

Second quarter results 2010

26 July 2010

Koen Beentjes CEO
Evert Kooistra CFO



Agenda results FY10 Q2

- I. Update FY10 Q2
- II. Financial position
- III. Commission income analysis
- IV. Business segmentation
- V. Events after 30/06/2010 & outlook 2010
- VI. Q&A

Part I

Update FY10 Q2

Business Highlights FY10 Q2

- Adjusted net profit 10% higher at €20.9 million (FY10 Q1:18.9 million); adjusted EPS FY10 Q2: €0.28 (FY10 Q1: €0.26)
- Interim dividend €0.24 per share (payable at August 2nd)
- Number of transactions back at 2.5 million (FY10 Q1: 2.1 million). First analysis shows that due to especially more smaller option trades impact Binck price reduction will be lower than estimated worst-case scenario of €5 million
- French product offering expanded with BinckTrader, news feeds, and technical analysis tools
- Introduction ProTrader in the Netherlands; *the* trading platform for the very active investor
- TOM received MTF licence from the Dutch Authorities Financial markets (AFM)
- Petercam Nederland chose BinckBank for the execution & administration of securities transactions of their customers
- BeFrank was launched. A joint venture between BinckBank and Delta Lloyd for group defined contribution pension schemes (second pillar). BeFrank is set to break open the pensions market, offering low-cost but excellent service that enable employees to keep complete track of their pension accrual, costs and the accrued capital on retirement date online

Profit & Loss Statement quarterly comparison






in € million	FY10 Q2	FY10 Q1	FY09 Q2
Net interest income	12.0	12.2	9.0
Net fee & commission income	35.3	31.1	31.5
Other operating income	3.2	2.9	1.6
Results on investments & impairment losses on fin. instr.	(1.2)	(0.2)	(0.6)
Total net revenues	49.3	46.0	41.5
Employee expenses	12.0	11.2	11.0
Depreciation & amortisation	8.7	8.5	8.5
Other operating expenses	10.7	11.2	9.3
Total operating expenses	31.4	30.9	28.8
Profit (loss) from operations	17.9	15.1	12.7
Other non operating income	(0.4)	(0.4)	(0.4)
Profit (loss) before tax	17.5	14.7	12.3
Tax expense	4.3	3.5	3.1
Net profit	13.2	11.2	9.2
IFRS amortisation	7.0	7.0	7.0
Fiscal goodwill amortisation	0.7	0.7	0.7
Adjusted net profit	20.9	18.9	16.9
Cost / income ratio	64%	67%	69%
Cost / income ratio excl. IFRS amortisation	49%	52%	52%

Highlights FY10 Q2: Retail Netherlands

BINCKBANK
FOR INVESTORS

Retail NL


alex.

- **Growth in brokerage accounts**
 - Brokerage accounts FY10 Q2: 232,421 +6,504  3%
 - Brokerage accounts FY10 Q1: 225,917
- **Growth in asset management accounts**
 - FY10 Q2 accounts: 12,707 +794  7%
 - FY10 Q1 accounts: 11,913
- **Savings accounts increased**
 - FY10 Q2 accounts: 72,019 +2,393  3%
 - FY10 Q1 accounts: 69,626
- **Strong increase in # of transactions**
 - Trades FY10 Q2: 1,801,745 + 289,867  19%
 - Trades FY10 Q1: 1,511,878
- **Assets under Administration (AuA)**
 - FY10 Q2: €7.2 billion - €0.4 billion  -5%
 - FY10 Q1: €7.6 billion

Highlights FY10 Q2: Retail Belgium

- **Growth in brokerage accounts**
 - Brokerage accounts FY10 Q2: 36,786
 - Brokerage accounts FY10 Q1: 35,141


+1,645  5%
- **Increase in number of transactions**
 - Trades FY10 Q2: 263,470
 - Trades FY10 Q1: 250,755


+ 12,715  5%
- **Small decline in AuA**
 - FY10 Q2: €980 million
 - FY10 Q1: €1,005 million


- € 25 million  - 2%


Highlights FY10 Q2: Retail France

- **Growth in brokerage accounts**
 - Brokerage accounts FY10 Q2: 18,622
 - Brokerage accounts FY10 Q1: 16,072




