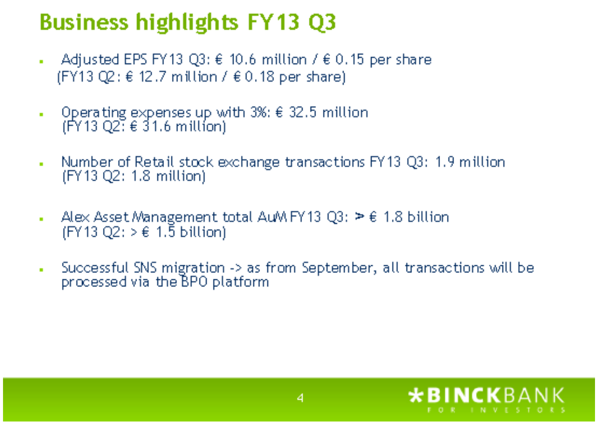
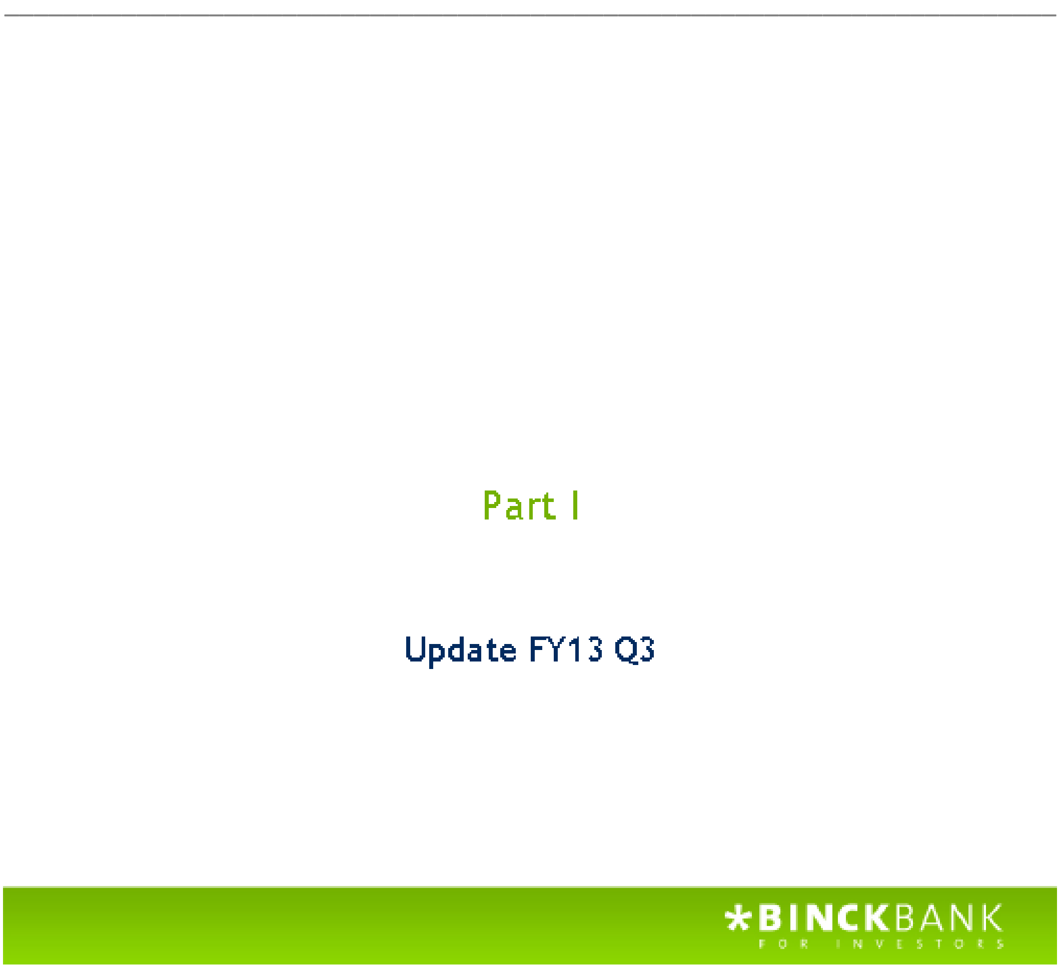

Third quarter results 2013
21 October 2013
Koen Beentjes CEO
Evert Kooistra CFRO
BINCKBANK
FOR INVESTORS

TRANSCRIPT

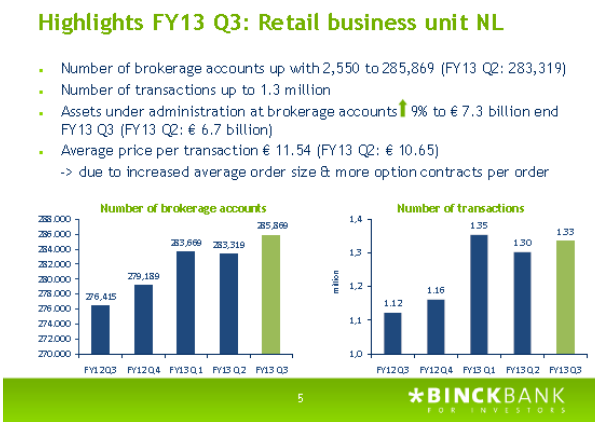
Mrs **Nederlof**: Good morning and welcome to the conference call of BinckBank. During this call we will present you the third quarter results. Koen Beentjes en Evert Kooistra will lead the conference call. After the call, you will have the opportunity to ask some questions. A transcript of the call will be published this Wednesday on the corporate website of BinckBank.



Now, I would like to give the floor to Koen Beentjes.



