

# YEARLY REPORT 2016

‘BinckBank completes 2016 with a strong operational last quarter. One-off expenditures put pressure on bottom line result.’

- Commission income up 20% in 16Q4 thanks to 13% higher transaction volume and 8% higher average commission income per transaction.
- Net interest income in 16Q4 up 4% on contribution from mortgage portfolio (€ 520 million at end of 2016).
- New ‘Binck Laten Beleggen’ (Binck Investing for You) service launched in Belgium in December 2016.
- New savings brokerage service ‘Binck Savings’ launched in the Netherlands among a selected group of clients (pilot).
- Income on turbos up 36% in 16Q4 thanks to highest financing level (€ 225 million) of Binck turbos since their launch in 2014.
- One-off expenditures totalling € 4.5 million in 16Q4.
- Adjusted net result per share in 16Q4 € 0.11, and FY16 € 0.45 (FY15: € 0.79).
- Proposed final dividend 2016: € 0.19 per share.

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## Key figures annual comparison

### Consolidated

(amounts in € 000, unless otherwise indicated)

	16Q4	16Q3	Δ	FY2016	FY2015	Δ
<b>Customer figures</b>						
Number of transactions	1,991,269	1,756,501	13%	7,726,110	9,293,591	-17%
Assets under administration	22,793,380	21,724,150	5%	22,793,380	20,575,397	11%
Assets under management	1,279,980	1,439,652	-11%	1,279,980	1,697,871	-25%
<b>Income statement</b>						
Net interest income	7,179	6,894	4%	26,325	25,724	2%
Net fee and commission income	29,630	24,755	20%	109,076	131,461	-17%
Other income from operating activities	3,715	3,332	11%	12,324	12,993	-5%
<b>Total income from operating activities</b>	<b>40,524</b>	<b>34,981</b>	<b>16%</b>	<b>147,725</b>	<b>170,178</b>	<b>-13%</b>
Total adjusted operating expenses*	31,937	28,546	12%	116,634	108,863	7%
<b>Adjusted result from operating activities</b>	<b>8,587</b>	<b>6,435</b>	<b>33%</b>	<b>31,091</b>	<b>61,315</b>	<b>-49%</b>
Adjusted taxes*	874	723		2,273	(3,961)	
Result from associates	(1,965)	(412)		(2,821)	(730)	
<b>Adjusted result after tax*</b>	<b>7,496</b>	<b>6,746</b>	<b>11%</b>	<b>30,543</b>	<b>56,624</b>	<b>-46%</b>
Result attributable to non-controlling interests	(27)	(5)		(87)	(1,076)	
<b>Adjusted net result*</b>	<b>7,469</b>	<b>6,741</b>	<b>11%</b>	<b>30,456</b>	<b>55,548</b>	<b>-45%</b>
<b>Adjusted net earnings per share (in €)</b>	<b>0.11</b>	<b>0.11</b>		<b>0.45</b>	<b>0.79</b>	
<b>Cost / income ratio</b>	<b>79%</b>	<b>82%</b>		<b>79%</b>	<b>64%</b>	
<b>Capital adequacy</b>						
Common equity Tier 1	245,542	243,725	1%	245,542	253,582	-3%
Capital ratio	31.9%	33.2%		31.9%	40.2%	
Leverage ratio	6.7%	6.9%		6.7%	7.1%	

\* Compared to the IFRS results, within the adjusted result the total operating expenses and taxes are adjusted for IFRS amortisation and tax savings on the difference between fiscal and commercial amortisation of the intangible assets acquired with the acquisition of Alex and goodwill paid. Page 11 of this report includes the reconciliation of the adjusted result to the IFRS result.

# Highlights 2016

## Business highlights 2016

- 'All-in-1-investing' was launched in the Netherlands in 16Q1 under the label Binck Fundcoach.
- After the French migration in 16Q1, all retail activities are now working on the same platform.
- New initiatives launched with ProBeleggen in the Netherlands and ZoneBourse in France in 16Q2 to offer customers low-threshold access to the knowledge of investment professionals.
- New savings brokerage service 'Binck Savings' launched in the Netherlands in 16Q4 among a selected group of clients (pilot).
- New asset management product 'Binck Laten Beleggen' (Binck Investing for You) launched in Belgium in December 2016.
- Best of Book offering expanded to more than 550 funds, clients of BinckBank benefit for more than € 5 million in 2016.\*
- Income from Binck turbos in 16Q4 up 36%, because at the end of 2016 the turbos reached the highest financing level since the start in 2014 (€ 225 million).
- Assets under administration of Independent Asset management in the Netherlands grows by almost € 1 billion.
- Assets administered by Alex Asset Management drop to € 1.3 billion at the end of FY16.

## Financial highlights 2016

- Adjusted net result FY16 € 30.5 million (FY15: € 55.5 million).
- Adjusted net profit per share FY16 € 0.45 (FY15: € 0.79).
- Proposed final dividend FY16 € 0.19 per share (FY15: € 0.25).
- At the end of FY16, the mortgage portfolio is € 520 million, and has made a positive contribution to the increase of the net interest rate result.
- BinckBank has reached agreement with VEB and Vermogensmonitor on the settlement of complaints, additional € 2.75 million expenditure in 16Q4.
- In 16Q2 the AFM imposed two fines on BinckBank. Provisions for these penalties had already been made in previous years.
- Share buyback programme 2016 (€ 25 million) completed in 16Q3 with a total of 4.6 million shares purchased in 2016.

## Other highlights 2016

- With the Agile Transformation Program, BinckBank introduces a completely new approach for dramatically reducing the time-to-market of its plans.
- Numerous initiatives based on Design Thinking were undertaken to improve Binck's customer centric focus'.
- In 2016, BinckBank won prizes in Italy, the Lefonti Award for Bank of the Year in online trading and the Best Online Broker in Italy in the Italian Certificate Awards. In the Netherlands, BinckBank was named Best Online Broker in the IEX Netprofiler Internet Broker Survey 2016 and Binck France is awarded with Label d'excellence by Les dossiers de l'épargne.

\* Based on a calculation by Liquid Metrics for Euronext

# Message from the chairman



**Vincent Germyns, chairman of the executive board of BinckBank**

**'Firstly, I would like to start by thanking our clients for their loyalty. This past year, we were once again privileged with a broad and loyal client base, and we also had the pleasure of welcoming a many new clients. It was an intense year for BinckBank. On the one hand, we took positive steps towards our strategic transformation, proving our strength of innovation even as we had to devote full attention to the challenging market conditions we faced. In addition we also demonstrated the capacity to learn from the past and take the necessary action in order to focus on the future. The fact that from an operational standpoint the fourth quarter was a strong quarter shows that now, more than ever, Binck is the leading investment bank.'**

The trading year 2016 began with lower transaction volumes, smaller order values, and the lower average revenues per transaction that this implies, as a result of which the net commission income over 2016 as a whole came out lower than previous years. However, in the fourth quarter we finally began to see a more positive sentiment in the market. This Q4 sentiment on the exchanges was seen in all countries, in rising numbers of transactions and revenue per transaction. The adjusted net result over the full year 2016 came out at € 0.45 per share (FY15: € 0.79 per share). In accordance with our dividend policy we propose a total dividend per share of € 0.23. Taking into account the interim dividend of € 0.04 already paid, this means that the final dividend will be € 0.19 per share.

In 2016, steps were taken on a wide variety of fronts towards the strategic transformation of BinckBank (Redesign Binck) and the development of new products and services within the strategic product framework (9-grid). There was, for example, the fourth quarter pilot with an innovative savings product ('Binck Savings'), which is expected to launch commercially for the broader market in the first half of 2017. Also at the end of 2016, a new discretionary management product 'Binck Laten Beleggen' (Binck Investing for You) was launched in Belgium. With these and others, BinckBank formed a base, as a navigator, to expand its services into the Investing and Saving segments alongside its current online brokerage (Trading) services. In the past year, significant progress has also been made on the continuing optimisation of our European base platform. With the now-completed migration of the French retail activities, all retail activities are now unified on a single platform.

