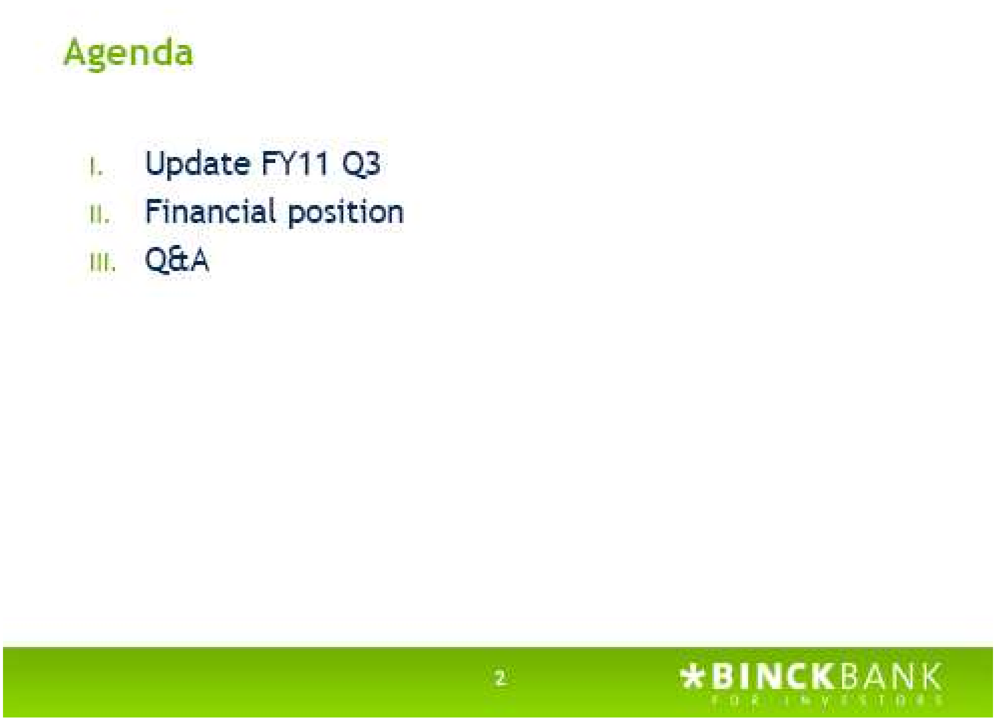

Third quarter results 2011
24 October 2011
Koen Beentjes CEO
Evert Kooistra CFO

TRANSCRIPT



Mr. **Beentjes**: Good morning all! It is good to have you all on this conference.

We will go through the slides. As usual, Evert will take the second part and I will take the first part.

Business highlights FY11 Q3

- Adjusted net profit FY11 Q3: € 18.5 million (FY11 Q2: € 14.1 million)
- Adjusted net profit FY11 YTD: € 51.6 million (FY10 YTD: € 57.2 million)

- Adjusted EPS FY11 Q3: € 0.25 (FY11 Q2: € 0.19)
- Adjusted EPS FY11 YTD: € 0.70 (FY10 YTD: € 0.77)

- Number of transactions at 2.7 million; 38% more than in FY11 Q2

- First accounts SNS Bank successfully migrated to BinckBank Professional Services at the end of August

- BeFrank receives prize for best pension product (Gouden schild)

We have had a solid quarter behind us. We are pleased with the result, a 32% increase in profits going up to EUR 18.5 million coming from EUR 14.1 million in the second quarter. In earnings per share it was EUR 0.25, so altogether EUR 0.01 above the consensus and EUR 0.06 better than in the second quarter.

The number of transactions rose very well. We had 38% more transactions in the third quarter in comparison with the second quarter. The rise was the strongest in the Netherlands and Belgium and as a consequence, France was somewhat lower than the Netherlands. So, in the Netherlands +44%.

We conducted the migration of SNS, so they are now on the system. We are very happy with that. The migration was technically very successful. There were no problems and we are heading towards the implementation of phases 2 and 3 in the course of next year.

We were extremely pleased that BeFrank received the price for the best pension product of the year. For the English listeners I am afraid this is in Dutch, but this is the Gouden Schild, the Golden Plate. That is an important milestone for BeFrank going forward.

Profit & Loss Statement quarterly comparison

in € million	FY11 Q3	FY11 Q2	FY10 Q3
Net interest income	9.7	10.5	10.1
Net fee & commission income	32.9	28.2	28.1
Other operating income	3.0	3.5	3.4
Results on investments & impairment losses on fin. instr.	1.5	(0.4)	1.8
Total net revenues	**47.1**	**41.8**	**43.4**
Employee expenses	(12.3)	(12.2)	(10.6)
Depreciation & amortisation	(8.8)	(8.8)	(8.6)
Other operating expenses	(9.8)	(10.5)	(11.1)
Total operating expenses	**(30.9)**	**(31.5)**	**(30.3)**
Profit (loss) from operations	16.2	10.3	13.1
Other non operating income	(1.1)	(1.4)	(0.6)
Profit (loss) before tax	**15.1**	**8.9**	**12.5**
Tax expense	(4.2)	(2.7)	(2.9)
Net profit	10.9	6.2	9.6
Net profit to minority shareholders	0.1	0.1	-
Net profit to shareholders BinckBank	**10.8**	**6.1**	**9.6**
IFRS amortisation	7.0	7.0	7.0
Fiscal goodwill amortisation	0.7	0.7	0.7
Adjusted net profit	**18.5**	**14.1**	**17.4**
Cost / income ratio excl. IFRS amortisation	51%	58%	54%

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I will give some more explanation to the top lines. The net interest income was somewhat lower than in the second quarter. There were two main reasons for that.

The first is that the margin lending decreased substantially from EUR 471 million to EUR 306 million over the quarter. Of course, the margin lending is very profitable and as a consequence, we had a loss of net interest income.

The second reason is that we went cash with Alex Vermogensbeheer in the third quarter. We invested that cash short-term in the markets and we received relatively low interest income on these short-term investments. As a matter of fact, we were paying clients more interest on their saving accounts with 1.5% than we received on our investments in the markets.

