



# BinckBank N.V.

ANALYST & INVESTOR CALL 18H1 RESULTS

Amsterdam, July 23, 2018

Vincent Germyns, Chairman of the Executive Board

Evert Kooistra, Chief Financial & Risk Officer



# AGENDA



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# Executive summary

## BUILDING BLOCKS IN PLACE

## READY FOR COMMERCIAL RELAUNCH

- Trading: solid business performance & stronger position
- Investing: initial customer inflow in new business propositions
- Savings: MVP launched in February
- Full focus on Relaunch BinckBank & parallel international roll out of investing & savings

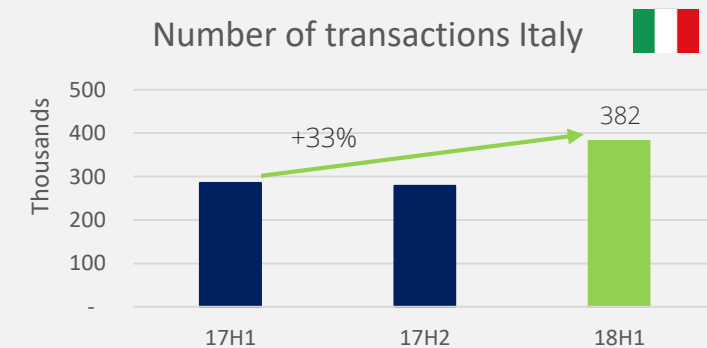
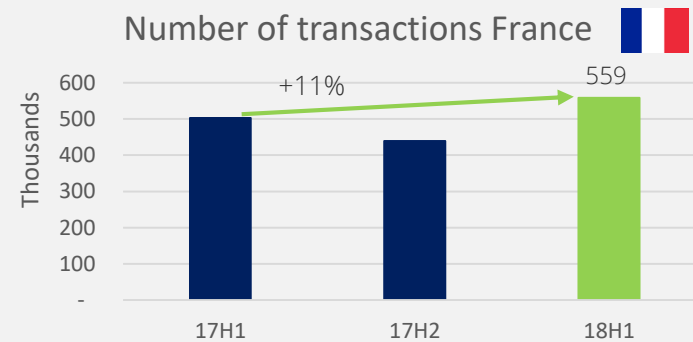
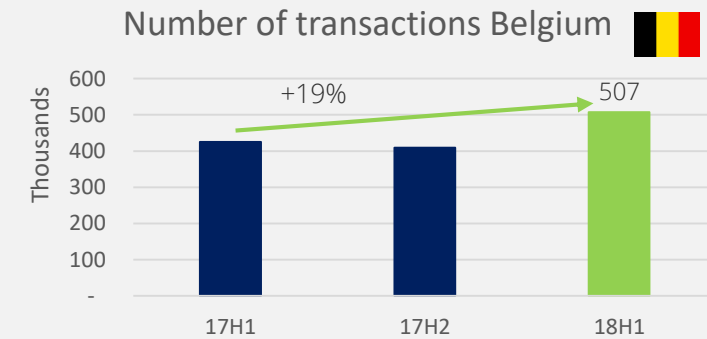
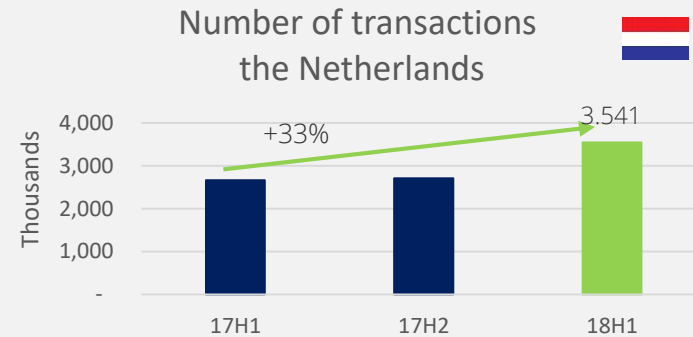
## SOLID MID YEAR RESULT 2018

- Half year result increased to € 22.2m (17H1: € 2.1m)
- EPS 18H1 € 0.33 (17H1 € 0.03)
- Sale Think ETF Asset Management € 8.1m
- Proposed interim-dividend € 0.13