+2,550  16%
- **Growth in savings accounts**
 - Savings accounts FY10 Q2: 8,245
 - Savings accounts FY10 Q1: 7,533

+712  9%
- **Number of transactions up**
 - Trades FY10 Q2: 236,984
 - Trades FY10 Q1: 214,752

+22,232  10%
- **Growth in AuA**
 - FY10 Q2: €330 million
 - FY10 Q1: €324 million

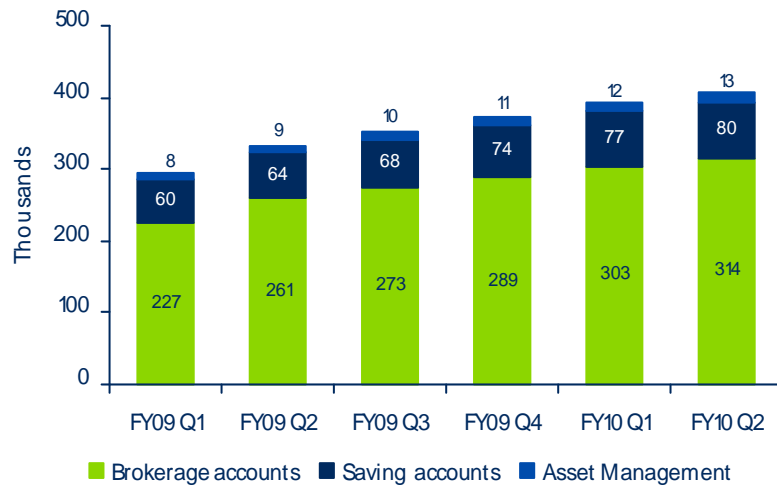
+ €6 million  2%

Highlights FY10 Q2: Professional Services

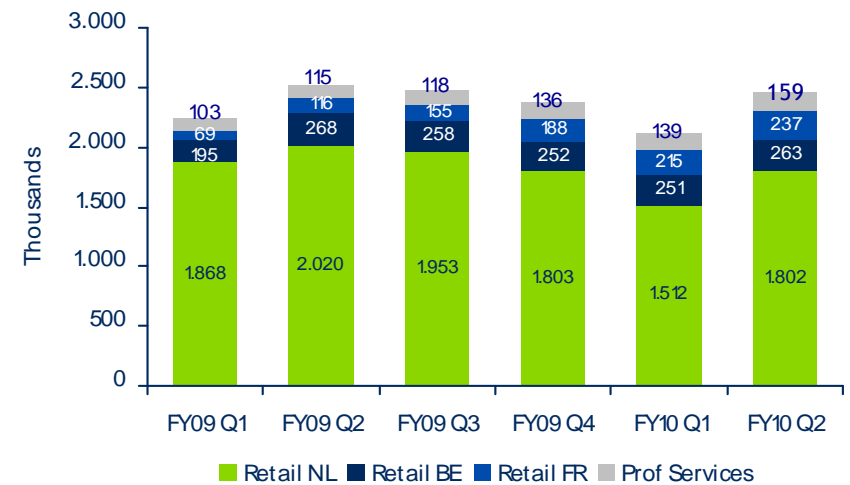
- **Brokerage accounts**
 - Customer accounts FY10 Q2: 26,126
 - Customer accounts FY10 Q1: 26,038
 - **Number of transactions up**
 - Trades FY10 Q2: 158,624
 - Trades FY10 Q1: 139,330
 - **Growth in AuA**
 - FY10 Q2: €3.5 billion
 - FY10 Q1: €3.4 billion
- | | | |
|----------------|---|-----|
| + 88 |  | 0% |
| +19,294 |  | 14% |
| + €0.1 billion |  | 3% |