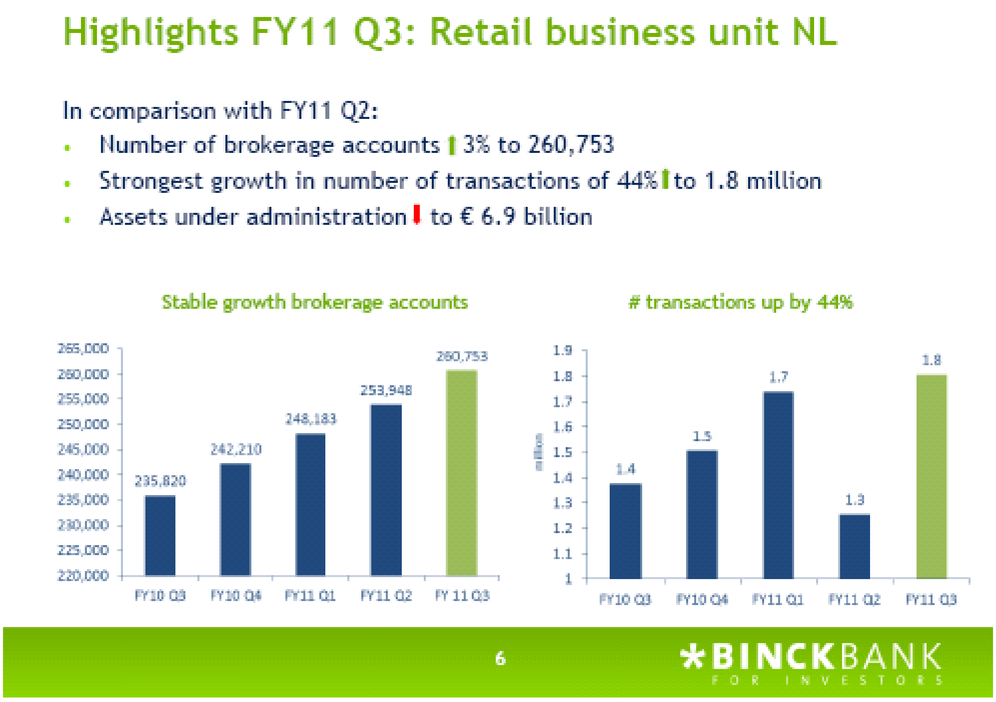
These two elements are the main explanation for the lower interest income in Q3.

Despite the rise in transactions with 38% the rise in commission income was 17%. I will give some explanation to that. This morning, we already received a lot of questions about what happened there. There are two elements here as well that are driving this change.

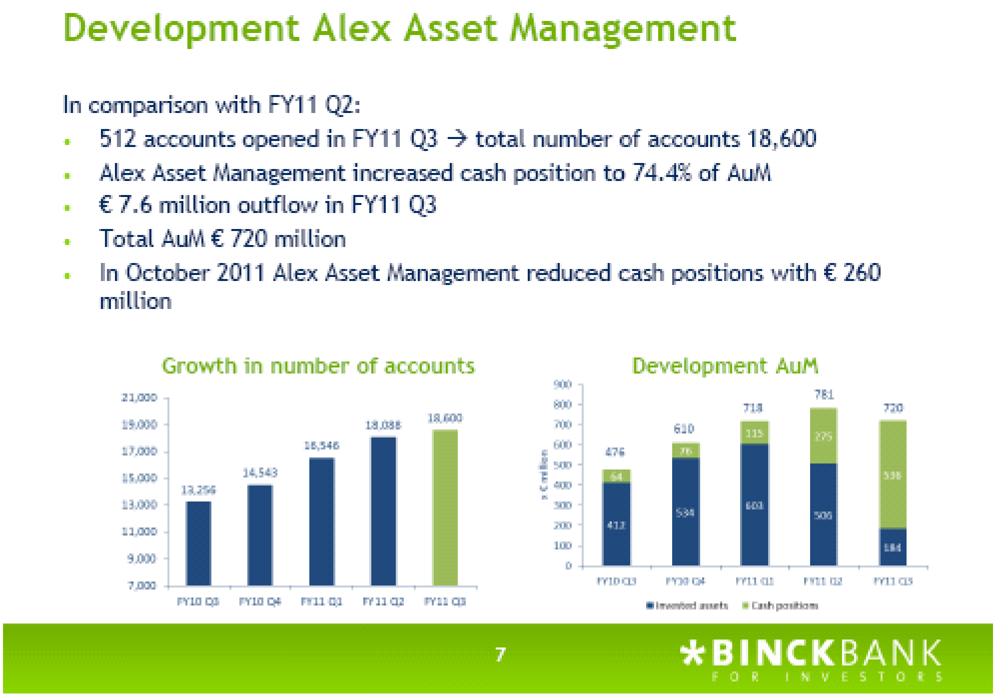
One is that the average size of the executed orders was lower than in the second quarter. That is the main part of the explanation. That is the most important driver that the increase in the number of transactions is not completely in line with the increase in the commission income.

The other reason is that in the commission income we have some more or less fixed components. There, you have to think about custodian fees, the fee we get for Alex Asset Management and some other fees. If you look from Q2 to Q3 you see a 38% increase in the number of transactions. That is the steepest increase we have ever seen Q-on-Q. Now, you basically divide the fixed income part by a 38% higher number of transactions. That is also an important part of the explanation: we have to divide a more or less fixed income component over more transactions.

With regards to the results on investments and impairment losses on financial instruments, we sold some of our bonds and added some additional income to our top line, our net revenues. We will talk about the cost later and we now continue with the presentation on the Retail Business Unit the Netherlands.



First of all, we see an increase in the number of brokerage accounts with 3% to 260,000. This is an increase with 6,000 accounts over the third quarter. We have seen a good increase in the number of accounts during August and also in September, but July altogether has been a normal holiday season month, so that has not been the most exciting month if it comes to opening new brokerage accounts. But as said, August was good and September was also okay. We have seen that the steepest increase in the number of transactions was in the Netherlands with +44%, higher than in Belgium and France. In line with what we have seen in the markets, the assets under administration went down to EUR 6.9 billion.

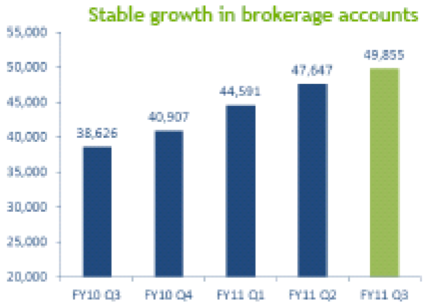


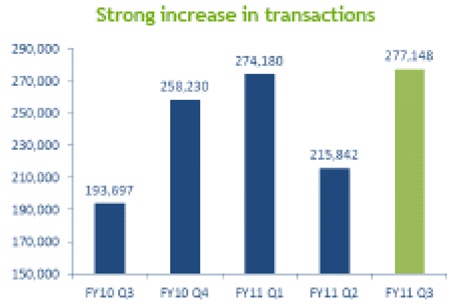
Ales Asset Management was EUR 275 million cash by the end of Q2. We have turned to more cash from mid-July to mid-August, ending the quarter with EUR 536 million cash. So, this is what we basically placed on a savings account, which gives the clients an interest of 1.5%. By the execution of the investment model we could prevent our clients from a large part of the decrease of the markets, so this was a good performance for our clients. Altogether, the value of the product came down.

