

Fourth quarter results 2012

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TRANSCRIPT

Agenda

- I. Update FY12 Q4
- II. Financial position
- III. Outlook 2013
- IV. Q&A

Mr. **Beentjes**: Good morning to all of you. On behalf of Evert, Nelleke and myself welcome to the analyst call. We will do this as usual. Parts 1 and 3, the update and the outlook, will be done by me and Evert will take care of the second paragraph, the financial position.

Part I

Update FY12 Q4

Let's start with the highlights.

Business highlights

- Adjusted EPS FY12 Q4: € 15.1 million / € 0.21 per share (FY12 Q3: € 12.1 million / € 0.17 per share)
- Operating expenses up with 2% to FY12 Q3: € 30.5 million
- Number of stock exchange transactions FY12 Q4: 1.8 million
- Alex Asset Management total AuM FY12 Q4: € 1,013 million

In the fourth quarter, we had an income of EUR 0.21, which was some EUR 0.05 above consensus and also EUR 0.04 better than the second and third quarter of last year. This

was mainly due to a higher commission income. We had a performance fee in Alex Vermogensbeheer of EUR 4.1 million. We kept the cost under control. These were a little bit lower and Evert will explain more about that in his part.

Before we start with Binck stuff, let me give some comments on SNS. Our clients had positions up to EUR 38 million, which was EUR 26 million in stocks and EUR 12 million in subordinated debts and were hit by the nationalisation last Friday morning. We did not finance already for some time on the stocks or the bonds and that means that we do not have any losses because of the positions of our clients in SNS.

BinckBank however, will have to pay an estimated amount of EUR 4.5 million – EUR 5 million, which will be levied by government, because banks have to pay part of the costs of the nationalisation operation. We will have to do the final checks but most probably we will book this amount immediately in the first quarter of this year. It is an amount, which is an after-tax amount, so it is a non-tax deductible cost.

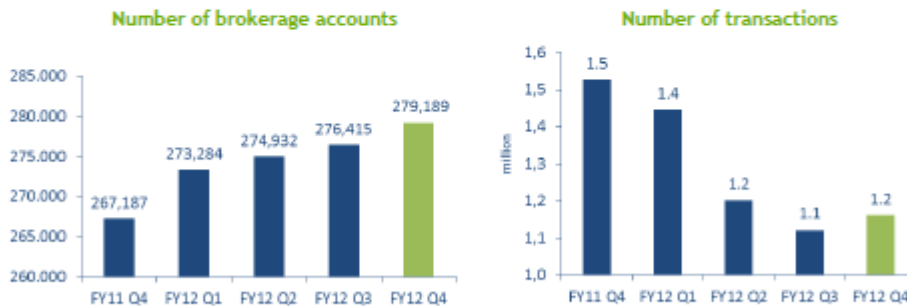
Professional Services has SNS as a client and there, nothing changes. We have an agreement for outsourcing services with SNS and this agreement stays in place. Technically, the SNS holding Bank will have another owner but the agreements will stay in place. So there, there will not be any changes.

Let's go back to Binck. In the last quarter, we have seen a stable number of stock exchange transactions of EUR 1.8 million. In the beginning of December, we saw more volume on the exchanges and that was still going on in January. So, we had a good start this year, better than last quarter when in October I had to tell you we had a sluggish start of the quarter. This time, it looks a little bit better. We were of course pleased that we could issue a press release just before Christmas that Alex Vermogensbeheer had reached the EUR 1 billion threshold level of assets under management. That is still going very well but I will touch upon that later.

Highlights FY12 Q4: Retail business unit NL

In FY12 Q4:

- Number of brokerage accounts ↑ 1% to 279,189
- Number of transactions ↑ 3% to 1.2 million
- Assets under administration at brokerage accounts increased from € 6.2 billion end FY12 Q3 to € 6.4 billion end FY12 Q4

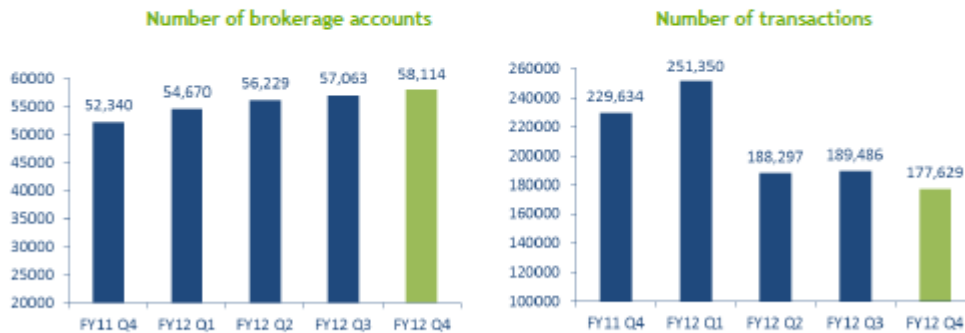


The Netherlands. The number of transactions remained almost the same as in the third quarter. Assets under administration were a little bit up, so what we have seen in terms of pricing is that the price cut on October 1, we gave guidance that it would cost us roughly between EUR 8 million – EUR 10 million on an annual basis. Now it looks that it will stay on the low end of that range but that range is quite good. So, the estimate is quite good.