Drivers of BinckBank commission income

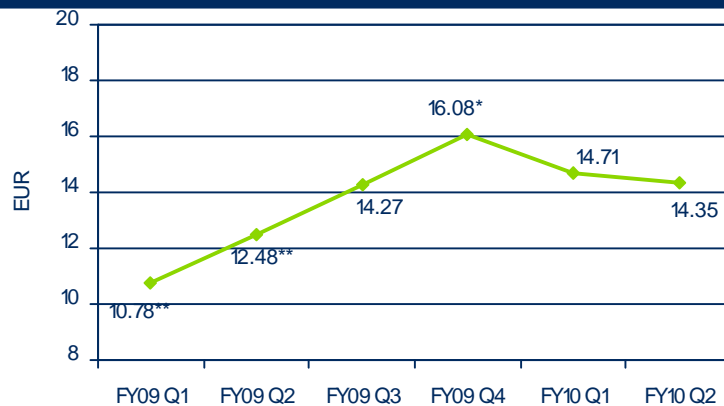
Customer account growth (FY10 Q2: + 14,686 accounts)



Total number of transactions (FY10 Q2: 2.5 million)



Average commission per transaction



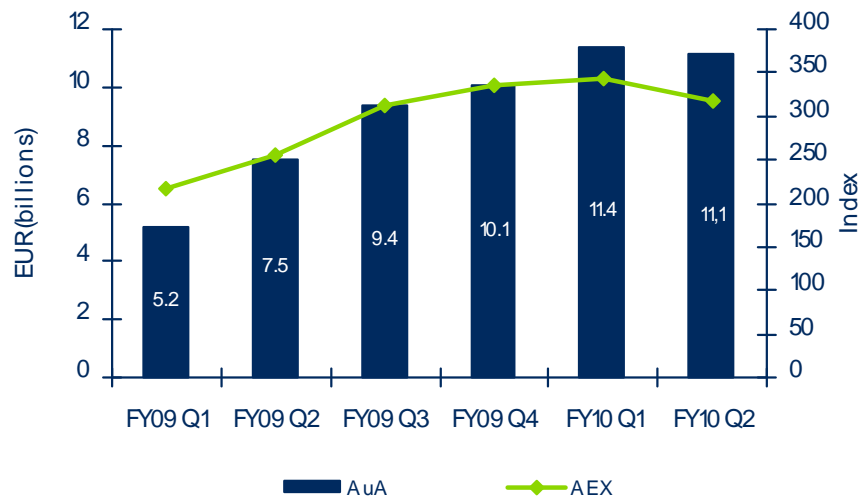
* Incl. Alex Asset management provision

** Incl. free Sprinter transactions

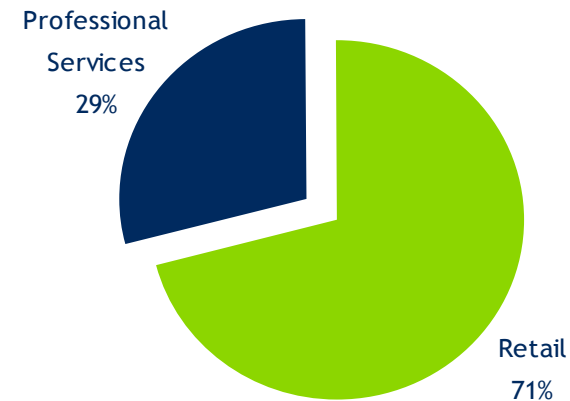
- FY10 Q2 customer account growth +4% to 406,926
- FY10 Q2 transaction volume back to 2.5 million due to increased market volatility (FY10 Q1: 2.1 million)
- Despite Binck price reduction average commission per transaction at €14.35

Assets under Administration

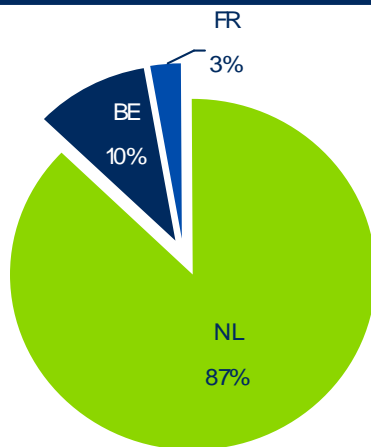
Assets under Administration (excl. savings)