In the climate, where we had a lot of cash it was harder to open new accounts so we opened only 500 accounts in Q3, which is low in comparison with the previous quarters. However, in October we already invested EUR 260 million of the EUR 536 million in the markets.

Highlights FY11 Q3: Retail business unit BE

In comparison with FY11 Q2:
- Number of brokerage accounts ↑ 5% to 49,855
- Number of transactions ↑ by 28% to 277,148
- Assets under administration ↓ at € 1.1 billion





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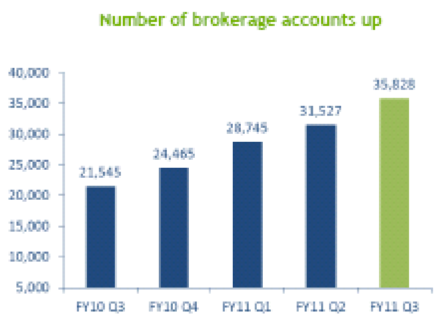
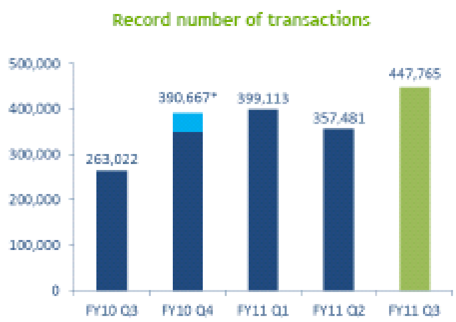
In Belgium, the number of accounts was up 5% to almost 50,000 accounts. The number of transactions went up with 28%. Here, the assets under administration went a little bit down to 1.1 billion.

Highlights FY11 Q3: Retail business unit FR

In comparison with FY11 Q2:
- Number of brokerage accounts ↑ 14% to 35,828
- Number of transactions ↑ 25% to 447,765
- Assets under administration ↓ to € 456 million





* Including 42,430 free SRD transactions

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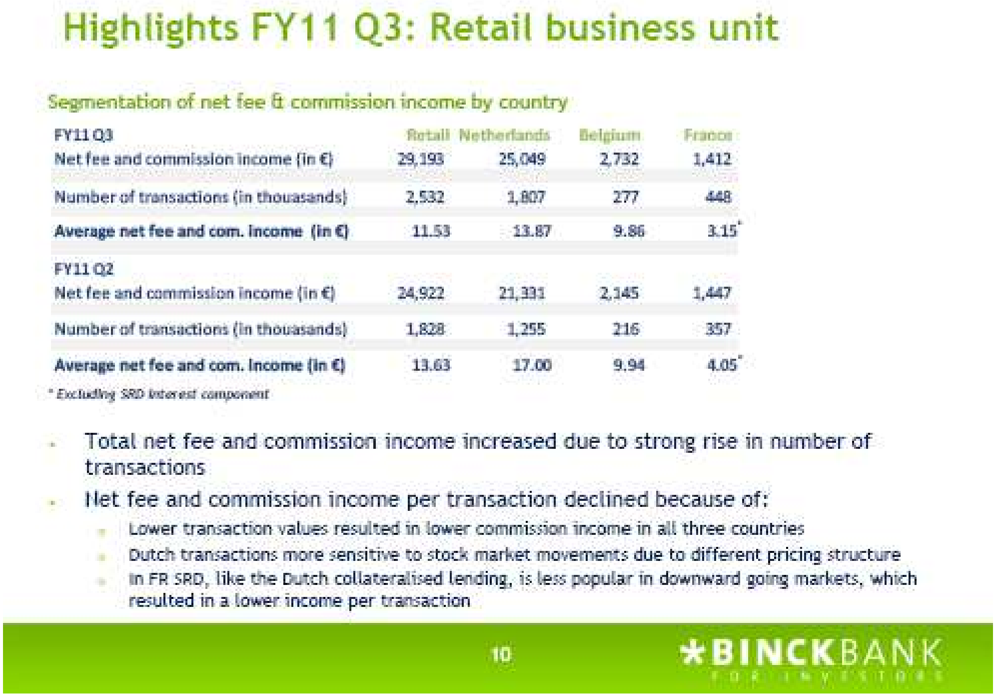
Also in France we saw a nice increase in the number of brokerage accounts. The number of transactions went up as well, with 25%. Assets under administration went a little bit down to 456 million.



Highlights FY11 Q3: Retail business unit

Segmentation of net fee & commission income by country

FY11 Q3	Retail	Netherlands	Belgium	France
Net fee and commission income (in €)	29,193	25,049	2,732	1,412
Number of transactions (in thousands)	2,532	1,807	277	448
Average net fee and com. income (in €)	11.53	13.87	9.86	3.15*
FY11 Q2				
Net fee and commission income (in €)	24,922	21,331	2,145	1,447
Number of transactions (in thousands)	1,828	1,255	216	357
Average net fee and com. income (in €)	13.63	17.00	9.94	4.05*