Highlights FY12 Q4: Retail business unit Belgium

In FY12 Q4:

- Number of brokerage accounts **↑** 2% to 58,114
- Number of transactions **↓** 6% to 0.2 million
- Assets under administration **↑** 3% € 1.4 billion

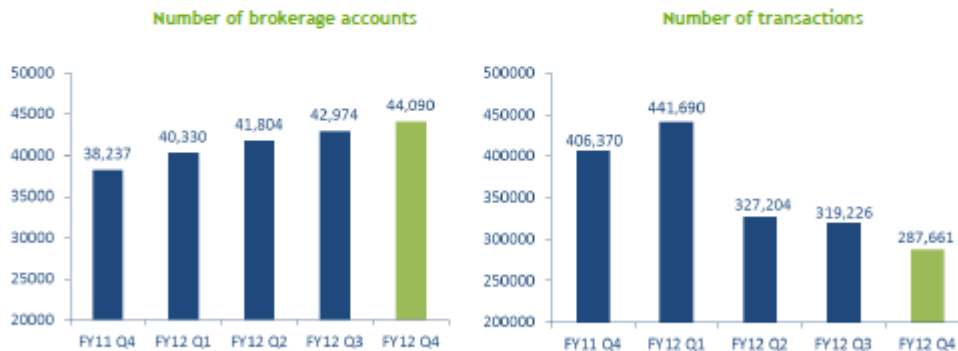


In Belgium – and we will see the same in France – the number of transactions is lower than in the previous quarters, basically both for the same reason. In Belgium, a stock exchange tax was introduced. That was already there in the past but then it was at 0.17%. It was increased to 0.22% and in the meantime, there has been a further increase and it is now at 0.25%. For our clients that means that trading has become more expensive and that is what we have seen in the transaction numbers in Belgium, which were down by 6%.

Highlights FY12 Q4: Retail business unit France

In FY12 Q4:

- Number of brokerage accounts ↑ 3% to 44,090
- Number of transactions ↓ 10% to 287,661
- Assets under administration ↑ 5% to € 512 million

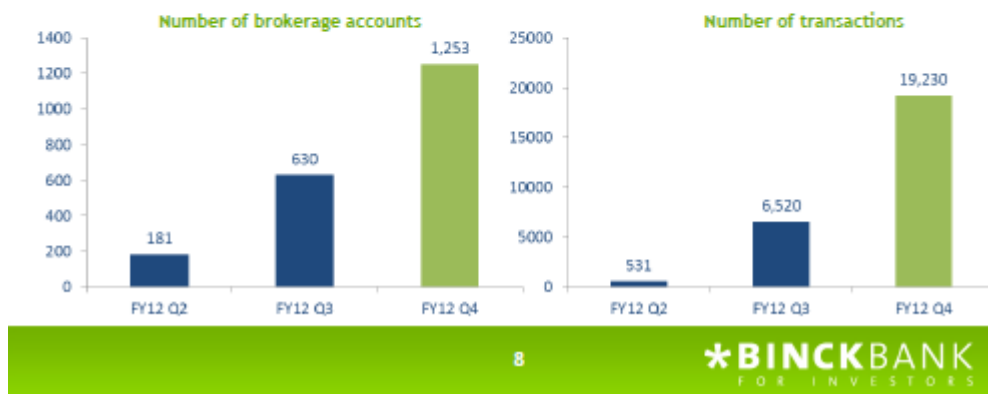


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In France, we saw a similar development with a minus of 10% in the number of transactions. So, the financial transaction tax, which is at 0.2%, is really having an impact on the number of transactions this quarter, especially compared to the Netherlands where we have a slight growth. In the Netherlands there is also some price elasticity because we lowered the prices but in the Netherlands we saw a slight increase, whilst in France and Belgium the number of transactions went down. So, this strengthened us in our belief that the financial transaction tax is not good for our industry but as we already said last year, a tax where the Central Planning Agency, the Dutch Central Bank, the ministry of Finance and the ministry of Economic Research, where all parties said this is not a good thing to introduce such a tax, we hope that in the Netherlands the tax will stay away. But it is put again on the political again with the new administration, which came in charge last year. Let's see where this ends. In the meantime, the position of the Netherlands is that the pension funds should be exempted from this tax. Apparently, there is no political will on the European level to do so. Let's hope the Dutch politicians stay by what they have said and will not going to introduce the tax. But that is more a political issue and we have to see what happens.

Highlights FY12 Q4: Retail business unit Italy

- Number of accounts: 1,253
- Number of transactions: 19,230
- Average number of transactions per customer: 20
- Average net fee and com. income per transaction € 4.94 (FY12 Q3: € 5.98)



In Italy, we are very pleased with the results. We now have a little over 1200 clients at the end of the year, but these clients have been very active with, on average, 80 transactions per client on an annualised basis, which is very good. So, we are really pleased with the results. You see that the income per transaction is somewhat lower in the fourth quarter than in the third quarter. This has to do with commercial actions we have had. We have paid trading bonuses and people had free trades to get them started. That action has ceased and we now have a new action, which is a member-get-member action. In the start-up phase of the Italian business it is important to get as many clients with high transaction numbers in and we will see to it that we are putting a lot of effort in it.