We introduced the Agile Transformation Program, Design Thinking and Atomic Design in order to bring our style of thinking and working more into line with the new standards, at the same time enhancing our client centric focus. We also won a number of international awards on customer satisfaction and user-friendliness, which further highlight our strong position. All these things demonstrate that now, more than ever, BinckBank pursues a dual approach by which on the one hand we continue to capitalize on the existing basis and services, and on the other we devote maximum effort to developing the next game changers.

Developments and changes on the regulatory front also had a significant impact on our operations in 2016 in terms of the engagement of our available resources. We must also regrettably report that in 2016 BinckBank was dealt two administrative fines by the AFM, both pertaining to matters dating back over two years. In 2015, we had already implemented operational changes designed to prevent a repeat of these circumstances, and we continued to work hard on making our organisation even more robust in 2016. In January 2017, we reached agreement with VEB and Vermogensmonitor on the settlement of complaints of members and customers.

We would like to thank our shareholders for the confidence that they have placed in us. We realise that the developments in BinckBank's share price over the past year have put your patience to the test. At the same time, we must again point out that a strategic transition takes time, and our focus must remain on the long term. We have complete confidence that BinckBank's current course will lead to value in the future. I would like to close this message by expressing my personal gratitude to all our employees for their efforts over the past year. We are convinced that BinckBank is looking ahead towards a positive future, and the executive board and I will continue to serve the interests of all stakeholders to the best of our ability.

Amsterdam, 6 February 2017

BinckBank N.V.

Vincent Germyns, Chairman of the executive board

# Developments in 2016

Difficult market circumstances over the past year had an impact on the bank's income. In 2016, clients performed 7.7 million transactions (FY15: 9.3 million), 1.6 million fewer transactions (-17%) than the previous year. With the market strongly competitive and the difficult investment climate, the numbers of transactions in the Netherlands, Belgium, and France fell by 15%, 30%, and 24% respectively. In Belgium, the speculation tax introduced at the beginning of 2016 had a negative impact on the number of transactions. However, in the fourth quarter of 2016 there was a general increase in the numbers of transactions of our clients, and the net commission income rose compared to the previous three quarters. The number of transactions in the fourth quarter rose by 13%, to nearly 2 million, and the average revenue per transaction rose by over 8% to € 11.09.

In the fourth quarter, Euronext expanded the Best of Book offerings to over 550 stocks, giving private investors investing through BinckBank more possibilities for obtaining the best execution on their trades. Up until December 2016, clients had saved over € 5 million\* by executing their trades via Binck and Alex. With the expansion of Best of Book, those savings for the private investor are expected to increase in 2017.

The assets under administration of Independent Asset Management has grown and remain solid. In 2016 the assets under administration in the Netherlands increased by almost € 1 billion to a total sum of € 7.4 billion. The securities giro can look forward to an increasing popularity and is currently used by 14 asset managers.

In 2016, Alex Asset Management saw an outflow of its customer funds. The assets under management by Alex Asset Management fell to € 1.3 billion. In 2014, a number of clients of Alex Asset Management filed complaints on the information provision by Alex Asset Management during the period of 8 September 2012 to 26 August 2014, including the way in which Alex Asset Management alerted them to the risk posed by the market conditions that arose in that year. BinckBank has now reached agreement with the VEB and Vermogensmonitor, on behalf of the members and clients on the settlement of these complaints. The settlement provides VEB and Vermogensmonitor with the opportunity to offer a compensation to clients who have complained and who need certain criteria. It must be noted that this settlement does not constitute any acknowledgement of guilt or liability on the part of Alex Asset Management. The settlement has a negative effect on BinckBank's 2016 result of € 2.75 million.

In the past year, significant progress has been made on the optimisation of our European base platform. All retail activities are now conducted on the same platform, which means that new and updated products can be implemented faster across all countries. The majority of our websites have been migrated to a uniform platform with a better user experience for the various channels. We have also made good progress towards improving the online intake process, to speed up account opening for clients. In the future, the online intake process will be fine-tuned to optimally support us in the performance of our role as navigator. Looking ahead to the implementation of new products and services in the strategic product framework (9-grid), this will be a critical part of the success of the strategic transformation.

\* Based on a calculation by Liquid Metrics for Euronext

## Binck Strategic Product Framework (9-Grid)

	Do-it-myself	Help-me-do-it	Do-it-for-me
Trading Active investing	<b>BINCK * ZELF BELEGGEN</b> alex.zelf beleggen		
Investing Passive investing	<b>BINCK FUNDCOACH</b> Zelf bouwen aan uw vermogen		<b>BINCK * LATEN BELEGGEN</b> alex.vermogensbeheer
Saving Savings	<b>BINCK * SPAREN</b>		

➔ Over the past year BinckBank has focused strongly on developing new products and services in light of the Redesign phase of the strategy. In the process, BinckBank has complemented its existing products in Trading and Investing with the addition of the products of our partners ProBeleggen and ZoneBourse. Through the partnership with ProBeleggen, our customers are connected with specific investment professionals to inspire and activate them.

➔ BinckBank sees an increasing demand for passive investments, which is why BinckBank launched a new discretionary asset management product (Binck Laten Beleggen, or ‘Binck Investing for You’) in Belgium in December 2016. In 2017, BinckBank will be focusing on commercially launching this new product on the Belgian market. In the first two weeks after the service was offered, our Belgian clients invested a total of € 2.1 million.

➔ In November, we launched a pilot (technical market introduction) of an innovative savings product (Binck Savings) in the Netherlands. With ‘Binck Savings’, BinckBank offers its clients a platform that allows them to distribute their savings safely across one or more carefully selected partner banks within the euro area. Clients can increase their return by opting for different deposits while at the same time limiting the risks by spreading them across banks that fall under different national deposit guarantee systems within Europe. The ‘Binck Savings’ product is expected to be launched commercially in the first half of 2017.

One of our goals for 2016 was to invest € 500 million in Dutch residential mortgages. We pursued this goal by offering mortgage loans under the label BijBouwe. Additionally, on 16 July 2016 BinckBank purchased a € 340 million mortgage portfolio from Obvion. This put us well over our € 500 million goal at the end of 2016 (€ 520 million). By building up the bank’s portfolio of residential mortgages, BinckBank has succeeded in largely compensating for the decline in returns on the assets side of its balance sheet. Mainly by the the contribution of the mortgage portfolio, the net interest income rose by 2% over the past year, this despite a general decline in interest rates on the money- and capital markets.

On 20 October 2016, the shareholders of TOM Holding N.V. reached an agreement with TOM to actively support it in finding a new strategic partner that will enable TOM to take the next step in its development. The search for a new strategic partner was not yet complete on the date of this press release.



## Report of the executive board

# Progress towards achievement of objectives 2016-2018

At the end of 2015, BinckBank defined the following four objectives as targets for 2016. All these objectives were achieved in 2016.

Objectives to be achieved in 2016	Contribution towards strategic goal:	Status
Migration of French clients to European base platform.	Customer intimacy & Operational Excellence.	The migration was completed in the first quarter of 2016.
Introduction of Binck Savings.	Customer intimacy, more balanced revenue flow.	Pilot with small group of clients started in fourth quarter of 2016. Commercial launch expected in first half of 2017.
Introduction of Binck Laten Beleggen (Binck Investing for You) in Belgium	Customer intimacy, more balanced revenue flow.	Launched in December 2016
Investment of € 500 million in Dutch residential mortgages.	More balanced revenue flow.	At the end of 2016 an amount of € 520 million is invested in a portfolio of Dutch residential mortgages.

In 2014, the executive board of BinckBank also defined medium and long-term goals for 2018. The status of the achievement of these goals is as follows:

Medium-term targets 2018	Target 2018	Realisation year-end 2016	Realisation year-end 2015	Realisation year-end 2014
Customer satisfaction	>=8 weighted average	>=7.3 weighted average	>=7.3 weighted average	>=7.1 weighted average
Number of transactions	11.0 million	7.7 million	9.3 million	8.6 million
Assets under administration	€ 21,0 billion	€ 22,8 billion	€ 20,6 billion	€ 18,5 billion
Assets under management	€ 3,5 billion	€ 1,3 billion	€ 1,7 billion	€ 2,0 billion
Cost/Income ratio (ex IFRS-amortisation)	<65%	79%	64%	72%
More balanced revenue flow	>66.6%	35.6%	33.8%	34.1%

The medium-term target relating to assets under administration is met at the end of 2016. On the other medium-term targets for 2018, BinckBank is currently falling behind and expects achieving the intended targets will take longer.