# TRADING (1/2)

## TRADING ACTIVITY INCREASED IN ALL COUNTRIES

- Increased trading activity in all countries over 18H1, all time high in Italy
- Total volume of transactions 18H1: 4.989 mln close to all time high of 15H1: 5.020 mln
- Higher number of foreign branch transactions to total Binck transactions
- Strong volume and client appetite for Binck turbo in the Netherlands





## TRADING (2/2)

# TRADING HIGHLIGHTS 18H1

- New price plan in the Netherlands well received
  - Revenue and customer parameters post introduction exceed expectations
  - More balanced income stream. Lower transaction rates for active customers to improve competitiveness and reduce churn. Introduction service fee to monetise assets under administration (previously non-revenue generating customers)
  - Discounts for customers signing up to multiple products to increase share-of-wallet
- Average income per transaction down in 18H1: € 8.35 (17H1: € 10.44)
  - Impact of new price plan in the Netherlands (18Q2) – offset by service fee
  - Strong appetite and volume for zero-fee Binck turbo (introduction 17Q4)
  - Higher number of lower priced foreign branch transactions with regard to total Binck transactions
- IAM business posts sustained strong growth: AuA 18H1: € 9.9 billion, up € 0.4 billion YOY
- Customer intimacy:
  - Renewed education platform for Binck Academy in the Netherlands
  - Organisation of Personal Finance Day event in the Netherlands
  - Participation in Investing Trading Forum in Rimini in Italy
  - High-profile partnership with Nicolas Chéron to bring broadcasts to French customers

# INVESTING HIGHLIGHTS INVESTING 18H1

- NNA progresses towards inflection point. Inflow from new services does not compensate yet for the regular pattern of outflow at Alex Asset Management (part II slide 13)

Building track record and working on new positioning by Rebranding

- Alex Asset Management portfolio performance beneficial for customers
- Alex Asset Management part of Rebranding exercise 18H2
- Binck Comfort and Forward performance close to benchmark
- Binck Forward awarded Best online Wealth Manager in the Netherlands (May 2018 [survey](#) IEX/ beleggingsmatch)

# SAVINGS INNOVATIVE CONCEPT LAUNCHED-MVP

- Binck is the first bank to launch this concept in the Netherlands
- 2 partner banks connected
- 2 additional partner banks with attractive propositions onboarding soon
- Above-the-line marketing commenced mid 18Q2
- € 15.8 million in client deposits raised, deposits growth on the rise

Overzicht Sparen Deposito's Hoe werkt het?

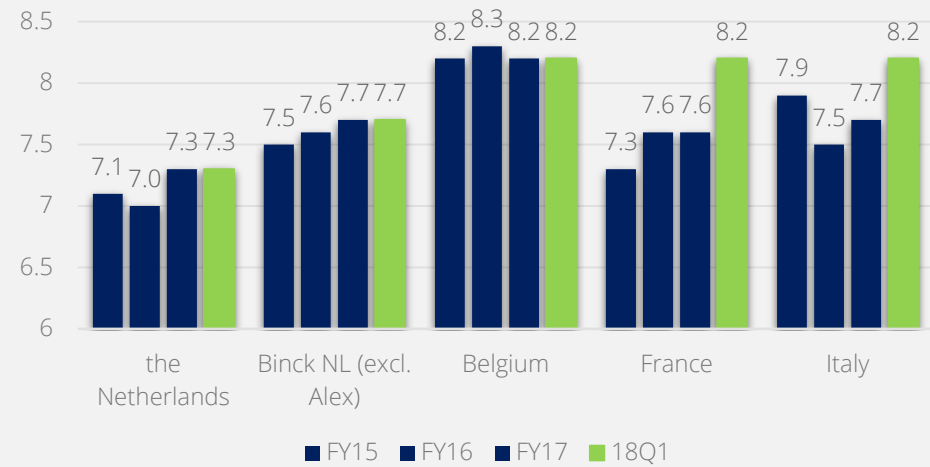
Selecteer looptijd: Alle Looptijden (12) Sorteer op: Hoogste rente eerst