Highlights FY12 Q4: Retail business unit

Segmentation of transaction-related net fee & commission income by country

FY12 Q4	Retail total	Netherlands	Belgium	France	Italy
Net fee and commission income (in € 1,000)	15,852	12,895	1,513	1,349	955
Number of transactions	1,645,741	1,161,221	177,629	287,661	19,230
Average net fee and com. income (in €)	9.63	11.10	8.52	4.69	4.94
FY12 Q3					
Net fee and commission income (in € 1,000)	16,837	13,642	1,570	1,606	399
Number of transactions	1,646,820	1,131,388	189,486	319,226	6,520
Average net fee and com. income (in €)	10.23	12.05	8.29	5.03	5.98

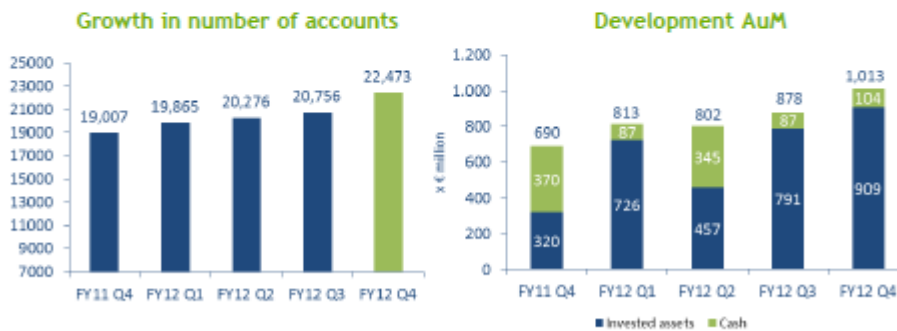
* Excluding SRD interest component

Here you see basically what we already mentioned, that in the Netherlands the income per transaction is down from EUR 12 to EUR 11. That is a price decrease from EUR 1 overall and that is quite an important decrease.

In Italy, we came down from EUR 6 to EUR 5, which is due to commercial actions. Belgium and France are stable.

Development Alex Asset Management

- Total number of accounts end FY12 Q4: 22,473
- € 101 million net inflow in FY12 Q4
- Total AuM end FY12 Q4: > € 1 billion



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Alex Asset Management showed absolutely healthy growth. In the last quarter, we had over EUR 100 million in net new inflow. The first nine months have been EUR 100 million and the last three months gave another EUR 100 million. What we currently see happening in the business is that it is still busy. We are opening a lot of accounts and we have a healthy inflow of new moneys.

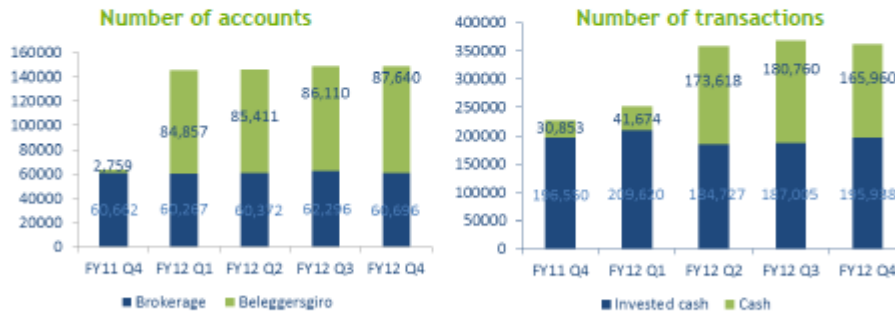
The performance has been quite good, so the most defensive profile had 11% return last year. The aggressive profile had 33% return. These were good returns for the product and the product has been performing quite well for a longer time and I think that is reflected in the number of people who are choosing our product.

I already mentioned that the performance fees in the fourth quarter was EUR 4.1 million.

Highlights FY12 Q4: Professional Services

In FY12 Q4:

- Number of accounts: 148,336 (FY12 Q3: 148,406)
- Number of transactions ↓ 2% to 361,898
- Assets under administration ↑ 1% to € 12.9 billion



Professional Services combined forces with our software company Syntel, based in Reeuwijk. They are now approaching the market under the name Able. We feel that a combined approach of the market is more effective and since 23rd January this is what we are doing.

Last year, we implemented a number of agreements we were busy with so we did not reach the two new mandates we wanted to achieve. Currently, we are discussing agreements with new parties and we hope that we will get back to the old scheme of two new agreements on an annual basis. But last year, we spent our time on implementing agreements we already closed.

Part II

Financial position

Mr. Kooistra: We continue with slide 13.