Assets by business unit



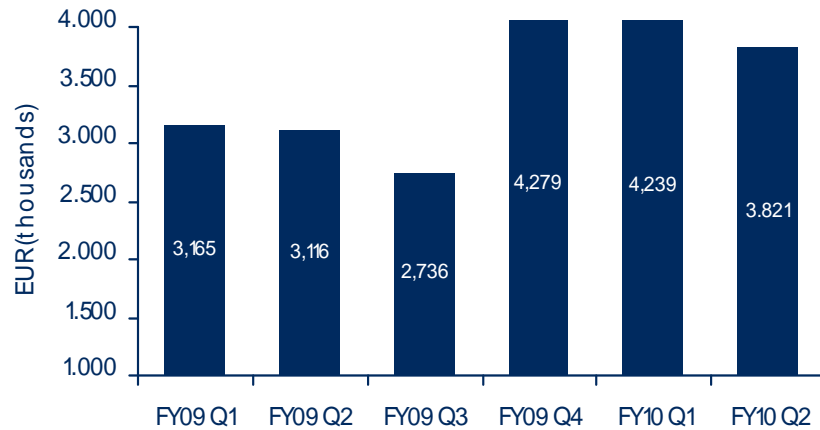
Assets by country



- Assets under Administration (excl. savings) in FY10 Q2 declined with €0.3 billion to €11.1 billion as a result of lower market values
- AEX at 317 end of June; -8% compared to end of March (344). First quarterly decline of AEX since beginning of 2009
- Total assets under administration at end FY10 Q2 €12.0 billion (FY10 Q1: €12.3 billion)

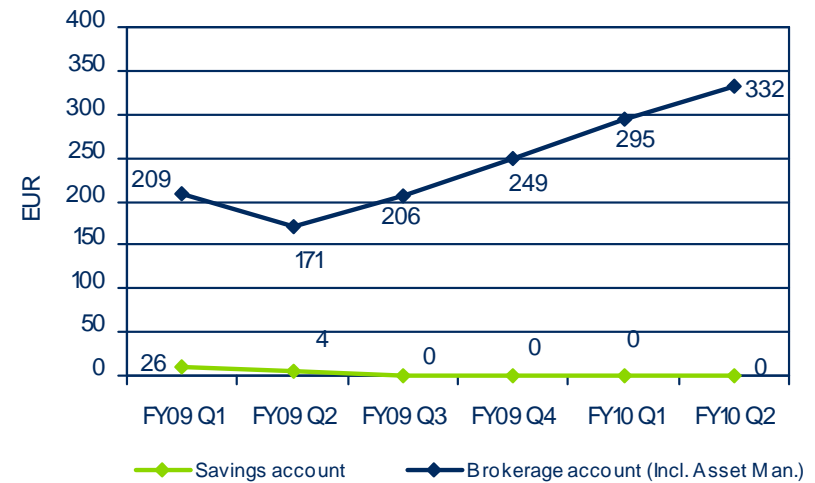
Marketing costs

Marketing costs



- Marketing spent 10% less than in the previous quarter
- Increase of marketing activities planned for second half of FY10; introductory campaigns for new products