Wij hebben 12 deposito's voor u

RENTE	LOOPTIJD	BANK	LAND	
1,40%	5 jaar	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
1,40%	4 jaar	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
1,40%	3 jaar	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
1,00%	2 jaar	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
0,80%	18 maanden	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
0,60%	1 jaar	J&T BANKA	Tsjechie	<a href="#">Bekijk details</a>
0,50%	2 jaar	EURAM BANK	Oostenrijk	<a href="#">Bekijk details</a>
0,45%	18 maanden	EURAM BANK	Oostenrijk	<a href="#">Bekijk details</a>

# CUSTOMER SATISFACTION CONSISTENT IMPROVEMENT

Customer satisfaction per country



- Front office customer centricity drive paying off (Binck self-investing)
- More interaction with customers, both online and offline increasing satisfaction



# NEW BINCK STRATEGIC TRANSFORMATION PROCESS

## Deliverables 18H1

- Completing product suite in the Netherlands by launching Binck Savings. First country to do so
- New price plan BU NL and Binck zero-fee turbo balancing revenue streams (transactional towards recurring)

## Planned deliverables

*More room for customer-centric initiatives following wall of regulatory projects*

- Investing: launch of digital wealth management solution in France in 18H2
- Migration of users of legacy platform ProTrader-desktop to ProTrader-web

Full focus on customer centricity, rebranding & positioning in preparation of commercial Relaunch

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# 18H1 Financial highlights

## KEY FIGURES (CONSOLIDATED)

(amounts in € 000's)

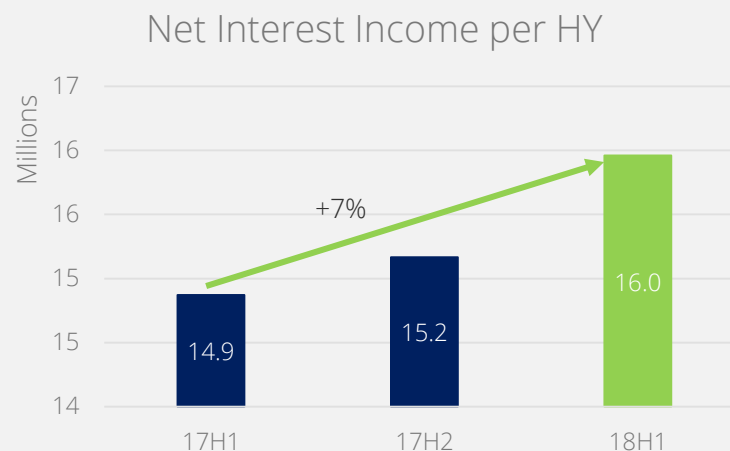
	18Q2	18Q1	ΔQ1	18H1	17H1	Δ7H1
<b>Customer figures</b>						
Number of transactions	2.307.544	2.681.802	-14%	4.989.346	3.873.985	29%
Assets under administration	26.806.249	26.033.329	3%	26.806.249	24.695.183	9%
Assets under management	1.025.084	1.032.531	-1%	1.025.084	1.164.706	-12%
<b>Financials</b>						
Total income from operating activities	36.323	39.595	-8%	75.918	75.310	1%
Total operating expenses	28.930	28.216	3%	57.146	70.194	-19%
Result from operating activities	7.393	11.379	-35%	18.772	5.116	267%
Result after tax	13.696	8.516	61%	22.212	2.122	947%
Net earnings per share (in €)	0,20	0,13		0,33	0,03	
Cost / income ratio	80%	71%	12%	75%	93%	
<b>Capital adequacy</b>						
Common equity Tier 1	253.188	251.043	1%	253.188	246.744	3%
Capital ratio	31,9%	32,7%		31,9%	31,4%	
Leverage ratio	6,2%	6,8%		6,2%	6,5%	

- Net result 18H1: € 22.2m (17H1 € 2.1m)
- Net earnings per share 18H1: € 0.33 (17H1 € 0.03)
- Net earnings per share 18Q2 € 0.20
- Contribution of sale Think ETF's: € 8.1m