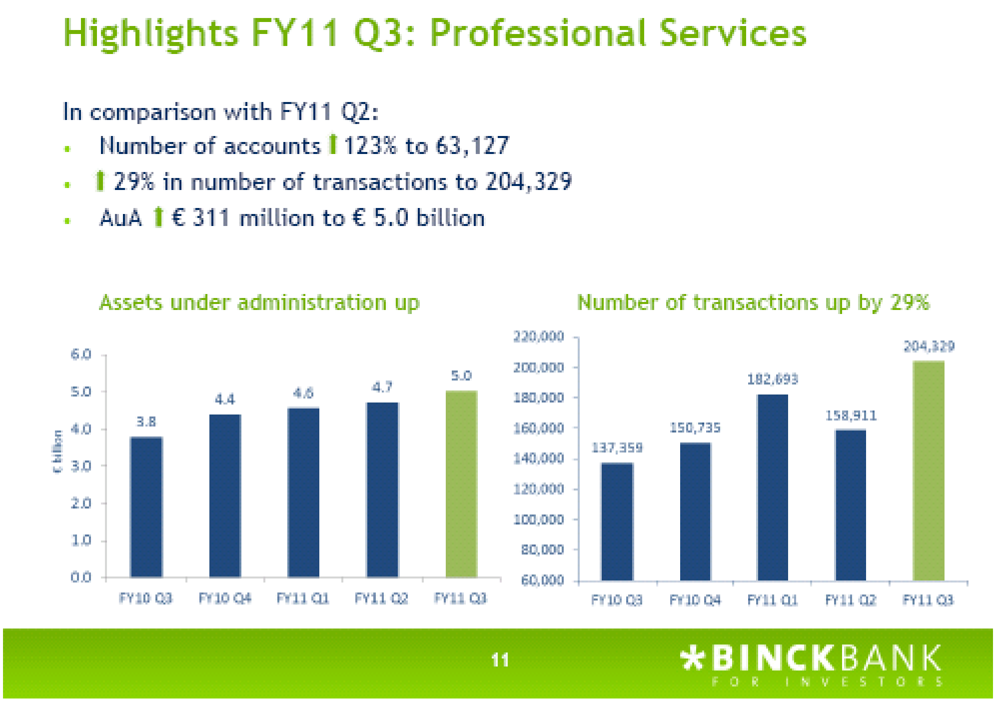
** Excluding SRD interest component*

- Total net fee and commission income increased due to strong rise in number of transactions
- Net fee and commission income per transaction declined because of:
  - Lower transaction values resulted in lower commission income in all three countries
  - Dutch transactions more sensitive to stock market movements due to different pricing structure
  - In FR SRD, like the Dutch collateralised lending, is less popular in downward going markets, which resulted in a lower income per transaction

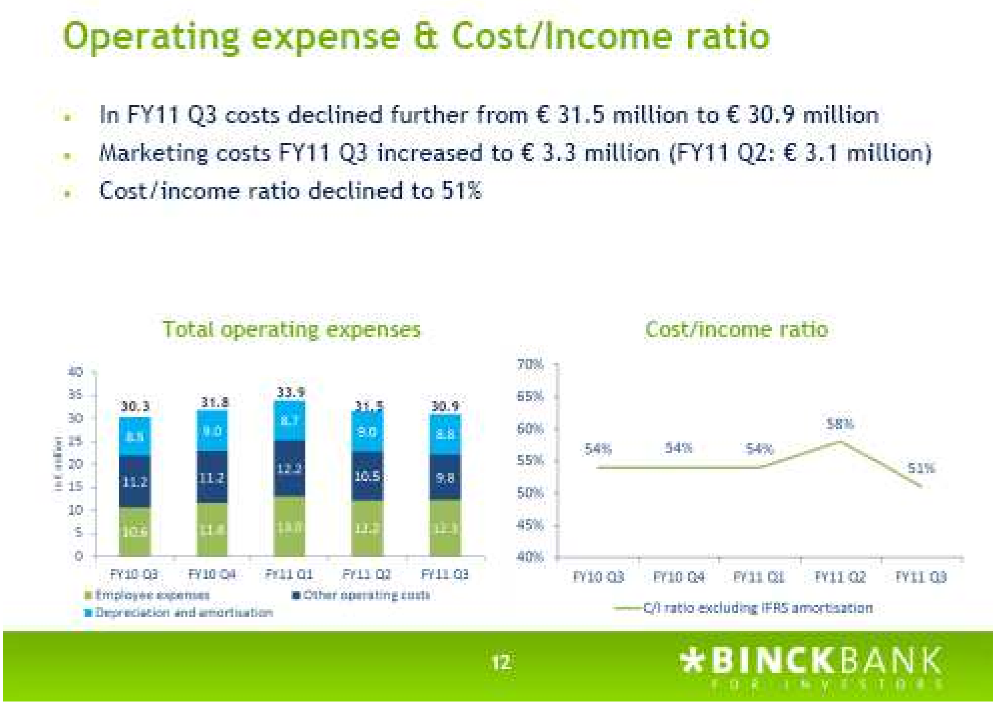
On this slide you see that the commission income in the Netherlands on average came down from EUR 17 to EUR 14, driven by the low order size. I explained already the division of the fixed costs and the fixed income by the increased number of transactions.

In Belgium, you see that our income structure is somewhat different. There, the average income per transaction came down from EUR 9.94 to EUR 9.86. The reason for that is that we have the same fee for all transactions between EUR 5,000 and EUR 25,000. For that reason, the change in average order volume did not really have much effect on the average commission in Belgium.

In France, you see the average income per transaction going down from EUR 4.05 to EUR 3.15. That is in line with what we have seen in the Netherlands. So, SRD was used a little bit less than in the previous quarter and that is in line with the Netherlands, where we have seen that in this uncertain environment, where stock prices are coming down people tend to make less use of the margin lending facilities. As a matter of fact, SRD is also a kind of margin lending, which is a leveraged investment. We have seen that there has been less appetite for that in the third quarter. That has driven the average commission in France down by almost EUR 1.

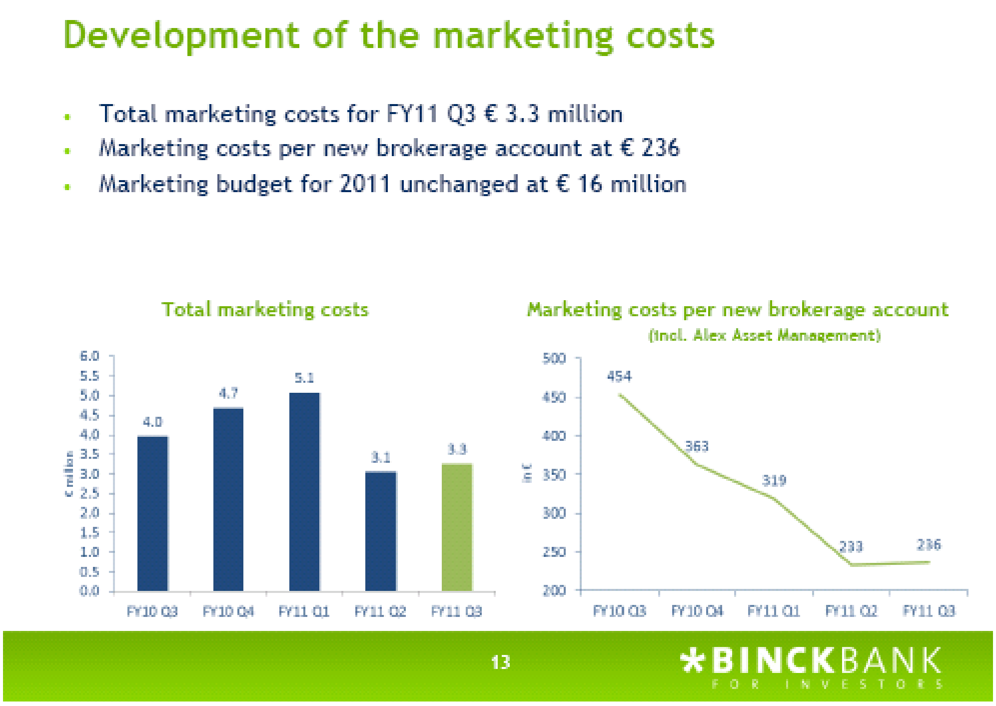


We saw a steep increase in the number of accounts. We also have seen the assets under administration going up again to 5 billion. The number of transactions was up by 29%. The steep increase in the number of accounts of course has to do with the implementation of SNS, where we added new accounts to the system.