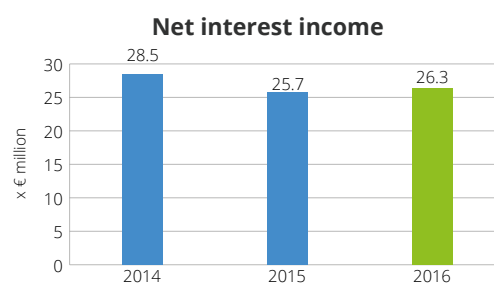
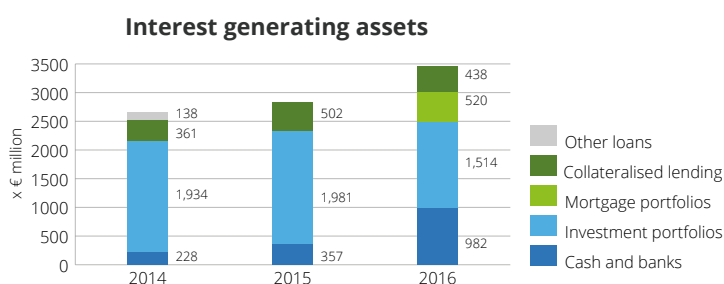
## Notes to the consolidated result FY16

### Adjusted net result

The adjusted net result over 2016 was € 30.5 million, giving an adjusted net result of € 0.45 per share. This is a decline of 45% as compared to 2015 (FY15: € 55.5 million, € 0.79 per share). The decline of the adjusted net result is mainly the result of lower commission income as a result of lower transaction volumes, as well as higher operating expenses. The adjusted operating expenses over the year 2016 rose to € 116.6 million (FY15: € 108.9 million) as a result of additional expenses for the strategic transformation (Redesign Binck), recurring extra costs relating to the banking sector and its regulation, changes in provisions, costs of marketing and market data, and service costs for the mortgage portfolio.

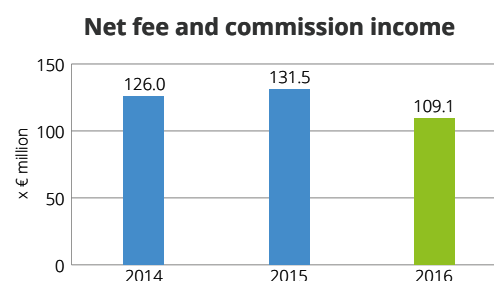
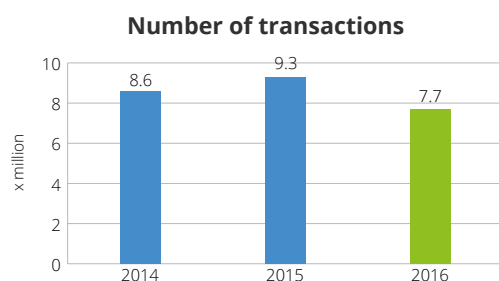
### Net interest income

The net interest income in the year 2016 came out at € 26.3 million, 2% higher than the previous year (FY15: € 25.7 million). This increase is primarily the result of interest income from the mortgage portfolio, which had a positive contribution to the net interest result. The net interest income on the collateralised loans came out slightly lower in 2016 than in 2015. The interest expenses in 2016 remained essentially constant from the previous year. On the one hand, interest expenses rose as the result of the negative interest that BinckBank paid on its cash and cash equivalents held at other financial institutions; however, interest expenses also declined as a result of reduced interest paid on clients funds entrusted.



### Net fee and commission income

In 2016, the net fee and commission income came out at € 109.1 million, down 17% from the previous year (FY15: € 131.5 million). This decline in the net fee and commission income is in line with the 17% decrease in number of transactions. The fees on asset management continued their decline in 2016 as a result of the fall in the amount of average assets under management over the course of 2016. The asset management fees over 2016 include a performance fee of € 0.4 million (FY15: € 3.6 million).

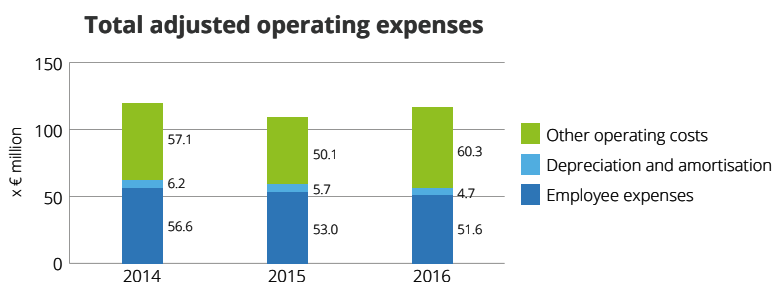


### Other income from operating activities

The other income from operating activities consists primarily of revenues from the activities of Able, results from the Binck turbos, value changes on financial assets, and revenues that do not fall under any other category. Revenues from the Binck turbos rose in 2016 by 25%, to € 2.5 million. At the end of 2016, the financing level of the Binck turbos reached the highest level since their launch in 2014 (€ 225 million).

## Total adjusted operating expenses

The total adjusted operating expenses over 2016 came out at € 116.6 million, 7% higher than the previous year (FY15: € 108.9 million). The employee expenses and amortisation both fell, by a total of € 2.4 million. The increase of the total adjusted operating expenses is therefore primarily the result of an increase in other operating expenses of € 10.2 million. A part of these expenses relates to the strategic transformation (Redesign Binck). The rollout of new products as a result of the strategic transformation necessitated additional costs for support and IT amounting to € 2.3 million. BinckBank also incurred € 2.0 million in structural additional costs relating to the banking sector and its regulation, in the form of contributions to the deposit guarantee system and the Single Resolution Fund. The agreement with VEB and Vermogensmonitor on the Alex Asset Management complaints resulted in an additional one-time expense in 16Q4 of € 2.75 million. Further, costs for marketing increased by € 1.9 million, and the service costs associated with the mortgage portfolio increased the operating expenses by € 0.9 million.



## Result from associates

As one of the shareholders of TOM Holding N.V., BinckBank has given the management of TOM Holding N.V. the approval to actively seek out new strategic partners. In this scenario, BinckBank has assessed the recoverable amount of TOM Holding N.V. at € 0. As a result, for 16Q4 BinckBank impaired its stake in TOM Holding N.V. to zero. This resulted 16Q4 in an additional impairment charge amounting to € 1.7 million.

## Dividend proposal 2016

It will be proposed to the shareholders that a total dividend of € 0.23 be paid for the 2016 financial year. An interim cash dividend of € 0.04 was distributed on 1 August 2016, making the proposed final cash dividend € 0.19 per share. In determining the dividend the requirements of CRD IV (EU/2013/36), the CRR (EU/2013/575) and related regulations as well as the recommendation of the European Central Bank (ECB/2016/44) have been applied. The annual result for 2016 is insufficient for payment of the final dividend from the profit for the year. As a result, the proposed dividend will partly be made from retained earnings. Subject to approval by the General Meeting on 24 April 2017, the share will be quoted ex-dividend on 26 April 2017. Payment of the final dividend will take place on 3 May 2017.

## Reconciliation of key figures, adjusted result – IFRS

The table below shows the reconciliation of the adjusted net result with the IFRS result. As compared to the IFRS results, the total operating expenses and taxes are adjusted for IFRS amortisation and tax savings on the difference between fiscal and commercial amortisation of the intangible assets acquired with the acquisition of Alex and goodwill paid.