Group level

## Net Interest Income (NII) 18H1

- Net Interest Income 18H1 increased with 7% from 17H1: €14.9m to 18H1: €16.0m
- Increase NII primarily driven by continued high level collateralised lending and continued growth in mortgages
- High cash balance (as result of client behavior) pressurise net interest margin





# Group level Interest generating assets

- Cash & banks as per 18H1 very high at €1.5 billion (yield -0,40%)
- Size of the Investment portfolio 18H1: € 935 million
- Average yield Investment portfolio is 42 bps, duration 1.5 years
- Dutch residential mortgage book 18H1: €767m, avg. yield 180 bps, duration 5.9 years
- Collateralised lending in 18H1 increased to € 620m (FY17 € 567m), growth of 9%
- 18H1 Average yield on collateralised loans: approx. 350 bps (FY17 343 bps)



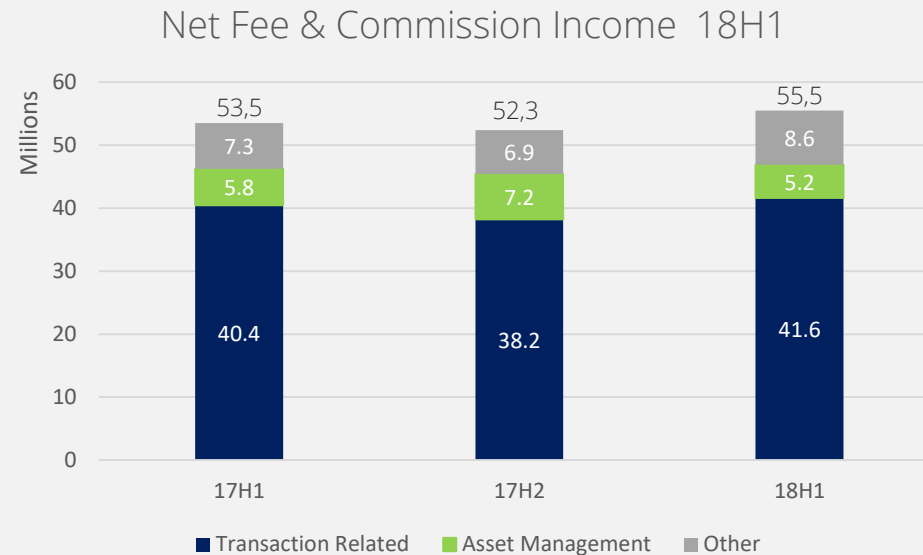
\*Presentation after change in accounting principle relating to accrued interest as per January 1st 2018