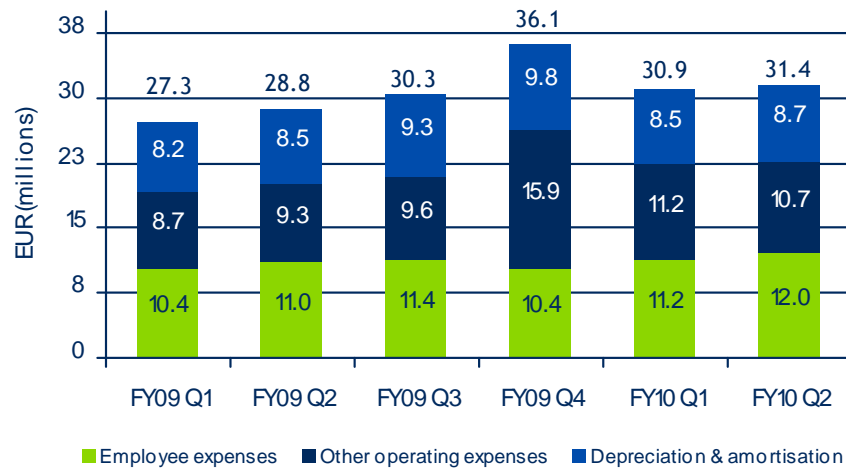
Marketing costs per retail account



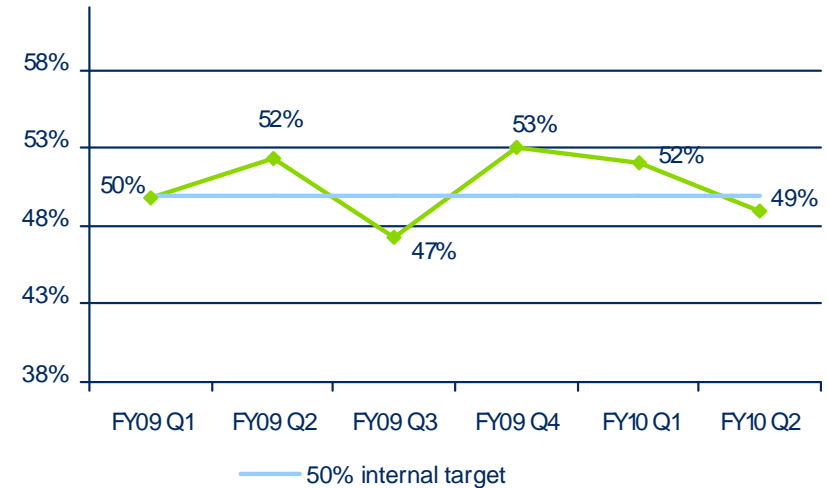
- Marketing costs per retail account increased to €332
- FY10 Q2 increase of marketing costs due to declining investor sentiment and expansion in France.

Operating expense & Cost/Income ratio

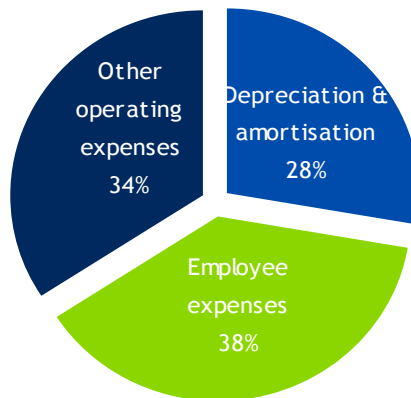
Operating expenses



Cost Income ratio (ex IFRS)



Breakdown cost base



- FY10 Q2 operating expenses at same level as FY10 Q1
- Cost/income ratio lower at 49%

Part II

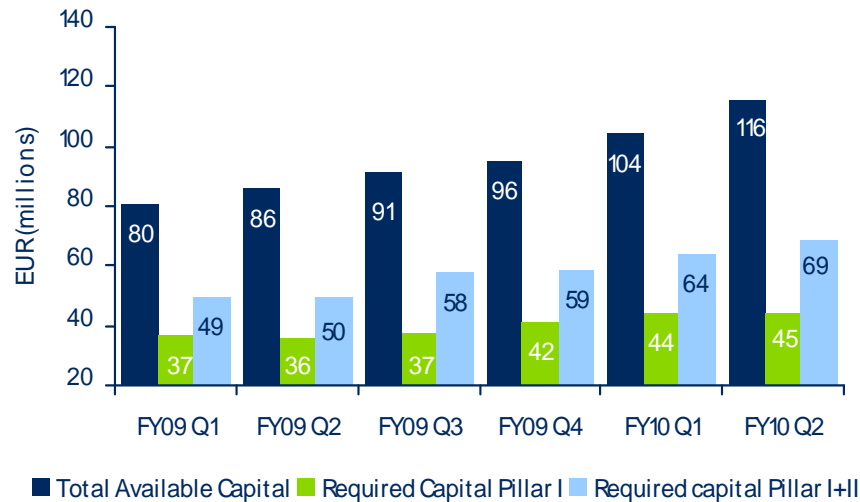
Financial position

Solid financial position BinckBank FY10 Q2

- Solid equity position at end FY10 Q2 €472.2 million
- Tier I capital grew with 11% to €116 million (FY10 Q1: 104 million)
- Solvency ratio FY10 Q2 13.4% (FY10 Q1:13.0%)
- Capital Adequacy and stress testing