Profit & Loss quarterly comparison

in € million	FY12 Q4	FY12 Q3	FY11 Q4
Net interest income	7.1	7.8	9.1
Net fee & commission income	29.6	26.5	30.9
Other operating income	3.0	3.0	2.6
Results on investments & impairment losses on fin. instr.	-	-	2.3
Total net revenues	39.7	37.3	44.9
Employee expenses	(12.0)	(12.0)	(13.4)
Depreciation & amortisation	(8.8)	(8.8)	(9.2)
Other operating expenses	(9.6)	(9.0)	(11.3)
Total operating expenses	(30.4)	(29.8)	(33.9)
Profit (loss) from operations	9.3	7.5	11.0
Other non operating income	(1.1)	(1.1)	(2.6)
Tax expense	(1.3)	(2.0)	(2.6)
Net profit	6.9	4.4	5.8
Net profit to minority shareholders	0.4	-	-
Net profit to shareholders BinckBank	7.3	4.4	5.8
Adjusted net profit	15.1	12.1	13.6

Net interest income decreased by 9%. Although collateralised loans picked up slightly in the fourth quarter with 2%, the returns in the investment portfolio decreased, resulting in a net decrease of interest income.

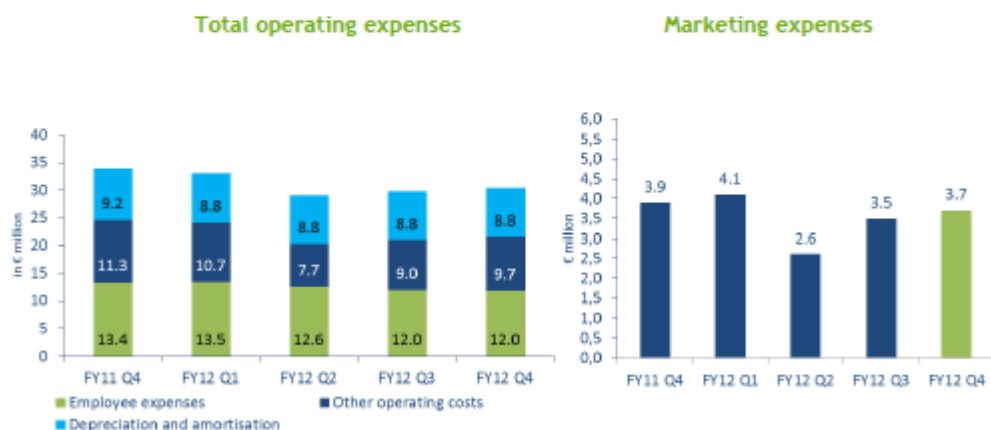
Net fee and commission income increased with 12% due to the performance fee of Alex Asset Management, which was EUR 4.1 million.

Employee expenses were flat and were well under control for the fourth quarter. For 2013, we expect a slight increase of 2%-2.5% and that includes the annual salary increase and some additional staff for second-line functions and savings and investment management.

Depreciation and amortisation costs were flat in Q4. For 2013, the depreciation of the Alex intangibles will drop from EUR 28 million per year to EUR 21 million per year. That will continue for the next five years, up till 2017.

Operating expenses stable

- Operating expenses in FY12 Q4 up to € 30.5 million
- Marketing costs for FY12 Q4 € 3.7 million (FY12 Q3: € 3.5 million)



Opex increased mainly due to higher marketing expenses for Italy. For 2013, we expect an increase in other opex of EUR 3 million – EUR 4 million, compared to 2012. Half of this – EUR 2.1 million – relates to the pro rata VAT-credit that we had in the 2012 numbers. So, this was a one-off credit that we will not see back in 2013. The other half is a reservation for additional marketing costs and we spend that depends on the market circumstances. This of course does not include the cost for the SNS claim.

This includes the losses from joint ventures. BinckBank's share in TOM will drop by 8.5% once NASDAQ OMX has joined as a shareholder in TOM. We expect this somewhere at the end of Q1.

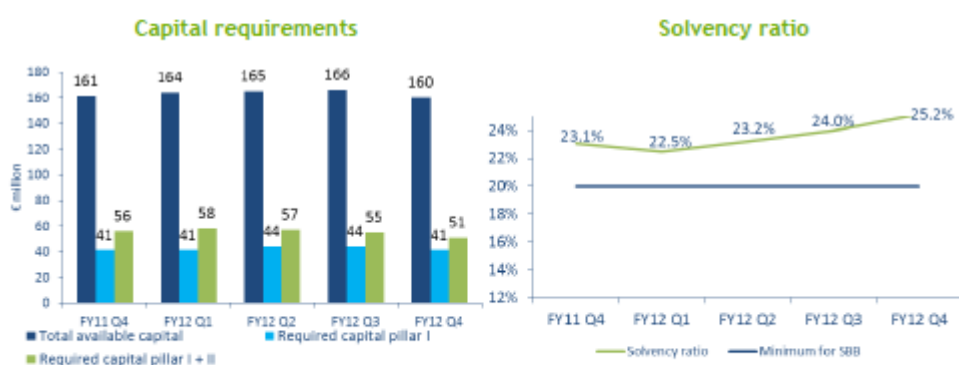
Tax expenses for Q4 are low, at 14%. This is due to the inclusion of two one-off tax credits of EUR 800,000 for the innovation box at Syntel and EUR 400,000 for the absorption of old tax losses from a former French branch of Amsterdam Option Traders. It took us a couple of years to clean this up and we had a EUR 400,000 tax credit in this quarter.