Group level

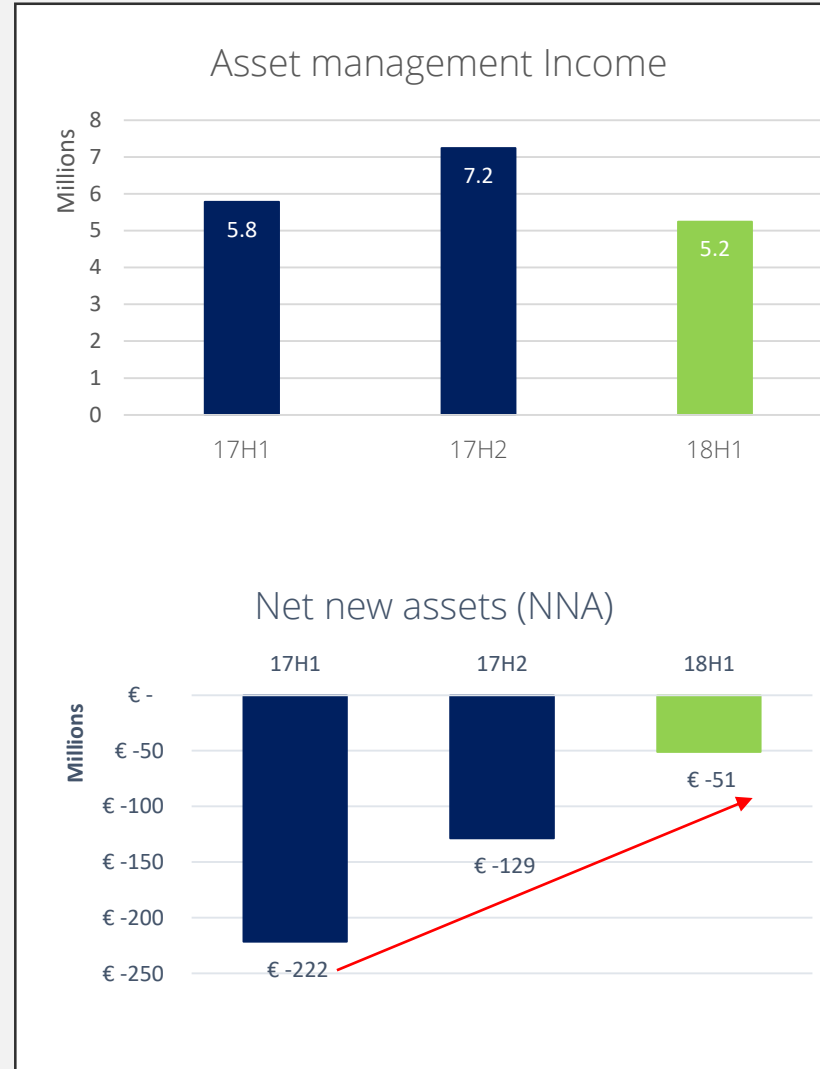
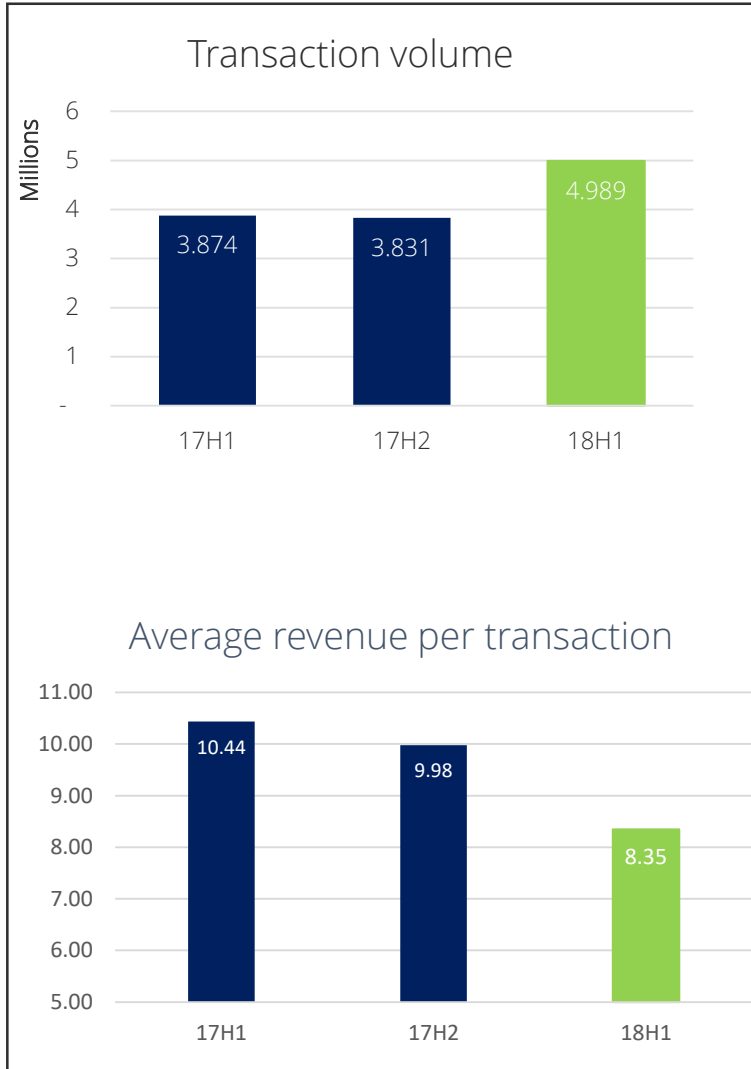
# Net Fee & Commission Income 18H1