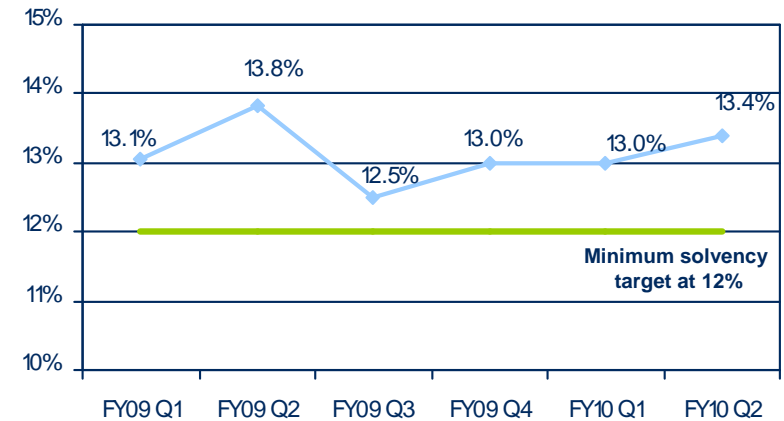
Capital position & solvency ratios

Total Available Capital vs Total Required Capital



- Accelerated growth of Total Available Capital in FY10 Q2:
 - Higher profits in FY10 Q2
 - Sale of treasury shares to board and key staff
 - Final dividend payment on treasury shares
- Change in calculation of capital requirement for operational risk; 15% of average operational income over the last 3 years instead of over the last year
- Additional Pillar II capital requirements for:
 - Interest rate risk due to growth of funds entrusted
 - Credit risk due to more concentration in client portfolios
 - Operational risk due to higher revenues in FY10 Q2

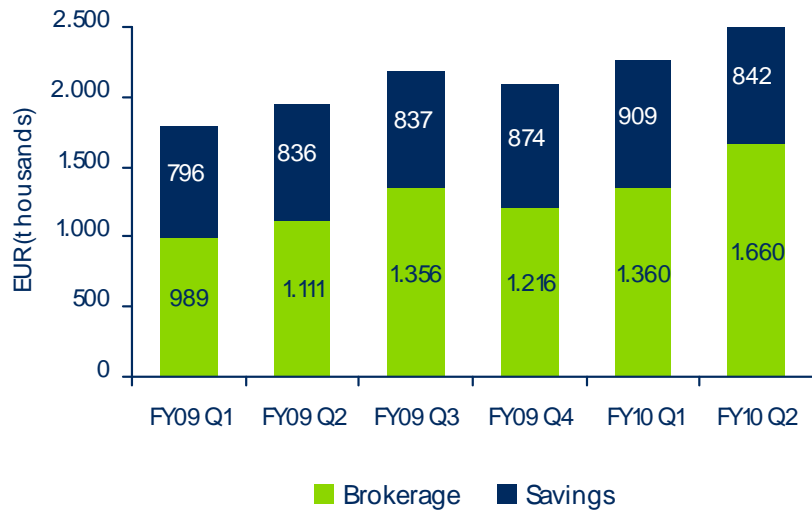
Solvency ratio



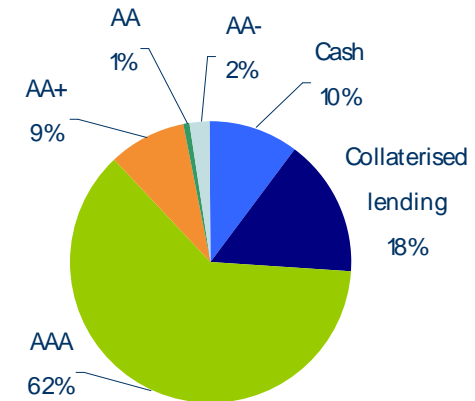
- Solvency ratio increased to 13.4% and remained well above internal minimum rate of 12%