The costs remained stable, so over the past quarter the costs have been quite a stable pattern. If you see that in the first quarter with a EUR 33.9 million of cost there was more marketing cost in average. In the first quarter, it was EUR 5 million and in the second and the third quarter it was closer to EUR 3 million. If you would correct for that you basically see almost a straight line on the cost level.

The cost/income ratio however, came down somewhat. That is completely driven by the top line and not by the cost. The cost remained the same and the top line increased. That is the reason why the ratio came out better with 51% in Q3.



This is what I just mentioned. In Q1 we had EUR 5 million, and in Q2 and Q3 we had little bit more than EUR 3 million. The budget for 2011 is unchanged, at EUR 16 million. That means that we have a little bit less than EUR 5 million to spend in Q4. The average cost in new brokerage accounts remained stable over Q2 and Q3 with a bit more than EUR 230 million.

Evert, could you take the second part?

Part II

Financial position

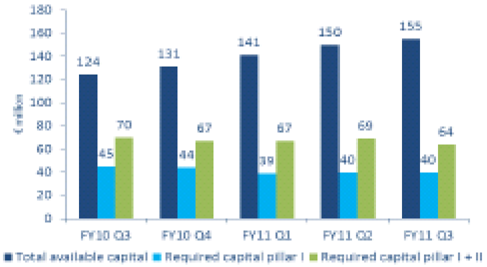
BINCKBANK FOR INVESTORS

Mr. **Kooistra**: Once more, we saw a strong financial position for Binck at the end of Q3.

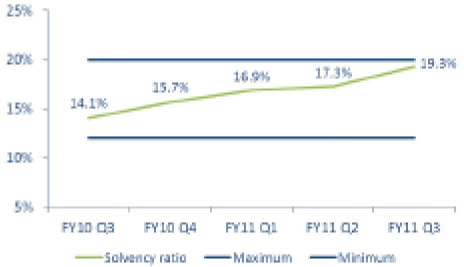
Strong financial position BinckBank FY11 Q3

- Solid equity position at end FY11 Q3 € 469 million (FY11 Q2: € 463 million)
- Tier I capital grew with 4% to € 155 million (FY11 Q2: € 150 million)
- Solvency ratio increased to 19.3% end of FY11 Q3 (FY11 Q2: 17.3%)
- BIS ratio end FY11 Q3 at 31.0% (FY11 Q2: 29.8%)
- Lower capital required for credit risk due to less collateralised lending resulted in lower Pillar II capital requirements

Capital requirements



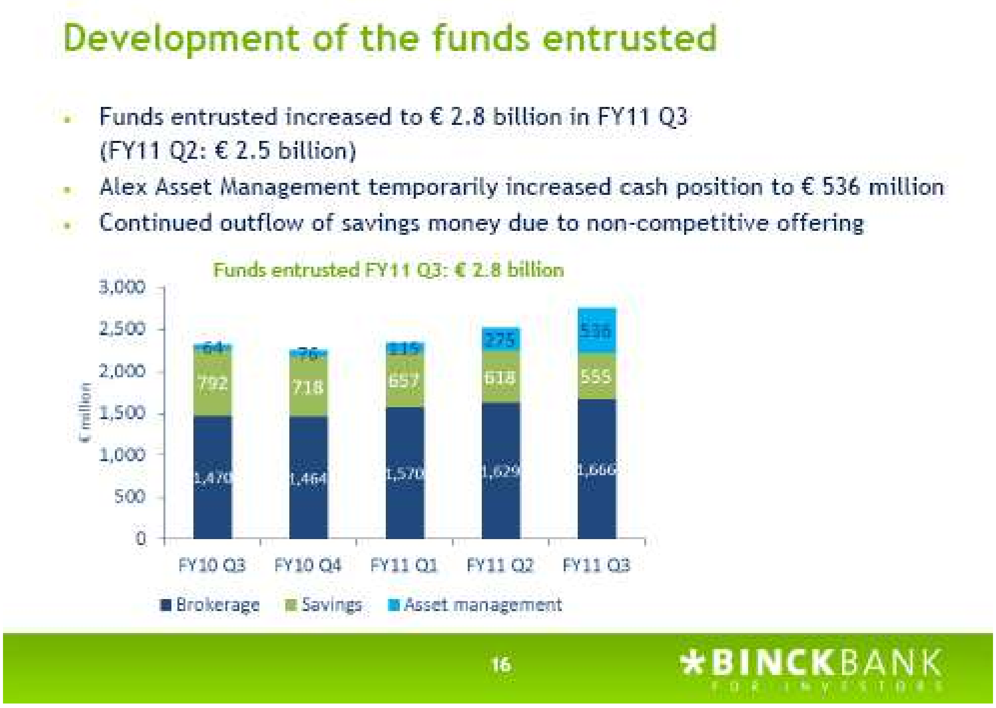
Solvency ratio



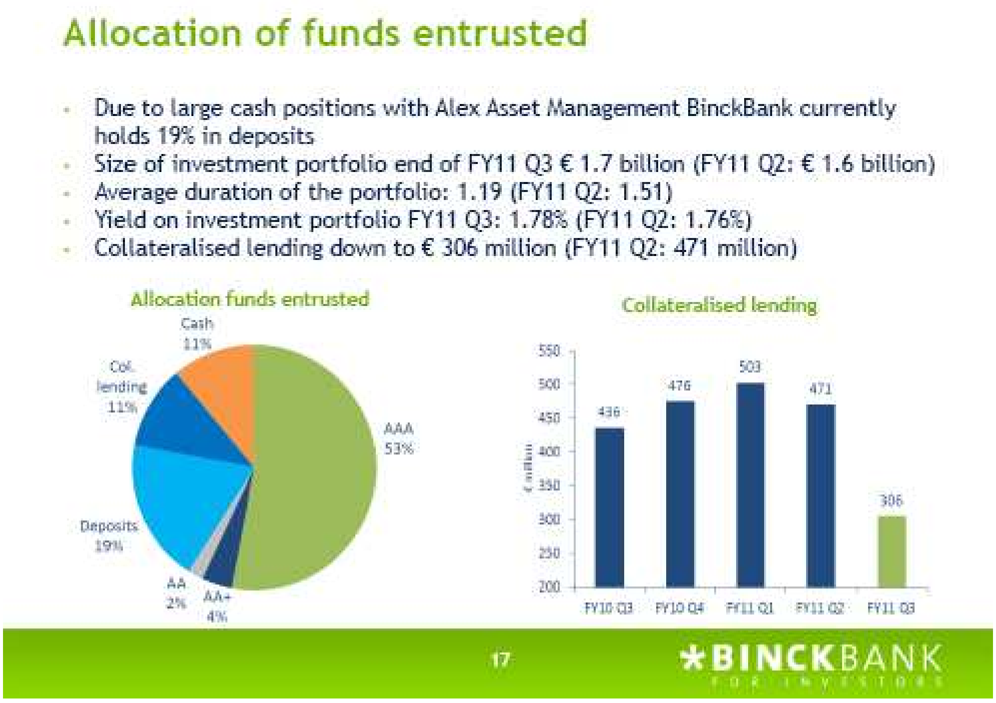
There are few highlights that I would like to share with you.