- Net Fee & Commission Income increased by 4% from € 53.5m FY17H1 to €55.5m FY18H1
- Net revenue growth consists of € 0.5m gross revenue growth and € 1.5m from lower stock exchange & clearing costs
- New revenue streams from service fees as part of the new price plan NL



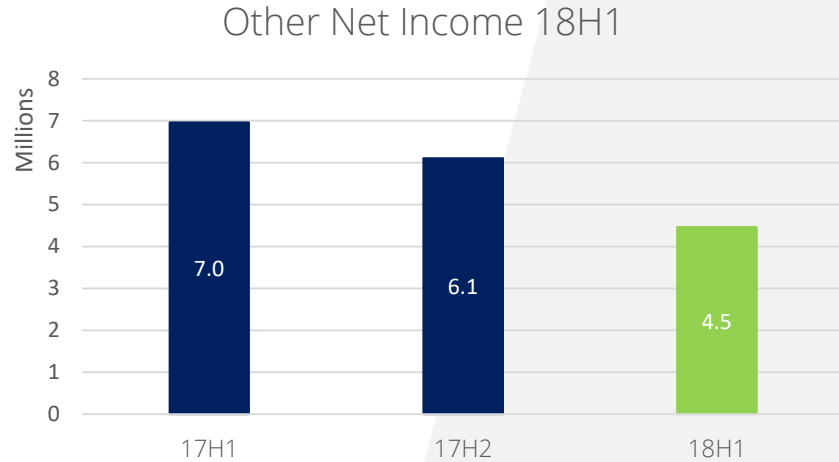
Group level

# Drivers Net Fee & Commission Income



Group level

# Other income from operating activities 18H1

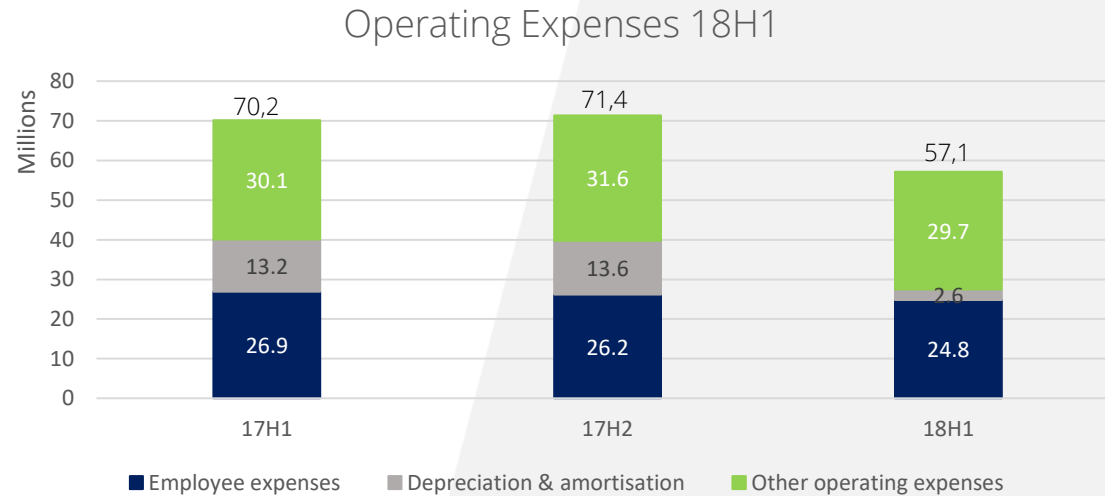


- Other income from operating activities:
  - Result on financial instruments 87%
  - Other income 13%
- Decrease of other income due to the sale of Able and termination of BPO-activities



Group level

# Total operating expenses 18H1



- Operating expenses decreased with € 13.1 million from 17H1: € 70.2 to 18H1: € 57.1 due to the divestment a.o. of non core activity (Able: € 4 mln) and termination of the depreciation on Alex intangibles (€ 10 million)

Group level

## Share in result of associates

- On January 19<sup>th</sup> announced sale of Think ETF Asset Management B.V.
- Transaction was subject to approval of regulators
- Closing of deal on June 29<sup>th</sup> 2018
- Think ETF's Asset Management B.V. profit after sale of € 8.1 million