## Key figures

(amounts in € 000's, unless otherwise indicated)

	16Q4	16Q3	16Ytd	15Ytd
<b>Reconciliation of the adjusted net result to IFRS-result</b>				
<b>Adjusted net-result</b>	<b>7,496</b>	<b>6,746</b>	<b>30,543</b>	<b>56,624</b>
Adjustment IFRS-amortisation	(5,378)	(5,379)	(21,515)	(21,515)
Adjustment fiscal goodwill amortisation	(1,101)	(1,102)	(4,407)	(4,407)
<b>IFRS-result</b>	<b>1,017</b>	<b>265</b>	<b>4,621</b>	<b>30,702</b>

## Financial position and risk management

### Calculation of available capital and capital ratio

At the end of 2016, BinckBank's asset and liquidity position was solid. BinckBank's total equity stood at € 397.0 million. In 2016, BinckBank bought € 25 million of its own shares. As compared to the end of 2015, the Tier 1 core capital ratio fell by € 8.0 million, to € 245.5 million. The calculation of the Tier 1 core capital ratio fully accounts for any potential reduction of the reserves in accordance with the dividend policy. In 2016, the capital ratio as compared to 2015 declined to 31.9% (15Q4: 40.2%).

### Calculation of equity on hand and capital ratio

(amounts in € 000's, unless otherwise indicated)

	2016	2015
<b>Total equity</b>	<b>396,952</b>	<b>437,480</b>
Less: goodwill	(144,882)	(144,882)
Plus: deferred tax liabilities related to goodwill	32,273	28,651
Less: other intangible fixed assets	(23,204)	(45,417)
Less: prudent valuation adjustment	(724)	(1,167)
Less: Non-controlling interests	(1,383)	(1,296)
Less: dividend reserve, in accordance with normal dividend policy	(13,490)	(17,750)
Less: unappropriated results corrected for normal dividend policy	-	(2,037)
<b>Tier 1 Core capital (CET1) (A)</b>	<b>245,542</b>	<b>253,582</b>
<b>Total risk-weighted items – Pillar I (B)</b>	<b>768,722</b>	<b>630,663</b>
<b>Total capital ratio (= A/B)</b>	<b>31.9%</b>	<b>40.2%</b>
Unweighted assets (balance sheet total)	3,800,261	3,436,335
Prudential adjustments	(139,791)	124,022
<b>Risk exposure in accordance with CRR (C)</b>	<b>3,660,470</b>	<b>3,560,357</b>
<b>Leverage ratio (=A/C)</b>	<b>6.7%</b>	<b>7.1%</b>

The table above shows the calculation of the Tier 1 core capital and capital ratio based on the Capital Requirements Regulation under full application of prudential adjustments. BinckBank has no additional Tier 1 or Tier 2 capital, and therefore the total capital ratio is equal to the Tier 1 core capital ratio.

From the level at 31 December 2015, the total risk-weighted items rose from € 630.7 million to € 768.7 million, primarily the result of a changed profile of exposures to credit institutions in the investment portfolio, the mortgage portfolio, and the associated risk weighting.

The leverage ratio came out at 6.7% (15Q4: 7.1%). The change in the leverage ratio from 2015 is influenced by the drop in Tier 1 core capital as a result of the completed share buyback programme and the growth in the risk exposure in accordance with the CRR as a result of the increase in funds entrusted.

# Outlook for 2017

### Progression strategy

The strategic transformation of BinckBank is a three-phase process. The first phase, Rethink Binck, completed in 2015, was focused on identifying growth opportunities for the coming years. In 2016 and 2017, the focus will be on the second phase, Redesign Binck: the development of new products and services tailored to the opportunities identified in the market. The third phase is Relaunch Binck. This final phase (beginning 2018) will make sure that the new products and services make a positive contribution to the results in order to bring about a new growth phase.

### Financial outlook for 2017

BinckBank's result depends very strongly on the activity of its clients on the exchange. As some of the decisive factors in the results, such as the volatility and direction of the stock exchange, cannot be predicted, BinckBank does not make any specific projections.

Amsterdam, 6 February 2017

Vincent Germyns (chairman of the executive board)

Evert-Jan Kooistra (member of the board and CFRO)

Steven Clausing (member of the board and COO)



FINANCIAL  
STATEMENTS  
2016

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## I. Condensed consolidated statement of financial position

(amounts in € 000's, unless otherwise indicated)

	31 December 2016	31 December 2015
<b>Assets</b>		
Cash and balances at central banks	854,230	178,365
Banks	127,755	178,244
Financial assets held for trading	20,393	12,297
Financial assets designated at fair value through profit and loss	9,499	15,405
Financial assets available-for-sale	724,398	1,167,121
Financial assets held-to-maturity	790,021	813,484
Loans and receivables	958,329	502,006
Associates	-	1,227
Intangible assets	168,260	190,560
Property, plant, and equipment	35,128	34,830
Current tax assets	12,270	7,945
Deferred tax assets	1,048	1,121
Other assets	63,451	28,103
Prepayments and accrued income	35,479	45,122
Derivative positions held on behalf of clients	-	260,505
<b>Total assets</b>	<b>3,800,261</b>	<b>3,436,335</b>
<b>Liabilities</b>		
Banks	2,017	23,582
Financial liabilities held for trading	20,428	12,286
Financial liabilities designated at fair value through profit and loss	1,018	46
Funds entrusted	3,308,829	2,589,714
Provisions	8,891	7,884
Current tax liabilities	10	19
Deferred tax liabilities	31,982	27,874
Other liabilities	19,841	66,080
Accruals and deferred income	10,293	10,865
Derivative positions held on behalf of clients	-	260,505
<b>Total liabilities</b>	<b>3,403,309</b>	<b>2,998,855</b>
Equity attributable to:		
Owners of the parent	395,569	436,184
Non-controlling interests	1,383	1,296
<b>Total equity</b>	<b>396,952</b>	<b>437,480</b>
<b>Total equity and liabilities</b>	<b>3,800,261</b>	<b>3,436,335</b>

## II. Condensed consolidated income statement

(amounts in € 000's, unless otherwise indicated)	16Q4	15Q4	FY16	FY15
<b>Income</b>				
Interest income	8,429	7,267	30,123	29,580
Interest expense	(1,250)	(1,114)	(3,798)	(3,856)
Net interest income	7,179	6,153	26,325	25,724
Fee and commission income	35,125	35,269	129,547	155,826
Fee and commission expense	(5,495)	(4,661)	(20,471)	(24,365)
Net fee and commission income	29,630	30,608	109,076	131,461
Other income	2,718	2,685	9,910	10,947
Result from financial instruments	1,027	455	2,530	2,031
Impairment of financial assets	(30)	(20)	(116)	15
<b>Total income from operating activities</b>	<b>40,524</b>	<b>39,881</b>	<b>147,725</b>	<b>170,178</b>
<b>Expenses</b>				
Employee expenses	13,636	12,707	51,635	53,015
Depreciation and amortisation	6,481	6,989	26,215	27,253
Other operating expenses	17,198	12,493	60,299	50,110
<b>Total operating expenses</b>	<b>37,315</b>	<b>32,189</b>	<b>138,149</b>	<b>130,378</b>
<b>Result from operating activities</b>	<b>3,209</b>	<b>7,692</b>	<b>9,576</b>	<b>39,800</b>
Result from associates	(1,965)	(316)	(2,821)	(730)
<b>Profit before tax</b>	<b>1,244</b>	<b>7,376</b>	<b>6,755</b>	<b>39,070</b>
Tax	(227)	(2,225)	(2,134)	(8,368)
<b>Net result</b>	<b>1,017</b>	<b>5,151</b>	<b>4,621</b>	<b>30,702</b>
Net result attributable to:				
Owners of the parent	990	5,085	4,534	29,626
Non-controlling interests	27	66	87	1,076
<b>Net result</b>	<b>1,017</b>	<b>5,151</b>	<b>4,621</b>	<b>30,702</b>
Basic and diluted earnings per share (in €)	0.02	0.07	0.07	0.42



### III. Condensed consolidated statement of comprehensive income

(amounts in € 000's, unless otherwise indicated)	16Q4	15Q4	FY16	FY15
<b>Net result from income statement</b>	<b>1,017</b>	<b>5,151</b>	<b>4,621</b>	<b>30,702</b>
<b>Other comprehensive income recognised on realisation through profit and loss account</b>				
Net gain/(loss) on financial assets available for sale	(1,453)	455	(708)	(2,869)
Realised gains and losses transferred to profit and loss	66	-	66	-
Income tax relating to components of other comprehensive income	298	(97)	137	618
<b>Other comprehensive income, net of tax</b>	<b>(1,089)</b>	<b>358</b>	<b>(505)</b>	<b>(2,251)</b>
<b>Total comprehensive income, net of tax</b>	<b>(72)</b>	<b>5,509</b>	<b>4,116</b>	<b>28,451</b>
BinckBank has no other comprehensive income that will not be recognised on realisation through profit and loss account.				
Result attributable to:				
Owners of the parent	(99)	5,443	4,029	27,375
Non-controlling interests	27	66	87	1,076
<b>Total realised and unrealised results, net of tax</b>	<b>(72)</b>	<b>5,509</b>	<b>4,116</b>	<b>28,451</b>

