsibility with regard to BinckBank's human resources policy is particularly expressed in the degree to which our employees are fit and healthy and the extent to which they can achieve personal development. The full utilisation and continuing development of our employees' capacities and the encouragement of exercise and healthy eating are therefore important points in BinckBank's human resources policy.

11.1 Development and education of employees central to human resources policy

BinckBank encourages employees to move on to other posts within the company, with the aim of optimally utilising their talents and enhancing their knowledge and skills. In addition, we invest in the competencies of our employees through a personal education programme. Drawing up an inventory for such a personal education programme forms a component of the employee evaluation programme. The executive board and supervisory board also have a permanent education programme, in accordance with the Banking Code. The quality of managers and employees is systematically enhanced by ongoing education in the fields of knowledge, skills and personal growth.

11.2 Sport and healthy eating are the basis for BinckBank's health programme

In addition to the provision of ergonomically sound workplaces, BinckBank's health programme is focused on exercise and healthy eating. Employees are provided with free fruit, for example, and healthy catering is promoted. Exercise is encouraged by offering discounts on gym subscriptions, and thanks to a bicycle scheme employees can buy a bicycle with tax benefits. In addition, BinckBank's own events committee organizes a variety of sporting events each year.



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