Overall, Q4 was a good quarter. Stock exchanges went up with 5%-6%, collateralised loans improved by 2%, Alex Asset Management performed very well with 8% growth in accounts and net new assets of over EUR 100 million. Cost were under control and we had an EPS growth of 24% compared to the third quarter and 11% growth versus the fourth quarter of last year.

We covered most of the operating expenses.

Financial position BinckBank FY12 Q4

- Solid equity position at end FY12 Q4 € 455 million (FY12 Q3: € 454 million)
- Tier I capital decreased to € 160 million (FY12 Q3: € 166 million)
- BIS ratio end FY12 Q4 at 31.1% / solvency ratio 25.2% end of FY12 Q4



We have a strong financial position. Solvency increased to over 25%, due to lower capital requirements under Pillar 1 and Pillar 2. You see the Tier 1 capital decreasing from EUR 166 million to EUR 160 million, due to the extra dividend payment, which is close to EUR 6 million. It is 74.5 million shares at EUR 0.07 per share. Both year-end ratios, BIS-ratio and solvency ratio, already include the reservation of the extra dividend.

Solvency is very high at year-end and as we had difficulties reinvesting the cash that was freed up from the investment portfolio, so the size and the maturity of the portfolio came down and as a result, we hold less capital for credit risk and interest rate risk. For the first quarter we started investing again and we expect that solvency will come close, will start to drop and show a trend towards 20% again.

Dividend per share 2012

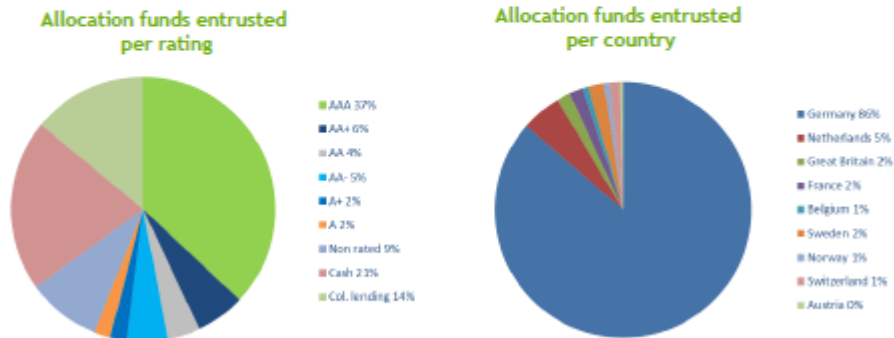
- **Proposed dividend payment 2012 > net result 2012:**
BinckBank is required to apply for a “verklaring van geen bezwaar” (statement of no objection) from DNB

Interim dividend:	€ 0.17
Dividend:	€ 0.21
Extra dividend:	€ 0.07
Total dividend 2012:	€ 0.45

The proposed dividend for the year is EUR 0.45 including a regular final dividend of EUR 0.21 and an extra dividend of EUR 0.07. Although we have a very high capital position, we need to obtain a declaration of no objection from the Dutch Central Bank for the payment of the regular dividend and also for the payment of the extra dividend. This is due to the fact that the net profit for 2012 is lower than 50% of the adjusted net profit. As a result, part of the dividend payment comes from the capital reserves of BinckBank, which requires a no-objection declaration from the central bank. So, the adjusted net profit for 2012 is EUR 55 million. If you take 50% of that it is EUR 27.5 million. If you take the net profit of EUR 24.1 million you have a capital deduction of EUR 3.4 million. On top, you get the extra dividend of 5.8. So, we are deducting EUR 9.2 million from the capital reserves.

Overview investment portfolio

- Size of investment portfolio end of FY12 Q4 € 1.5 billion (FY12 Q3: € 1.6 billion)
- Average duration of the portfolio: 0.67 (FY12 Q3: 0.76)
- Yield on investment portfolio end FY12 Q4: 1.21% (FY12 Q3: 1.29%)



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No new investments were done in the treasury book in the fourth quarter, as the market circumstances were very difficult in the fourth quarter. We had to deal with extremely low interest rates. We started investing again in January, as the market conditions started to improve a little bit. The three-year Swap-rate increased to 86 bps. where in the fourth quarter we had interest rate levels of under 20 bps. In January, we invested approximately EUR 100 million. For the total year, the reinvestment is roughly EUR 700 million.

Let me hand it back to Koen Beentjes to finalise the presentation.

Part III

Outlook 2013

Mr. **Beentjes**: The last slide is on the outlook.

Outlook

- Maintain focus on growth of Alex Asset Management
- Launch additional services in the area of savings & investment management
- Further commercialize the Able proposition
- Accelerate growth in Italy

You all know it is always hard for us to give a financial outlook because the activity on the exchange is still driving most of our income. Will it be a busy year on the exchange and is it good for us? If it is not, we will see that immediately in the results.