### IV. Consolidated consolidated statement of cash flows

(amounts in € 000's, unless otherwise indicated)		FY16	FY15
Cash flow from operating activities		226,547	224,565
Cash flow from investment activities		442,029	(70,190)
Cash flow from financing activities		(44,806)	(31,626)
<b>Net cash flow</b>		<b>623,770</b>	<b>122,749</b>
Opening balance of cash and cash equivalents	352,532		225,117
Net cash flow	623,770		122,749
Effect of exchange rate changes on cash and cash equivalents	1,551		4,666
<b>Closing balance of cash and cash equivalents</b>		<b>977,853</b>	<b>352,532</b>
The cash and cash equivalents presented in the condensed consolidated cash flow statement are included in the consolidated balance sheet under the following headings at the amounts stated below:			
Cash and balances with central banks	854,230		178,365
Banks	127,755		178,244
Banks – non cash equivalents	(4,132)		(4,077)
<b>Total cash and cash equivalents</b>		<b>977,853</b>	<b>352,532</b>

## V. Condensed consolidated statement of changes in equity

(amounts in € 000's, unless otherwise indicated)	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Non-controlling interests	Total equity
<b>1 January 2016</b>	<b>7,100</b>	<b>361,379</b>	<b>(4,979)</b>	<b>1,526</b>	<b>71,158</b>	<b>1,296</b>	<b>437,480</b>
Net result for the year	-	-	-	-	4,534	87	4,621
Other comprehensive income	-	-	-	(505)	-	-	(505)
<b>Total comprehensive income</b>	-	-	-	<b>(505)</b>	<b>4,534</b>	<b>87</b>	<b>4,116</b>
Final dividend FY15	-	-	-	-	(17,199)	-	(17,199)
Interim dividend FY16	-	-	-	-	(2,657)	-	(2,657)
Grant of rights to shares	-	-	-	-	162	-	162
Shares issued to executive board and employees	-	-	461	-	(461)	-	-
Share buy-back	-	-	(24,950)	-	-	-	(24,950)
<b>31 December 2016</b>	<b>7,100</b>	<b>361,379</b>	<b>(29,468)</b>	<b>1,021</b>	<b>55,537</b>	<b>1,383</b>	<b>396,952</b>

(amounts in € 000's, unless otherwise indicated)	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Non-controlling interests	Total equity
<b>1 January 2015</b>	<b>7,100</b>	<b>361,379</b>	<b>(5,570)</b>	<b>3,777</b>	<b>73,341</b>	<b>220</b>	<b>440,247</b>
Net result for the year	-	-	-	-	29,626	1,076	30,702
Other comprehensive income	-	-	-	(2,251)	-	-	(2,251)
<b>Total comprehensive income</b>	-	-	-	<b>(2,251)</b>	<b>29,626</b>	<b>1,076</b>	<b>28,451</b>
Final dividend FY14	-	-	-	-	(21,787)	-	(21,787)
Interim dividend FY15	-	-	-	-	(9,839)	-	(9,839)
Grant of rights to shares	-	-	-	-	408	-	408
Shares issued to executive board and employees	-	-	591	-	(591)	-	-
<b>31 December 2015</b>	<b>7,100</b>	<b>361,379</b>	<b>(4,979)</b>	<b>1,526</b>	<b>71,158</b>	<b>1,296</b>	<b>437,480</b>

## VI. Selected explanatory notes

### 1. General information

BinckBank NV, incorporated and established in the Netherlands, is a public limited liability company subject to Dutch law. The shares are publicly traded. BinckBank is officially domiciled at Barbara Strozilaan 310, 1083 HN Amsterdam. BinckBank NV provides conventional and internet brokerage services in securities and derivative transactions for private and professional investors. In addition to its brokerage services, BinckBank NV offers asset management and savings services. Hereinafter, 'BinckBank' is used to refer to BinckBank NV and its various subsidiaries.

The condensed consolidated financial statements for the financial year ending on 31 December 2016 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 6 February 2016.

### 2. Principles for financial reporting

#### Presentation of figures for period ending 31 December 2016

BinckBank applies the International Financial Reporting Standards as adopted by the European Union, known as 'IFRS-EU'. The condensed consolidated financial statements are presented in euros, with all amounts rounded to the nearest thousand, unless otherwise stated. This report does not contain all the information required for a full financial statements, and consequently should be read in combination with the consolidated financial statements 2015 or the consolidated financial statements 2016, which will be made available on 13 March 2017. BinckBank's consolidated financial statements for the financial years 2015 and 2016 are available on request at the Investor Relations department, (telephone +31 (0)20 522 0392) or via [www.binck.com](http://www.binck.com).

#### Effect of new, amended and improved standards

In the current year, BinckBank has applied a number of new or amended IFRS standards and IFRIC interpretations effective for financial years commencing on or after 1 January 2016. New or amended standards take effect for annual periods beginning on or after the date as stated by IFRS and after ratification by the EU, whereby earlier adoption is permitted in some cases. The new standards and modifications in standards that become effective in the current financial year are incorporated into the current reporting principles. None of these standards and modifications had any noteworthy impact on BinckBank's financial position and results.

The list below contains the future new or amended standards and interpretation that are not yet in force or have not yet been ratified by the European Union. BinckBank will not early adopt any of these standards. Below, we first describe the standards that are expected to have a significant impact on BinckBank, after which we list the standards that are expected to have little or no impact on BinckBank's financial position and result.

## Standards expected to have a significant impact on BinckBank

### New or amended standards effective for financial years beginning on or after 1 January 2018

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IFRS 9 - Financial Instruments, classification, and measurement (and related sections of IFRS 7)

This regulation is a revision of IAS 39 Financial Instruments. IFRS 9 will have an impact on BinckBank, both operational and financial. BinckBank is working towards the implementation of IFRS 9. IFRS 9 classifies financial instruments based on the rationale of maintaining the instruments.

The valuation of each instrument follows the classification of the instrument. IFRS 9 includes a specific facility for impairment accounting for the financial instruments based on an 'expected loss' model. Given BinckBank's activities and types of financial instruments, the expected loss model is expected to have an impact on the financial position and results of BinckBank. BinckBank will most likely be able to provide a more detailed assessment of the financial impact of this standard with the publication of the half year report 2017.

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IFRS 15 - Revenue from contracts with customers

IFRS 15 contains the new guideline for the recognition of revenue from contracts with customers, with the intention of defining the revenue model and describing it in a standard. The current guidelines for revenue recognition are spread over various standards, and will disappear once IFRS 15 takes effect. The method by which this standard requires an analysis to determine the revenue recognition moment results in a significant increase of the operational processes to determine this moment. Because in BinckBank's operational activities the period in which the service is provided is usually short, BinckBank expects that the quantitative impact on the result and financial position of BinckBank will not be significant. Over the course of 2017, BinckBank expects to be able to provide a more detailed assessment of the impact of this new standard.

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### New or amended standards effective for annual periods beginning on or after 1 January 2019

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IFRS 16 - Leases

This new standard sets out the principles for the recognition, measurement, presentation, and disclosure of both finance and operating leases. The new standard requires the recognition of an asset in the balance sheet for both forms. When payments are made over a number of periods a financial obligation must also be recognized in the balance sheet. The review of the impact of this new standard is yet to be completed.

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## Standards expected to have little or no impact on BinckBank

### New or amended standards effective for annual periods beginning on or after 1 January 2017

IAS 12 - Corporation tax	This change further clarifies the measurement and recognition of temporary deferred tax assets resulting from unrealised losses on financial instruments held at fair value. The impact of the adjustments to this standard on the financial position and results is expected to be limited.
IAS 7 - Cash flow statement	As a result of the disclosure initiative, additions to the cash flow statement are proposed which are intended to provide more detailed breakdown of the changes in the obligations from financing activities. BinckBank will include the proposal in the explanation to the cash flow statement. This adjustment will have no effect on the financial position and results of BinckBank.