Allocation of funds entrusted

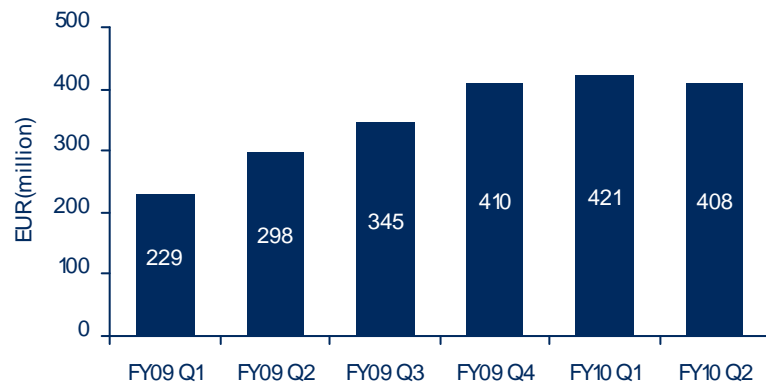
Funds entrusted end FY10 Q2: €2.5 billion



Allocation funds entrusted



Collateralized lending



- Investment portfolio up to €1.9 billion (FY10 Q1: €1.7 billion)
- Yield on investment portfolio decreased from FY10 Q1 2.81% to FY10 Q2 2.17% due to restructuring of treasury book
- Average duration FY10 Q2 1.35 years (FY10 Q1: 1.38)
- Reinvestments for the rest of the year €366 million (ceteris paribus); €279 million in Q3 en €87 million in Q4
- Expected yield on reinvestments 1.35%, given current market rates
- Exposure Spain and Ireland reduced with 60% to €160 million

Part III

Commission income analysis

Commission income analysis

Alex & Binck

Commission income

x € 1,000	Proforma	Proforma	Proforma			
	Alex & Binck FY05	Alex & Binck FY06	Alex & Binck FY07	Binck FY08	Binck FY09	Binck FY10 H1
<i>Commission income</i>	95,440	133,939	155,580	139,577	172,710	90,170
<i>Commission expenses</i>	(28,190)	(41,160)	(44,638)	(38,396)	(43,470)	(23,714)
Net commission income	67,250	92,779	110,942	101,181	129,240	66,456
<i>Commission margin</i>	70%	69%	71%	72%	75%	74%

Part IV

Business segmentation

Segmentation information changed

- The segment information changed, following a change in board member responsibilities
- Syntel used to be the responsibility of board member Pieter Aartsen (Professional Services) and is since FY10 Q2 under the responsibility of Koen Beentjes (CEO)
- Reasoning for the switch to Koen Beentjes is:
 - Syntel services both the Retail and Professional Services business unit, and external customers;
 - BinckBank would like to strengthen the co-operation between the BinckBank IT department and Syntel software development
- Syntel results were part of the Professional Services business unit. From FY10 Q2 onwards Syntel results will be reported under “Group Activities”

Business segmentation

- **Retail**
 - Contains revenues & costs directly attributable to Retail and cost allocations from group activities (IT, Back Office, Support functions)
- **Professional Services**
 - Contains revenues & costs directly attributable to Professional Services and cost allocations from group activities (IT, Back Office, Support functions)
- **Group Activities** consists of:
 - Group Treasury results (result from financial instruments)
 - Syntel revenues (other income)
 - Syntel costs (opex)
 - Extraordinary costs like for example “Depositogarantiestelsel” contribution

Part V

Events after 30/06/2010 & outlook

Events after 30/06/2010 and outlook 2010

- On July 1st interest rate on the Alex savings account was reduced from 1.7% to 1.5%
- On July 6th BinckBank and Delta Lloyd announced a new joint venture for group defined contribution pension schemes (second pillar): BeFrank
- On July 9th BinckBank cancelled 1.568.928 shares; total number of issued shares 74.500.000
- On July 13th ABN AMRO Clearing Bank NV became shareholder of TOM
- In the second half of 2010 more introductions of new products and website updates can be expected
- Management focus stays on:
 - Further customer growth
 - Innovation of products & services
 - Further expansion Professional Services business unit
 - (Preparation) for European roll-out
 - TOM

Part VI

Q&A

Contact details

Anneke Hoijtink
Manager Investor Relations
ahoijtink@binck.nl
+31 (0)20 522 0372
+31 (0) 6201 98 337
www.binck.com

Address
Vijzelstraat 20
1017 HK Amsterdam
The Netherlands

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