We started with promoting and building Alex Asset Management and we have done quite well so far. It is basically giving less exposure to the volatile brokerage income, so this is in line with what we want to do in a strategic way. So, we will keep on building Alex Asset Management in the coming year and that is to make the product broader than it is now with more tooling. We also may broaden the horizon where we are investing.

Able started, the combination of Professional Services and Syntel. We will push that forward. That is also an important and stable income stream, which also reduces our dependability on the brokerage income. So, those two things are really important for us.

In Italy we will of course take advantage of the good start and we will try to build it as fast as we can. We will have to see what the response in the market is but until now we are pleased with the response and put our marketing efforts into Italy to build the business.

That is what we expect to happen. The smaller companies and the participations we have like BeFranck, ThinkCapital, TOM, are all doing fine. So, all these are going into the right direction.

That is where we conclude the outlook. Let's go to questions and answers.

Part IV

Q&A

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 **BINCKBANK**
FOR INVESTORS

- **Albert Ploeg – ING**

Good morning, a few questions from my side. To start with Alex Asset Management; as you just referred to, clearly you have some initiatives planned. Can you maybe share some more insight on what we can expect in 2013 and also on the ways the fees are now calculated also with the performance fee? Is that sustainable going forward?

Secondly, on the TOM initiative also with the derivatives moving more and more to the TOM platform; can you maybe some views on how much commission expenses this could save in 2013? I think there is still some more room.

My final question is a bit more competition related. We see initiatives, though still early days, like the Bank van Morgen but also Kas Bank with DWP moving into what seems more the Professional Services space. Do you already see some impact and what are your expectations in general on competition for 2013?

Mr. **Beentjes**: Maybe to start off with Alex Asset Management, the new initiative: we have an investment horizon, which is euro-denominated stocks [and the euro zone]. The product is growing very well and we are now thinking about expanding the horizon. We have not taken a decision yet what that expansion would be but basically the UK or the

US would be on that list, so that we have more choice. Another thing we are looking at is to do more on the financial planning side together with clients, so that we are more guiding the client in his wealth management. These two things are important for this year.

Fee calculation: first of all there is a slight change coming up because the VAT is a 40%-60% mix between no VAT financial service and the 21% charge because of a VAT-taxed service.

Mr. **Kooistra**: 40% taxable and 60% is non-taxable but that will change in 2013 and will be 100% taxable.

Mr. **Beentjes**: From July 1 onwards. That is the technical change. Is the model sustainable? Yes, we think for now that the model is sustainable. We do not have any comments from clients there. They are happy with the idea and when they make a profit we make a profit. It is quite simple and accepted by the clients.

The derivatives on TOM: Albert, I am sorry, but I have not made the calculation.

On competition: KNAB or the Bank van Morgen. We have not heard much from them. The same is true for Kas Bank with DWP but there we know from our own business that if you would make an agreement with a party it could take one or two years lead time. So, we do not expect to see them today or tomorrow in the market; it will certainly take a lot of time before they would have something realistically on the ground. I think we are still well-positioned there and in the meantime, we have a lot of clients in the Professional Services space. We are confident we have a very good starting position.

Other competition: we do not see much happening. One of the smaller brokers, Mijnbroker, stepped out of the system. We do not fear competition.

Mr. **Ploeg**: I have one follow-up on the new 360-platform. It is probably still early days but what is your experience in terms of take-up? You also mentioned that the impact could be at the lower end of the range in terms of fee-impact. So, what can you share there?

Mr. **Beentjes**: Clients can make a choice between Binck Active and Binck Basic and they can make a choice from platforms. 70% of our transactions is on the web and that has always been the case. So, Binck 360 is really for a small group of clients who are picking this up. A lot of those clients are currently using ProTrader, which is also a specialist tool. They will have to convert from GoTrader, which some day in the future will be hard to support because of technical reasons – you have to download it to your PC at home -- so GoTrader will not be the package for the future. Getting people from ProTrader to Binck360 will certainly take some time. The people who are using Binck360 are happy with it but the number is still not that high. We also have to make some improvements in the trading tool but we are working hard on it. That is where we are. In Italy it is being

used and in Italy, clients are also happy with it but they are asking for some enhancements.

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

- **Jan Willem Weidema – ABNAMRO**

Good morning. I have a list of some smaller questions. First of all, what would make you satisfied in terms of number of transactions in Italy by the end of 2013, assuming that market circumstances do not change materially?

Secondly, can you comment on your market share in France? Is it detrimental to your market share that others like Bourseorama are offering CFDs now?

Thirdly, on the innovation box: I understand that part of it is compared to prior years, but in 2013 will we again indeed have a EUR 400,000 benefit there?

Can you remind us of the terms of the SNS contract? When does it end and does it need to be renegotiated?

Your number of FTEs keeps coming down. How do you see this developing in 2013?