### New or amended standards effective for financial years beginning on or after 1 January 2018

IFRS 10, IFRS 12, and IAS 28: Investment entities: application of consolidation exemption	This amendment is primarily directed towards investment entities, and given that BinckBank does not fall under the definition of an investment entity, it is an amendment that will have no impact on BinckBank.
IFRS 2 - adjustment in classification and valuation of shares-based transactions	This amendment clarifies the classification and valuation of the share based payments. The clarification concerns primarily the way vesting conditions affect the fair value of the transaction.
IFRS 4 - Insurance contracts	This amendment pertains to an exemption for the application of IFRS 9 Financial Instruments in combination with IFRS 4 Insurance Contracts. Being that IFRS 4, Insurance contracts, will not be applicable to BinckBank, this amendment is not relevant.

### New or amended standards effective for annual periods beginning on or after a date that is not yet known

IFRS 10 and IAS 28 - Amendment of standards to remove conflicting requirements	This amendment relates to the result realisation for transactions with an associate or joint venture. This amendment has no effect on the financial position and results of BinckBank. In connection with an investigation of the equity method, the IASB has suspended the effective date of this adjustment indefinitely.
IFRS 14 - Regulated activities	This standard applies to entities that are applying IFRS for the first time, and so it therefore does not apply to BinckBank.

### 3. Explanation of the summarized consolidated figures for the period ending 31 December 2016

#### Financial assets and liabilities held for trading

As of 31 December 2016, the financial assets held for trading amounted to € 20.4 million (2015: € 12.3 million). These financial assets comprise the positions of the SRDs and the turbos. The increase in the value of this position is primarily the result of larger positions in the turbos. Against the position in the turbos held is the position of the turbos issued to clients under the financial liabilities held for trading. The turbos held are an economic hedge of the market risk of the position on issued turbos.

#### Available-for-sale financial assets and held-to-maturity financial assets

As of 31 December 2016, the bond portfolio available for sale amounts to € 724.4 million (31 December 2015: € 1,167.1 billion) and the held to maturity portfolio amounts to € 790.0 million (31 December 2015: € 813.5 million). During 2016, a sum of € 808.5 million was redeemed in the investment portfolios. A total amount of € 360.8 million was reinvested in the portfolios.

BinckBank has evaluated the investment portfolios as of the reporting date, concluding that there are no objective indications for impairments.

#### Loans and receivables

The loans and receivables include a sum of € 437.7 million in collateralised lending and a sum of € 520.5 million is invested in residential mortgages.

As from the start of 2016, BinckBank started a programme of gradual investments in Dutch residential mortgages. In addition, on 15 July 2016, BinckBank purchased a portfolio of Dutch residential mortgages with a value of approximately € 340 million from Obvion. As of 31 December 2016, an amount of € 520.5 million had been invested.

#### Associates

As one of the shareholders of TOM Holding N.V., BinckBank has given the management of TOM Holding N.V. the approval to actively seek out new strategic partners. With this strategic repositioning, in consideration of the results of the participation, BinckBank has impaired its interest in TOM Holding N.V. to zero.

#### Intangible assets

The intangible assets, including goodwill, are tested for impairment losses annually or more frequently if events or changes in circumstances indicate that the carrying amount, less applicable annual amortisation, may be impaired.

During the period ending on 31 December 2016, the intangible assets including goodwill were assessed for impairments based on the indicators identified. Additionally, an impairment test was conducted on the goodwill with effective date of 30 September 2016. No unusual events or circumstances were identified, and there was no indication of any impairment of the intangible assets.

#### Property, plant, and equipment

In 2016, BinckBank acquired property, plant, and equipment with a value of € 3.8 million (2015: € 817,000). The original investment in property includes prepayments in relation to a leasehold which expires on 15 April 2056. In the period ending on 31 December 2016, an amount of € 256,000 in relation to amortisation of the leasehold was included in depreciation and amortisation (2015: € 256,000).

## Other assets and other liabilities

The other assets and other liabilities are comprised primarily of significant items related to client transactions still to be settled. As such, this item depends on the client transaction volumes around the end of the period, and so may therefore fluctuate.

## Derivative positions held on behalf of clients

As a result of changes in the Securities Giro Transfer Act (Wet Giraal effectenverkeer or 'Wge'), as of 1 April 2016 derivative instruments also fall under the protection of the Wge and, subject to conditions, are segregated from the assets of the institution. BinckBank has accordingly reassessed the recognition criteria under IFRS for the item 'derivative positions held on behalf of clients'. BinckBank has concluded that in view of the nature of these positions, this item should no longer be recognised in the statement of financial position under IFRS after 1 April 2016.

## Funds entrusted

The funds entrusted consist primarily of the portion of assets invested by clients insofar as held in cash at BinckBank. The balance of funds entrusted depends on the market sentiment and client activities. In 2016, the funds entrusted increased by € 0.7 billion, to € 3.3 billion.

## Provisions

BinckBank is involved in disputes with contract parties and customers. In some cases, these disputes lead to legal proceedings. BinckBank assesses each case individually and forms a provision if there is a reasonable chance of an expected outflow of assets for the legal costs and/or financial settlement of the case in question.

On 20 January 2017, BinckBank has reached an agreement with the VEB and Vermogensmonitor on the settlement of complaints regarding the information provided by Alex Asset Management in the period from 8 September 2012 until 26 August 2014, among other things, the way in which Alex Asset Management warned for the risk of the market conditions that occurred in 2014. The VEB and Vermogensmonitor will be given the opportunity to offer a compensation to clients who have complained and who meet certain criteria. As a result of the agreement an amount of € 2.75 million has been added to the provision in the fourth quarter of 2016.

On 17 March 2016, the Dutch Authority for the Financial Markets (AFM) imposed a fine on BinckBank of € 500,000 for late reporting to AFM of transactions in financial instruments. Furthermore, on 1 July 2016 AFM imposed a fine on BinckBank of € 750,000 for unclear and misleading information in commercials for Alex Asset Management in the period of 8 September 2012 to 26 August 2014. Both of these penalties were charged against the provision formed in previous years.

## Tax

Taxes are calculated based on the estimated average tax rate for the entire year 2016. The estimated average tax rate, taking into account participation exemptions and other tax facilities, is 31.6% (2015: 21.4%).

(amounts in € 000's, unless otherwise indicated)	FY16	FY15
Current tax	1,897	8,754
Deferred tax	237	(386)
<b>Taxes according to consolidated income statement</b>	<b>2,134</b>	<b>8,368</b>
Tax on other comprehensive income	(137)	(618)
<b>Total tax</b>	<b>1,997</b>	<b>7,750</b>

The increase of the effective tax rate is primarily the result of the relative impact of the tax facilities as compared to the current taxes on the annual result net of tax.

(amounts in € 000's, unless otherwise indicated)	2016 amount	2016 percentage	2015 amount	2015 percentage
Standard tax rate	1,689	25,0%	9,768	25.0%
Effect of different tax rates (in other countries)	45	0,7%	93	0.2%
Effect of substantial-holding privileges	705	10,4%	183	0.5%
Effect of tax facilities	(155)	-2,3%	(1,062)	-2.7%
Other effects	(150)	-2,2%	(614)	-1.6%
<b>Total tax expense</b>	<b>2,134</b>	<b>31,6%</b>	<b>8,368</b>	<b>21.4%</b>

## Share buy-back programme

In the first quarter of 2016, BinckBank assessed the adequacy of its capital and liquidity position and the business outlook in the context of the CRR/CRD and the guidelines of the ECB. This assessment led to a decision to initiate a share buy-back programme up for an amount of € 25 million. In the period between 19 February and 30 September 2016, BinckBank completed the share buy-back programme and repurchased a number of 4,632,720 shares at an average cost price of € 5.39 per share.