The growth of the solvency ratio accelerated in Q3. At the end of the second quarter we had a solvency ratio of 17.3% and at the end of the third quarter it went up with 2% to 19.3%. this acceleration of the ratio was primarily driven by lower capital requirements for credit risk under Pillar II. The capital requirements under Pillar II went down with approximately EUR 5 million, from EUR 69 million to EUR 64 million for the two pillars together. Due to the strong decrease of collateralised loans the exposure of the concentrations in loans reduced and consequently, we needed less capital. Also, our risk management group increased the margin requirements for derivatives in the months of August and September, which reduced the exposure for BinckBank and the need for capital.

The capital requirements for credit risk under Pillar II will increase again at the moment that we see a pick-up in the level of collateralised loans. We have seen that before. If the collateralised loans go up, the exposures in the loan book go up and the capital requirements under Pillar II grow again.



As Koen already mentioned, in Q3 we saw a strong increase in the funds entrusted. They went up from EUR 2.5 billion to EUR 2.8 billion, which is a 9% increase. As you can see in the graph, the increase was primarily driven by Alex Asset Management. Alex Asset Management divested its assets and went cash at the end of July and early August, which was a good thing for our clients because they were protected from the downside of the markets. But consequently, Binck was faced with a lot of excessive cash, which had a negative impact on the interest income in Q3.



The excess of cash of Alex Asset Management was kept in short-term deposits, which you can see in the left graph on slide 17. It was approximately 19% of the funds entrusted. These short-term deposits had a negative contribution on the Q3 interest income. The yield was approximately 85 bps. And the reimbursement to customers of the Alex Asset Management accounts was 150 bps.

In October, the deposit position was reduced as Alex Asset Management invested again for EUR 260 million last week. There were no major changes in the volume of the treasury book. However, the duration was shorted from 1.5 years to 1.2 years. In August, the 3-years' SWAP-rate came down significantly and was as low as the 1 month EURIBOR. So, we decided to shorten the duration and we had a positive gain of EUR 1.5 million on the transactions in the treasury book. The yield on the portfolio stayed almost the same; 1.78% against 1.76% in the second quarter.

Last but not least, the collateralised loans, as already mentioned by Koen, came down, significantly Greece which is something we saw earlier: when the markets came down there is less appetite for our customers to take risk. Consequently, they borrow less from Binck. As the markets will pick up we will probably also see a pick up in the collateralised lending again. As per the date of this call, the collateralised loans are still at the same level as at the end of the third quarter.

This was part 2. We now go to part 3, Koen, and Questions and Answers.

- **Jan Willem Weidema - ABN AMRO**

Good morning! I have a few questions. First, what amount of your net commission income is fixed income?

Secondly, you are approaching 20% core Tier 1. Once you are over the threshold do you expect immediately to start a share buy-back or not and what are your considerations there?

Finally on the Tobin tax: given the uncertainty about the introduction of the Tobin tax, will you aim for a higher core Tier 1 in the short term or is that not a consideration for you?

Mr. **Beentjes**: Let me answer your question on the Tobin tax and Evert will take the other two questions. On the Tobin tax we issued an opinion paper this morning in Het Financieele Dagblad. It means that our clients will see increased costs in a brokerage transaction, which of course will be negative for the clients but will also reduce the volume and in that respect will be negative for BinckBank as a company. You are asking whether we would increase the core capital because of the Tobin tax. That is actually not the case. What would happen most probably is that we would pass on the costs to the clients.

Mr. **Kooistra**: You asked a question on the fixed income side. This is the first time we see this effect and that is why it triggers a discussion. But we do not disclose the break-down. It is sensitive information. There is a lot of discussion going on on custody fees, so we do not give this information at this moment.

You also asked a question on a share buy-back and the 20%. We have stated that above 20% we will return capital to our shareholders. We have not taken a decision to do so or about the way we are going to do it. So, we will make that decision as soon as we have the 20% ratio.

Mr. **Weidema**: Thank you!

- **Benoit Pétrarque - Kepler**

Good morning! My first question is on the net commission per transaction ratio. You mentioned that the average size of the transactions is coming down. Do you have any statistics on that? Is that a new trend? What do you expect for the coming quarters? Do we need to change the model?

Have you seen a split in the percentage of the total number of transactions versus in equity trade versus the option trade? Is there a different repartition here, which could explain this lower ratio?

On France, you said that SRD trades are getting less and that therefore they have an impact on the net commission per transaction ratio. Can you remind us a bit what the accounting is on SRDs? I thought it was mainly interest income.

On the outcome of option trading I understood that you will start doing it in November and that you will change the terms and conditions in the contracts of clients. What do you think will be the effect on the commission expenses going forward?

Mr. **Kooistra**: Let me start with the first question. We do not have statistics on the net commission income per transaction. It is not a new trend; it is a trend that you saw this quarter. There was a very sharp decrease in the AEX, as you can see in our press statement. There was a strong concentration of transactions in August. If you compare the months in the quarter you see July was pretty quiet, in August there were many transactions and September was reasonably good. So, we had a lot of transactions at the moment there was a strong drop in the market and that 'accelerated' the lower order values and the lower income per transaction. You cannot say it is really a trend; it depends on what happens in the market.

Mr. **Pétrarque**: So, it will come back to a normalised level in Q4? Based on what you see in Q4 it is back to normal?

Mr. **Kooistra**: We have to have a look at what the AEX is doing and see whether that effect will continue.

Your next question was on equity trades and option trades. It is always roughly around 50% and that is what it is today as well.

There are two lines from the SRD effects: the net commission income line and the net interest line. For each SRD transaction that we do there is EUR 2.50 uplift on the normal fee level. If the client does an SRD transaction he has to pay EUR 2.50 extra. That is recorded in the commission income line and then for the financing part we charge him interest and that is recorded in the net interest income line. What you now see is that there were less SRD transactions done and therefore there was lower average commission income per trade. We lost that income.