Mr. **Beentjes**: On the number of transactions and the number of clients we want to have in Italy: we are aiming for approximately 6,000 clients at the end of this year in Italy. If they would be at the same activity level we have seen now that would be a tremendous result. So, I think they will be less active than the clients we have now. If we would have 6,000 clients we would be happy. With the first clients, the first movers had 80 transactions per account per year, which is very high. We would not be surprised if we would see that at a somewhat lower level. But in Italy there is something different than in the Netherlands: you have to pay taxes for having a bank account, a Bollo. That means that if you have a bank account you use it. It is not like in other countries that people are opening accounts with numerous banks and not use it. That is not in the Italian system and the Italian mind. So, if you have a client most probably it is a trading client.

As regards the market share in France we moved up and we are now number three. But we see increased interest in products like CFDs and Forex and depending on how hard the financial transaction tax is hitting us we might be forced to put it on the agenda. We are fine with CFD and Forex in themselves but in general, the products are leveraged very high. There we have some doubts whether it would be completely in line with acting in the interest of your client.

Mr. **Weidema**: If you make the strategic decision to offer it to your clients how fast could you have it up and running?

Mr. **Beentjes**: That depends on what you are doing. There are a lot of service providers who offer CFDs or Forex, so in general it is not an extremely long time if you are using it from a third party.

Evert will talk about the innovation box.

Mr. **Kooistra**: There was EUR 800,000 tax credit, EUR 400,000 related to 2010 and 2011 and EUR 400,000 to 2012. If you assume that the turnover of Syntel or now Able remains the same the recurring advantage is indeed EUR 400,000 for 2013. But that depends on the revenue and the profit development.

The SNS contract is a seven-year contract and it was concluded in 2011. In 2010 we had the letter of intent and the actual contract was closed in 2011. It will run seven years, till 2018.

Your last question was on the number of FTEs that came down. As I said in the presentation, we expect an increase of 2%-2.5% in payroll costs, as we include the annual salary increases and also some FTE increases. So, what you see in 2012 is that it came down and we expect a slight increase again in 2013, as we need more people in the second line, for Legal and Compliance, Risk and Control, Internal Audit and some additional staff on the front end for savings and [...].

Mr. **Weidema**: One follow-up question, if I may, because presumably the short-term bonuses this year are low. If next year is in line or better than your budget performance you will probably have more bonuses again. So, what do you assume then?

Mr. **Kooistra**: The bonuses are not included because they depend on the results of the campaign. This year, they are lower than expected because the profits are also lower.

Mr. **Weidema**: Can you comment on how much lower the bonuses in 2012 were versus 2011?

Mr. **Kooistra**: I do not know that by heart. I know that for the Board they are significantly lower.

Mr. **Weidema**: Thank you.

- **Benoît Pétrarque – Kepler**

Good morning. I have three questions. The first is on the financial production tax. How much probability will you put on the Netherlands joining the pool of countries putting the financial tax into place? Have you done internal studies in terms of how much impact it could have on the number of transactions in the Netherlands based on what you have seen in France and Belgium so far?

My second question is on Alex Asset Management. You have seen a sharp growth of the assets under management and I think you are targeting 1.5 billion by the end of 2015. Are you still targeting 1.5 or are you now a bit more bullish on the target?

My third question is on the net interest income line. We actually see a pick-up in yields in Q1. I think your reinvestment yield was 121% in Q4. What will be your updated reinvestment yield as we speak now? Are you more optimistic on the net interest income line going forward in 2013? Will that start to flatten a bit the quarter-on-quarter trend?

Mr. **Beentjes**: The financial transaction tax in the Netherlands: most probably we know as much as you do. We know that the Dutch government has put it on the agenda again when the new administration but they said they would only put it on the agenda if they could exempt the pension funds. We are not part of the eleven countries that will have taken the decision to implement it one way or another. If the Dutch Central Bank, the Central Planning Agency and all kinds of economic research say this is bad for the economy business people like us do not understand why you would implement such a tax if you have seen it did not work in Sweden and other countries and that it is basically hurting the Dutch position because London and Luxembourg are not going to implement it. So, from a business point of view we do not understand it but from a political point of view other things are important. We do not know whether it is really going to be introduced in the Netherlands or not. But we have not made any internal studies. We can make all kinds of studies but first let's wait and see whether it is happening. In the meantime we are becoming less dependent on the brokerage income. That is what we are doing with Able and with Alex Asset Management. So, we are basically giving the answer but we are not making all kinds of calculations of how much the [...] would be.

On Alex Asset Management: yes, it is true that if we go on in the current pace the 1.5 billion at the end of 2015 will certainly be an achievable target and will absolutely be reached if we stay at the same pace. But there is also something as performance and you know it when you are there. But it looks good. We have not changed the goals, so the current goals are still there.

Mr. **Kooistra**: It is difficult to say where the interest income will go. I can tell you that EUR 700 million will come out of the book this year. If you assume that you reinvested at 50 bps. the yield in the book will drop to 72 bps. by the end of the year. We have seen in the market that Q4 was extremely difficult, under 20 bps., and now the three-year Swap-rate has increased to 85 bps. So, the reinvestments we do are somewhere in this range. It is difficult to say whether the upward trend will continue but it is a positive sign.

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

- **Cor Kluis – Rabobank**

Good morning. I have a few questions, first of all about Professional Services. We saw that the commission per transaction rose from Q3 to Q4 from EUR 11.8 to EUR 12.7 per transaction. Why did that happen and is basically the EUR 12.7 per transaction a kind of recurring level?