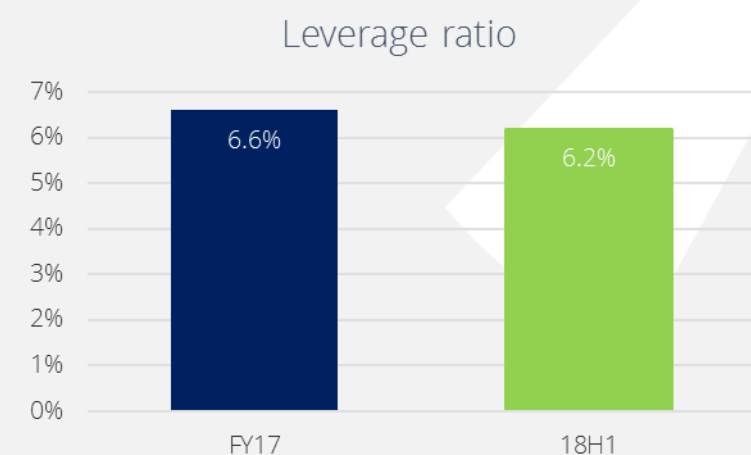
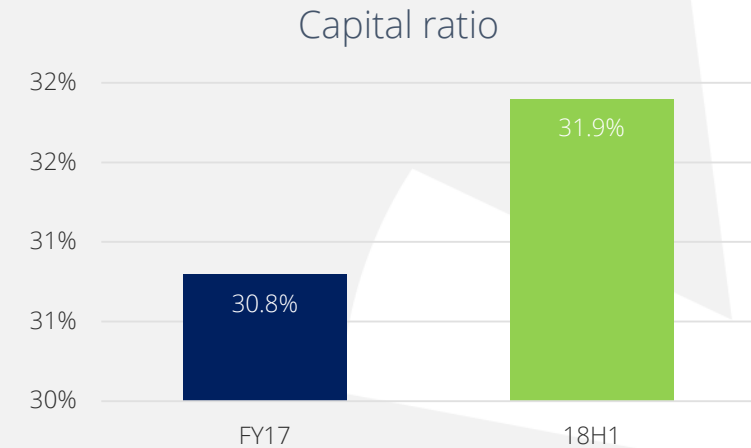
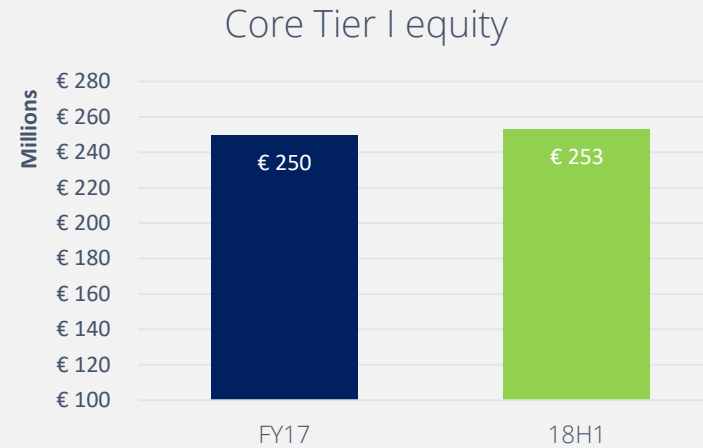
# Group level Financial position FY18H1

## Capital

- IFRS Equity 18H1: €398.7m (FY17: €394.9m)
- Tier 1 Capital 18H1: € 253.2m (FY17: €249.5m)

## Ratio's

- Capital ratio 18H1: 31.9% (FY17: 30.8%)
- Leverage ratio 18H1: 6.2% (FY17: 6.6%)
- Risk weighted assets 18H1: €793.9m (FY17: € 809.4m)



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# WRAP UP FOLLOWED BY Q&A

- Core business performing well
- New price plan improves competitive position in the Netherlands
- After the launch of Binck Savings in the Netherlands our first country with a full range of services
- Focus on Relaunch: rebranding to BinckBank & positioning
- Investing: roll out of digital wealth management solution in France planned for 18H2