Mr. **Beentjes**: Benoit, you asked a question on TOM. Could you explain a little bit further what exactly the question is? The effect on the commission income ...

Mr. **Pétrarque**: The commission expense, I am sorry!

Mr. **Beentjes**: Alright! The fee that we have to pay to TOM is not yet public. Once we start we will make it public. We have now informed all our clients that we can do derivative transactions over the TOM platform. When we have completed testing we will actually start. At that moment TOM will make the price for the transaction public. We have said in the past that we have not done this whole exercise for a small decrease in commission expense. But it will be public later this year.

Mr. **Pétrarque**: Thanks!

- **Thomas Nagtegaal - RBS**

Good morning! I have three questions. First of all, could you say something about the expected development of the cost base? Even if you exclude the fact that marketing costs were relatively low the Q3 cost base was below the trend of the last couple of quarters.

Secondly, going back to solvency again: you had a big jump this quarter -- as you mentioned -- because of lower concentration risk. How free are you to do for example share buy-backs? This does not seem to be a structural move.

Lastly, could you say something about the additional impact of the SNS deal going through the pretax profit this quarter?

Mr. **Beentjes**: As regards your third question we cannot give you information on individual clients. We will not do that.

Mr. **Kooistra**: In the beginning of the year we said that the cost base will be 5% to 6% higher than in 2010. After three quarters we see a 4% increase and we think that we will end the year a little bit lower. Q4 will have more cost in it; we have said that we will spend the full marketing budget and you can see how much we have spent year to date. So, there is another EUR 1.2 million extra in marketing cost in Q4 compared to Q3, so Q4 will be closer to EUR 33 million in cost base.

As regards solvency, the way the mechanics under Pillar II work is that you have to do your own assessment. Each quarter you assess the risk in your balance sheet and you take capital accordingly. That is why you see the capital under Pillar II going up and down. Pillar I is more or less stable.

The 20% is our own norm, so we are free to return capital. It is our own judgment, so as long as we stay above 20% we can return capital to shareholders.

Mr. **Nagtegaal**: But you do not believe that the jump this quarter that was mainly from the lower required capital side is unsustainable? You think that the current balance of your required capital based on outstanding risk is more or less the long-term mix in your fee?

Mr. **Kooistra**: No, because the level of the collateralised loan is now at EUR 306 million. If that picks up the capital requirements under Pillar II pick up as well. We do not know what the collateralised loans are going to do, but if they pick up in Q4 we will see an increase of the requirements under Pillar II again.

Mr. **Nagtegaal**: Thank you!

- **Cor Kluis - RaboBank**

Good morning! I have a few questions, first of all concerning your guidance for marketing expenses for Q4 of approximately EUR 4.5 million. Why do you want to increase your marketing expenses so much in the fourth quarter, given the current market circumstances?

My second question is about other income, especially at the group operation's level. You see that going down by nearly EUR 600 million versus Q2. What is going on there? What is the story behind that?

My third question is about Professional Services. You saw the number of transactions going up by around 29% including SNS, while the number of transactions in Retail Netherlands went up 44%. If you go up 29% in Professional Services including SNS and Retail is +44%, why is Professional Services excluding SNS REAAL not rising so rapidly?

Mr. **Beentjes**: Let me begin with the marketing expenses. It is the budget; we always spend our money wisely, Cor. If we think we cannot get clients in for that money then we will not spend it. But generally, we have the money available. We are actually running some campaigns now and we will monitor it closely.

Your second question was on 'other income'. The -EUR 0.6 million has to do with Syntel where we basically invoice by the hour. In the holiday season we invoice less hours. That is the explanation.

Mr. **Kluis**: Does that explain the entire EUR 600 million?

Mr. **Beentjes**: EUR 600,000!

Mr. **Kluis**: Sorry!

Mr. **Beentjes**: Maybe you are used to larger banks than we are.

Mr. **Kooistra**: That is the major part of it. It might be that they have done some more intercompany work for BinckBank because that revenue is taken out in the consolidation, so eliminated.

Mr. **Kluis**: Thanks!

Mr. **Beentjes**: Professional Services going up 'only 29%' in comparison to 44% in the retail market. The professional market has a different profile, so internally we do not make that comparison.

Mr. **Kluis**: Thank you!

- **Matthias de Wit - Petercam**

Good morning, a few questions from my side. First of all, on the volume trends during the quarter. Could you provide a split between July, August and September? I have the impression that August was a record month after which some softening of the momentum was witnessed. Could you confirm whether this is the case and could you also provide some colour on how the fourth quarter went up?

Secondly, again on solvency. I just wonder whether it is realistic that you will reach the 20% target already at the end of Q4, given that the Alex Asset Management cash balance might come down and thereby upsetting the possible increase in capital requirements from the collateralised lending.

Lastly, on the SNS BPO-deal: could you comment on to what extent it is already contributing to the third quarter results? I have the impression that this contribution is still relatively limited compared to its full potential? Could you confirm that? That would be helpful.

Mr. **Kooistra**: Let me begin with the volume trends. As regards the trend during the quarter, as said there was a strong concentration in transactions in August. We never give the exact numbers during the quarter but you can look at Comdirect; they give a trading update on a monthly basis and disclose the number of transactions. We have more or less the same pattern.

I did not get your question on solvency.

Mr. **de Wit**: I am just wondering whether you could already reach the top end of your target range at 20% by the end of Q4 because of the positive impact of lower cash balances at Alex Asset Management.

Mr. **Kooistra**: If collateralised loans pick up we have a little more demand in capital under Pillar II but anyway we will hit the 20% either by the end of this quarter or early next quarter. So yes, we are going to the upper level.

Mr. **de Wit**: Might the excess capital also be used for M&A or do you stick to the shareholder distribution anyhow?

Mr. **Kooistra**: As long as we do not have any other opportunities for the money we will return it to shareholders. If an M&A opportunity comes along we will take the decision at that time. But we have not taken any decision what to do with the excess capital. We will take it when we hit the 20%.

Mr. **Beentjes**: As I said earlier on the SNS deal, we do not disclose information on individual clients so I will not tell you how much it contributed to the Q3 numbers. What I can tell is that it is a three-stage project and we have now completed one stage. So, in that respect there is more to come.

Your question on the colour of the fourth quarter is still open. It is too early to say something. We have seen a reasonable take-off in October but more importantly, in the past months we have seen that when volatility increases we can immediately have increased volumes. That is what we saw in August. But volume can also come down basically from one day to another. It goes up very quick but it may stabilise at normal levels also very quickly. The fourth quarter took off reasonably well.