My other question is about the credit risk. Until now I think it is quite good that you have kept quite a low risk profile on your asset side. Can you confirm that you will continue to keep this low risk profile and that you are not going to search for more asset duration or more credit risk going forward? Also in that respect, what is your bond portfolio towards financial bonds at this moment?

My third question is about marketing expenses. I thought you mentioned that marketing costs would go from EUR 14 million to EUR 16 million in 2013, so a rise of EUR 2 million. Where will this go? Will this all go into Italy or is there also a part for growth in the Netherlands and France?

My last question is about the levy for SNS, the EUR 4.5 million – EUR 5 million. You mentioned that you will take it in Q4. To what extent can that impact the dividend? You did an extra dividend now but taking this into account can that mean that you take a kind of dividend deduction to compensate for this effect at the end of this year?

Mr. Beentjes: The one on Professional Services is not the way how we are looking at the business. It is a set of agreements and normally, we are not really looking at what exactly the commission per transaction is. We are more looking at the total income of the business, so I am afraid I cannot answer your question.

Mr. Kluis: Let me ask it differently then. The EUR 4.6 million net commission income in Professional Services, is that a kind of stable figure going forward, as it is not fully dependent on transactions? I could understand that you have reduced the fees at Alex and at BinckBank The Netherlands but are the clients from Professional Services not also asking for fee reduction or is that not possible according to the contracts?

Mr. Beentjes: Any wealth manager has an agreement and if the agreement offers the opportunity to discuss the prices they will certainly do so. There will be some downward pressure on the prices. On the retail side the prices go down then private wealth managers will also try to negotiate lower prices but the EUR 4.6 million is of course also the agreement with the BPO outsourcing services, where we have minimum levels. So, I do not expect that amount to be jeopardised by lower fees. But there might be some effect in there. Another thing that might happen is that some private wealth managers may have a more difficult time because the whole structure in the industry is changing, where kick-back fees are abandoned. Private wealth managers have to charge clients with a certain percentage or with a direct invoice and I am not going to get kick-back

fees out of mutual funds. So, that may change that industry somewhat over time. I would not be surprised but I do not know exactly what the financial impact would be.

Mr. **Kluis**: Thank you.

Mr. **Kooistra**: Then, the credit risk. We have a low risk profile in the book. Currently, we have around EUR 200 million in senior financials, which is roughly 14%-15% of the total book. Generally speaking, we maintain the low risk but we have bought two Italian state bonds of two times EUR 12.5 million, which is EUR 25 million in total, which gives us a little bit better return. Technically speaking, they are zero risk-weighting bonds and the yield is roughly 1%. So, the market price also was a low risk. Since our operation in Italy is growing we have invested some of the client money of Italy into these Italian states. But in general, we are not taking big positions in risky countries.

Then marketing: the marketing spend was – by heart – EUR 13.9 million and for 2013 we expect EUR 2 million extra. Italy is growing very fast and it is doing very well, so we might spend some extra money on Italy or on the other foreign countries, but that really depends on the market circumstances. If the marketing spend is effective and we see good account growth and growth in transactions we will do it. If market circumstances deteriorate, we hold back on the marketing spend.

Your last question was on SNS. We are going to book the EUR 5 million in the first quarter. That will impact the interim dividend. There are technicalities around it. If we pay more dividends than we book in net profit, we must have another deduction from the capital reserves and that once again requires a declaration of no objection from the Dutch Central Bank and also shareholder approval. So, we need to see how we deal with that with the interim dividend. We have not figured it out yet. The shareholders have to approve that as well. For the final dividend this is not going to be a problem because we have our annual general meeting coming up. But for the interim dividend we normally do not go to the shareholders to ask for approval of the payment of the dividend. So, we need to think about how we deal with that.

Mr. **Kluis**: Thank you.

- **Jan Willem Weidema – ABNAMRO**

I have one follow-on question on Italy. At the launch you announced that you would pay 3% interest if clients trade somewhere around 20 transactions per quarter level, which is where they are now. Given that you invest their money at 1%, is that still sustainable? Have you lowered the interest rates there or are you planning to do so?

Mr. **Kooistra**: The interest rates have been set according to a progressive scale, so the more you trade the higher your interest rate. That is still applicable but that is part of

the introduction campaign, so in the long term this is not going to work. We need to balance the business model but for the first year we will maintain that.

Mr. **Weidema**: So, it is fair to say that we should expect some more pressure from that on interest income in 2013?

Mr. **Kooistra**: It is growing fast but it depends on the growth of Italy.

Mr. **Beentjes**: But that is not that much. Client generally keep 15%-20% in cash and at year-end we have a little bit more than EUR 70 million in total from our clients. The amount you are talking about is low but it is hitting the P&L on the interest line. It is a small amount and from a marketing point of view I would be happy to keep it.

Mr. **Weidema**: Thank you.

Mr. **Beentjes**: As there are no further questions, thank you very much and we hope to speak to you all at the end of this quarter. Thanks for calling in!

End of call

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