## Fair value of financial instruments

For the determination of the fair value of the financial instruments, reference is made to the financial statements 2015. No changes to the application for fair value have taken place in the year 2016. Likewise, in this period no financial assets were reclassified between the various levels of valuation. The valuation levels of the financial instruments measured at fair value are as follows:

(amounts in € 000's, unless otherwise indicated)	Level 1	Level 2	Level 3	Total
<b>31 December 2016</b>				
Financial assets held for trading	20,330	63	-	20,393
Financial assets designated at fair value through profit and loss	9,499	-	-	9,499
Financial assets available-for-sale	-	724,398	-	724,398
<b>Total assets</b>	<b>29,829</b>	<b>724,461</b>	<b>-</b>	<b>754,290</b>
Financial liabilities held for trading	20,351	77	-	20,428
Financial liabilities designated at fair value through profit and loss	1,018	-	-	1,018
<b>Total liabilities</b>	<b>21,369</b>	<b>77</b>	<b>-</b>	<b>21,446</b>
<b>31 December 2015</b>				
Financial assets held for trading	12,138	159	-	12,297
Financial assets designated at fair value through profit and loss account	15,405	-	-	15,405
Financial assets available-for-sale	-	1,167,121	-	1,167,121
<b>Total assets</b>	<b>27,543</b>	<b>1,167,280</b>	<b>-</b>	<b>1,194,823</b>
Financial liabilities held for trading	12,144	142	-	12,286
Financial liabilities designated at fair value through profit and loss	46	-	-	46
<b>Total liabilities</b>	<b>12,190</b>	<b>142</b>	<b>-</b>	<b>12,332</b>



## Commitments and contingent liabilities

The commitments and contingent liabilities listed below are current issues that may change from the situation as described in the financial statements for 2015 over time and accordingly further explanation is provided. There are no further matters of interest to report regarding commitments and contingent liabilities appearing in the 2015 financial statements.

### Legal proceedings

BinckBank is involved in various legal proceedings. Although it is not possible to predict the outcome of current or impending lawsuits, the board believes – on the basis of information currently available and after consulting legal counsel – that the outcomes are unlikely to have material adverse effects on BinckBank's financial position or results, other than the matters that have already led to the formation of a provision.

### Alex Asset Management

BinckBank reached a settlement with the VEB and Vermogensmonitor on the resolution of complaints about the information provision by Alex Asset Management over the period from 8 September 2012 to 26 August 2014, including warnings concerning the risks relating to the market conditions that arose in 2014. VEB and Vermogensmonitor have been given an opportunity to offer compensation to clients who complained and who met certain criteria. With this settlement BinckBank aims to settle as many complaints as possible. However the risk remains that clients could submit new complaints and therefore the threat of litigation remains.

### Lawsuit Euronext

The District Court of The Hague ruled in the case Euronext N.V. and Euronext Amsterdam N.V. ('Euronext') filed against TOM Holding N.V., TOM Broker B.V., TOM B.V. and BinckBank N.V. (BinckBank). The Court awarded a number of claims of Euronext. BinckBank had to discontinue a number of behaviors and furthermore sentenced to pay compensation for damage suffered by Euronext. BinckBank has also been summoned to pay damages suffered by Euronext, of which the amount is to be determined in a damage assessment procedure. BinckBank has appealed against the verdict. Also, the board believes – based on information currently available and after consulting legal advisors – that the amount of this damage can not be determined reliably at this time.

### Services of national and international data providers and other service providers

BinckBank procures the services of national and international providers of data and other services, such as for instance market data. These services are obtained on the basis of complex contracts, which carry the inherent risk that this may lead to differences in legal interpretation. The board believes that the outcome of discussions regarding such differences in interpretation is uncertain when they do arise, and that it is not certain whether this could have material adverse effects on BinckBank's financial position or results.

### Deposit guarantee scheme

The deposit guarantee scheme (DGS) is intended to guarantee certain deposits by accountholders if a bank cannot meet its obligations. The scheme covers balances up to a maximum of € 100,000 and applies to each individual account holder per bank, regardless of the number of accounts. In case of a joint account operated by two persons, the maximum applies per person. More or less all savings accounts, current accounts, and term deposits are covered. Equities or bonds are not covered. If a credit institution finds itself in difficulties and does not have sufficient funds to pay all or part of the guaranteed amounts to its accountholders, De Nederlandsche Bank will make up the difference to the aforementioned maxima. As from 26 November 2015, the funding of the deposit guarantee scheme is changed from an ex-post basis to an ex-ante basis. As from the first quarter of 2016, the banks contribute a quarterly sum to fund the deposit guarantee scheme. If the resources of the deposit guarantee fund are not sufficient for compensation, the remainder will be recovered from the banks on a pro rata basis.

## Related parties

The group of related parties consists of consolidated entities, associates, and the executive board and supervisory board of BinckBank. As of 31 December 2016, TOM Holding NV and its affiliates, and the executive board and the Supervisory Board of BinckBank, were identified as affiliated parties.

In the period between 1 January 2016 and 31 December 2016, an additional capital injection of € 1,594,000 was paid to the associate TOM Holding N.V. In the year ending on 31 December 2016, BinckBank charged a sum of € 184,000 (2015: € 221,000) to related parties, and the receivable from the related parties was € 3000 (2015: € 15,000). In the year ending on 31 December 2016, related parties charged € 3,122,000 to BinckBank for services rendered (2015: € 3,973,000), and the amount owed to the related parties is € 323,000 (2015: € 278,000).

No transactions involving the executive board or the supervisory board took place in 2016 other than under contracts of employment or contracts of services.

## Segmented information

A segment is a clearly distinguishable component of BinckBank that provides services with to a particular economic market (or market segment) and has a different risk and return profile to that of other segments. From an organisational perspective, the operations of BinckBank are primarily segmented by the countries in which BinckBank operates. The executive board determines the performance targets for these segments, and authorises and monitors the budgets prepared for these business segments. The management of the business segment is responsible for setting policy for that segment, in accordance with the strategy and performance targets formulated by the executive board.

The business segments are:

- The Netherlands
- Belgium
- France
- Italy
- Group operations

The segment reporting provided below is prepared in accordance with the principles applied for the financial statements for 2015.

## Net interest income

2016

(amounts in € 000's,  
unless otherwise indicated)

	Nether-lands	Belgium	France	Italy	Group operations	Total
<b>Income statement</b>						
Net interest income	21,665	1,566	1,846	1,244	4	26,325
Net fee and commission income	88,577	9,193	6,257	1,873	3,176	109,076
Other income	2,026	-	13	-	7,871	9,910
Result from financial instruments	2,240	301	-	-	(11)	2,530
Impairment of financial assets	5	2	2	(3)	(122)	(116)
<b>Total income from operating activities</b>	<b>114,513</b>	<b>11,062</b>	<b>8,118</b>	<b>3,114</b>	<b>10,918</b>	<b>147,725</b>
Employee expenses	8,920	2,467	2,765	1,312	36,171	51,635
Depreciation and amortisation	21,750	29	14	62	4,360	26,215
Other operating expenses	19,582	4,647	4,450	2,037	29,583	60,299
<b>Total operating expenses</b>	<b>50,252</b>	<b>7,143</b>	<b>7,229</b>	<b>3,411</b>	<b>70,114</b>	<b>138,149</b>
<b>Result from operating activities</b>	<b>64,261</b>	<b>3,919</b>	<b>889</b>	<b>(297)</b>	<b>(59,196)</b>	<b>9,576</b>
Internal cost allocation	(48,300)	(6,438)	(5,545)	(4,124)	64,407	-
<b>Result from operating activities after internal cost allocation</b>	<b>15,961</b>	<b>(2,519)</b>	<b>(4,656)</b>	<b>(4,421)</b>	<b>5,211</b>	<b>9,576</b>
Result from associates						(2,821)
<b>Result before tax</b>						<b>6,755</b>
Tax						(2,134)
<b>Net result</b>						<b>4,621</b>