Mr. **de Wit**: Thank you!

- **Maarten Altena - ING**

Good morning. My first question is on interest income, which surprised positivity[)]. Despite the 35% quarter on quarter decline in collateralised lending am I right in assuming that the decrease mainly took place at the end of the quarter, as the interest income remains relatively sound?

My second question is a brief follow-up on the Tobin tax. Would you also be able to comment on your expected impact on the price elasticity on the revenues, given the potential price increase and assuming that you can transfer higher cost to clients? You did so with your price lowerings in April, 2010.

Thirdly, I also was a bit puzzled by the finalising date of the first phase of the SNS migration. In your press release you state 30 September but in your presentation you are talking about August. So, I am not sure whether there is already any profit in the Professional Services division.

My last question is on the turbos in France. What is wrong with ING's Sprinter product there? How is the competition active on this product and what should we expect from this going forward? Should we see it as some kind of SRD or is it way smaller?

Mr. **Beentjes**: On your question on the turbo in France: it is the ING Sprinter but the name is different.

Mr. **Altena**: I was wondering why the name is different.

Mr. **Beentjes**: That will the commercial department of ING that has decided that with our French colleagues. I do not know.

On SNS we are really not disclosing information on individual clients. I am not going to answer your question.

We cannot really estimate price elasticity. When we are talking about the price decreases we had in April 2010 we made up for most of the decreases. If we look at the current state we see that we are at the levels that we were before April 2010. So, there we have seen high price elasticity. The lowering in price has increased the number of transactions and has given us back the amount of the reduction. But with the Tobin tax we are looking at price elasticity that is way outside that range that we have seen in the last year in our own price reduction. If this Tobin tax would become reality the cost of the transaction could increase by 50%. The average net cost of a transaction is now EUR 14 and if you add EUR 7 to EUR 8 for an average transaction of EUR 7000 to EUR 8000 the price is increased by 50%. If we pass that on to the clients -- and most probably we will be forced to do so -- we are very far away from the current price level that I cannot give you an estimate on what price elasticity will be. We really do not know. Of course, we are afraid that it will reduce the number of transactions within Binck. It is not good for the client and it is not good for Binck as well.

Mr. **Kooistra**: The drop in collateralised loans happens primarily in the first two weeks of August when the markets when down. Also, Alex Asset Management went cash around that time. I am not sure what kind of assumption you took in your forecast but the negative effects were there in the first weeks of August.

Mr. **Altena**: Coming back to the turbos in France: how is competition active there and what should we expect from any delivering to profit or whatsoever.

Mr. **Beentjes**: I do not exactly know.

Mr. **Altena**: So, from that I can expect it is rather small and not very meaningful?

Mr. **Beentjes**: Yes, let's presume that. I have not had any other message but I do not know exactly.

Mr. **Altena**: Thank you. Maybe one final question? I missed the reinvestment rate for the fourth quarter. Given the decrease in yield of the offentliche Pfandbriefe I can imagine that it came down. Are you able to comment on that?

Mr **Kooistra**: We normally give that. Let me see, it is around 1.7 on three years.

Mr. **Altena**: Thanks very much!

- **Floris Oliemans - Kempen en Co**

Good morning. Most of my questions have already been answered, so I just have one left. I understand that France is suffering from the decrease in SRD transactions but still, why are customers not trading more actively since the last quarter also did not show a rapid increase in the number of transactions from newly opened accounts?

Mr. **Kooistra**: Good question! I know they use a lot of SRD and that has to do with the risk appetite. If there is a good risk appetite and they think they can make a profit there they are prepared to take more risk and do an SRD trade. With these markets there is probably less appetite to take risks. I do not know why they do not do other transactions more actively. SRD is a French thing and that is the most popular instrument and that influences the trade.

Mr. **Oliemans**: But is the number of trades they are doing below your expectations?

Mr. **Kooistra**: No.

Mr. **Oliemans**: Thank you.

- **Lemer Salah - SNS Securities**

Good morning! I have two questions left. First of all, what are your expectations with regard to the reimbursement rate of 1.5%? What kind of leeway do you have there?

Secondly, perhaps it is done on purpose but I do not see extensive information about Professional Services. Can you maybe update us with regard to the latest developments?

Mr. **Beentjes**: The expectations on the reimbursement rate? Do you mean the rate on the savings accounts?

Mr. **Salah**: Exactly.

Mr. **Beentjes**: The 1.5% we pay on the savings accounts. In the current climate, we cannot follow competition. I read this morning that it is already above 3% on the savings accounts. We do not have an asset side to invest in, which would allow us to pay higher interest rates in the market. I am afraid it remains at the 1.5%. We also have seen some outflow on the savings accounts. Some clients consider this low as well but most of the money in there is money that people have set aside to make active in investments if they decide so. So, the expectation on the reimbursement rate is that we are not going to change it.

Mr. **Salah**: Thank you.

Mr. **Beentjes**: On Professional Services there is not more to mention. They have spent a lot of time on implementing the SNS deal and they have been working on the two other mandates we made public in the beginning of Q3. That is what they are doing. I cannot give you much more colour than that.

Mr. **Salah**: Thank you very much.

- **Dirk Peeters - KBC**

Good morning. I have two questions left. In the second quarter KeyTrade was to enter the Dutch market. I have not heard anything about it anymore. Did you hear anything about it or did you see them and, if so, to what extent?

Secondly, you may or may not see 20% solvency in the fourth quarter or in the first quarter of 2012 and then maybe we can hope for a share buy-back to be resumed thereafter in the second quarter or third quarter. Before getting too optimistic I would like to know how much of a capital charge there is to be for the start of the business in Italy. By the same token you can maybe also give a little bit of an update on that one.

Mr. **Beentjes**: Yes, we heard that KeyTrade will come to the Netherlands. We are still waiting. It was already some time ago that they would be here but we have not seen them yet. So, we will just wait for that.

Mr. **Kooistra**: Yes, we will need to reserve capital for operational risks for Italy. That depends on the turnover in Italy and for the type of loans that we provide. That will not have a major impact in 2012; it will come slowly as the business grows and it will not have a significant impact on the upper limits of our range. As the business will grow over the next two to three years the capital requirements will grow, too, but they will be satisfied by the further write-off of the intangibles. Does that answer your question?

Mr. **Peeters**: Yes, thank you.

Mr. **Beentjes**: As there are no more questions thanks very much for listening in on behalf of Evert, Anneke and myself. Thanks very much for your questions, very much appreciated! We hope to talk to you next time.

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End of call.

Contact details

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

Address
Barbara Strozzilaan 310
1083 HN Amsterdam
The Netherlands

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