## Segmentation of financial information by segment (continued)

(amounts in € 000's, unless otherwise indicated)	2015					Total
	Nether-lands	Belgium	France	Italy	Group operations	
<b>Income statement</b>						
Net interest income	20,592	1,332	2,546	1,094	160	25,724
Net fee and commission income	106,871	12,949	7,739	1,577	2,325	131,461
Other income	2,040	2	24	-	8,881	10,947
Result from financial instruments	2,045	12	-	-	(26)	2,031
Impairment of financial assets	10	1	3	1	-	15
<b>Total income from operating activities</b>	<b>131,558</b>	<b>14,296</b>	<b>10,312</b>	<b>2,672</b>	<b>11,340</b>	<b>170,178</b>
Employee expenses	9,261	2,610	2,695	1,288	37,161	53,015
Depreciation and amortisation	21,828	11	5	75	5,334	27,253
Other operating expenses	16,140	4,243	3,502	1,956	24,269	50,110
<b>Total operating expenses</b>	<b>47,229</b>	<b>6,864</b>	<b>6,202</b>	<b>3,319</b>	<b>66,764</b>	<b>130,378</b>
<b>Result from operating activities</b>	<b>84,329</b>	<b>7,432</b>	<b>4,110</b>	<b>(647)</b>	<b>(55,424)</b>	<b>39,800</b>
Internal cost allocation	(45,563)	(5,025)	(5,405)	(3,396)	59,389	-
<b>Result from operating activities after internal cost allocation</b>	<b>38,766</b>	<b>2,407</b>	<b>(1,295)</b>	<b>(4,043)</b>	<b>3,965</b>	<b>39,800</b>
Result from associates						(730)
<b>Result before tax</b>						<b>39,070</b>
Tax						(8,368)
<b>Net result</b>						<b>30,702</b>

## VII. Paid and proposed dividends

(amounts in € 000's, unless otherwise indicated)

	FY16	FY15
Approved and paid dividend during the year		
<b>Final dividend 2015: € 0.25 (2014: € 0.31)</b>	<b>17,199</b>	<b>21,787</b>
The proposed Interim dividend 2016 was approved by the ' Stichting Prioriteit' on 21 July 2016		
<b>Interim dividend 2016: € 0.04 (2015: € 0.14)</b>	<b>2,657</b>	<b>9,839</b>
Proposed for approval by the general meeting of shareholders (not recognized as a liability as at 31 December 2016)		
<b>Final dividend 2016: € 0.19 (2015: € 0.25)</b>	<b>13,490</b>	<b>17,750</b>

## VIII. Events after balance sheet date

### AFM's fine regarding Alex Asset Management

On 1 July 2016, the Authority for the Financial Markets imposed a fine amounting to € 750,000 on BinckBank for unclear and misleading advertising for Alex Asset Management in the period from 8 September 2012 to 26 August 2014. BinckBank has objected to the fine in relation to Alex Asset Management. The AFM ruled on BinckBank's objection against the administrative fine; the objection was declared unfounded and the penalty decision was upheld. In response, BinckBank decided in January 2017 to file an appeal against the penalty decision in civil court.

There were no other events after the balance sheet date that would lead to material changes.

## Other information

# Important information BinckBank N.V.

### Webcast

Today, 6 February 2017, there will be an audio webcast at 10:00 AM. The accompanying presentation can be found on [www.binck.com](http://www.binck.com) under Investor Relations/Financial Results. At the latest on, on 8 February 2017, the transcript of the audio webcast will be available on [www.binck.com](http://www.binck.com) under Investor Relations/Financial Results.

### Important dates 2017\*

- |   |                 |
|---|-----------------|
| • Publication of annual report 2016                           | 13 March 2017   |
| • Publication of trading update for the first quarter of 2017 | 24 April 2017   |
| • General meeting of shareholders                             | 24 April 2017   |
| • Ex-date dividend  | 26 April 2017   |
| • Record-date dividend  | 27 April 2017   |
| • Dividend payment  | 3 May 2017      |
| • Publication of half-year report                             | 24 July 2017    |
| • Ex-date interim dividend                                    | 26 July 2017    |
| • Record-date interim dividend                                | 27 July 2017    |
| • Payment of interim dividend                                 | 31 July 2017    |
| • Publication of trading update for the third quarter of 2017 | 23 October 2017 |

\* *Dates subject to change*

### About BinckBank N.V.:

BinckBank N.V. (BinckBank) is an online financial services provider, founded in 2000 and since 2003 holder of a banking permit under the supervision of De Nederlandsche Bank. The bank is listed on Euronext Amsterdam and is part of the Amsterdam Smallcap Index (AScX). BinckBank's services are directed towards private individual clients and independent asset managers. BinckBank offer services in securities trading (trading, brokerage), asset management (investing), and savings, for which it relies on a central European base IT platform. BinckBank has offices in the Netherlands, Belgium, France, Italy, and Spain offering services under the labels Alex and/or Binck.

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### BinckBank N.V.

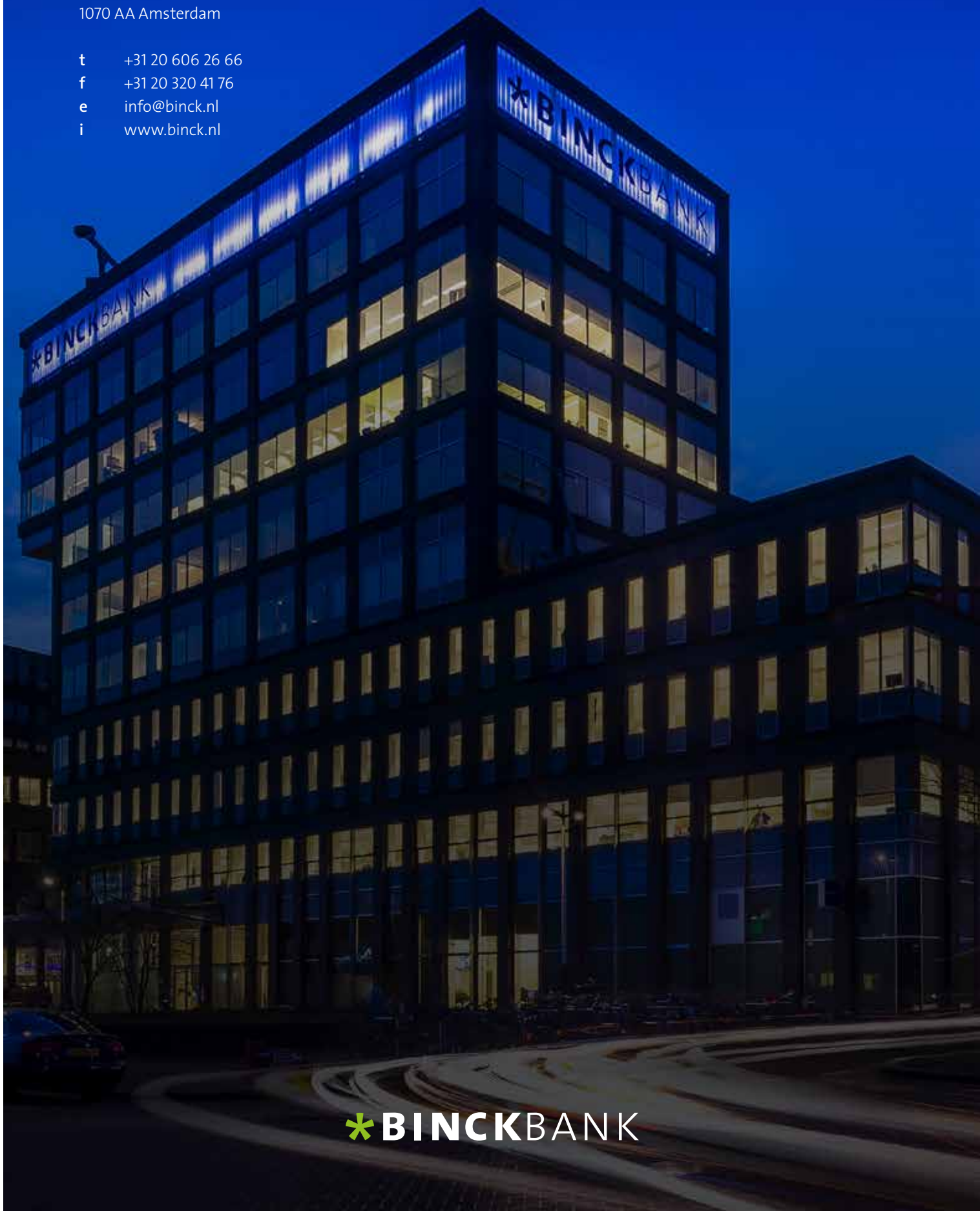
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