Mr. **Beentjes**: Good morning all. We have the usual order. Evert will host the second part on the financial position and I will take you through parts 1 and 3.



The adjusted EPS for this quarter is with EUR 0.15 right at consensus. The result out of our activities was actually in line with last quarter. In the second quarter we had extraordinary income because of Nasdaq/OMX taking a part of TOM. If you would take that out, the results of the second and third quarter are in line with each other.

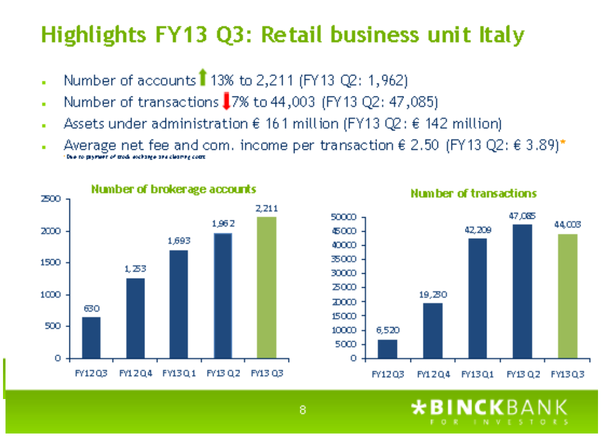
Going into more detail, we see income increasing but the cost are higher as well: 3% up quarter on quarter. The sentiment has been positive during the summer months as well on the brokerage side as on Alex Asset Management side. On the Alex Asset Management side we saw a healthy inflow, driven by our marketing efforts that we continued during the summer. On the brokerage side we saw higher income per transaction.

Professional Services completed the SNS migration.

In the Netherlands, the number of transactions was slightly higher than in the second quarter, driven by investor confidence. The order size was larger in the third quarter, our clients traded more option contracts per order and overall, there was more credit taken – collateralised lending – on the portfolios.

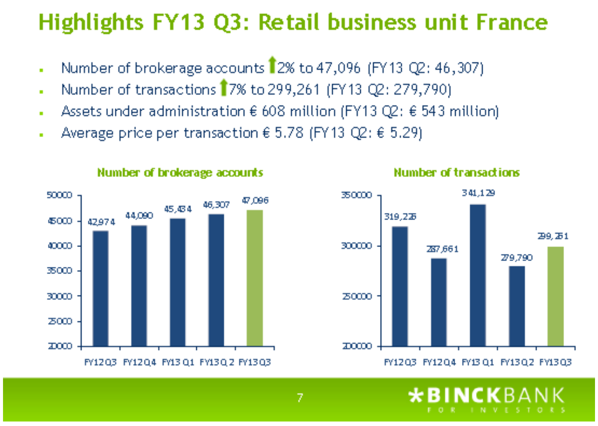
The larger order size and the number of option contracts drove the commission income up from EUR 10.65 to EUR 11.54. Kickback fees were down this quarter by EUR 1 million, from EUR 2 million to EUR 1 million. In the later part, we will discuss the introduction of BinckBank's own leverage products but already some effect is in the numbers.

The number of transactions in Belgium is slightly down and the average order size decreased somewhat but as may remember, in the second quarter the average order size was higher than normal, driven by some extraordinary transactions that had to do with bonus payment schemes in Belgium. So, we are more or less back to the ordinary level.



The migration of our Belgian business from the Euribor platform to the Retail Top Line platform – Europese basisplatform – the European base platform, is progressing well and we are now in the testing phase. We expect the execution to be due shortly.

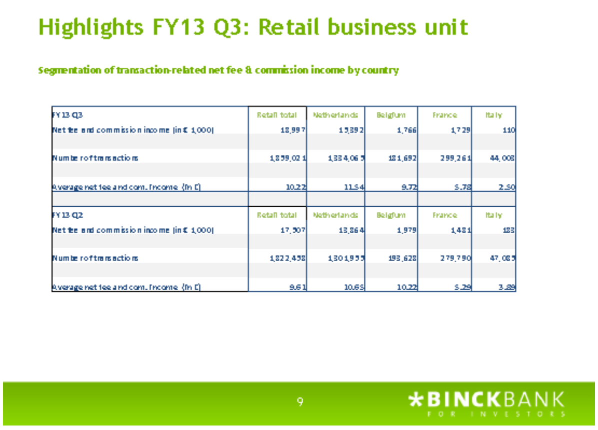
France had a stable quarter. Transactions were up with 7% and the average transaction fee was up as well. So, a good quarter overall for our French business.



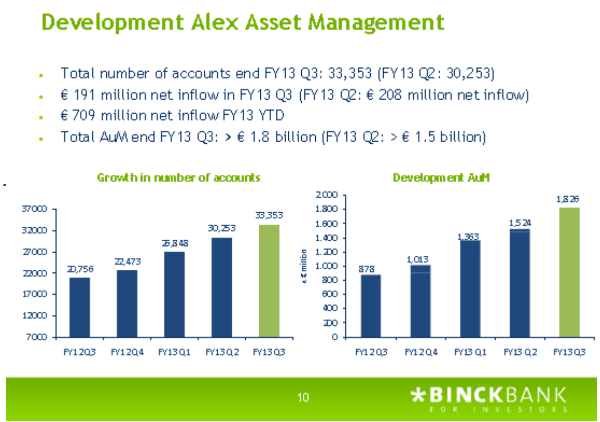
Italy is lagging behind plan if it comes to the inflow of new customers. After more than a year, we are still at 2,200 customers and that is behind plan. Competition in Italy is strong. That is no news because we knew that at the start. Our system is not yet at par with peers, so we need to do more work on the system to be at par and to have a chance in Italy but for this moment we see that we are lagging behind plan.

The income per transaction this quarter is down because we had to pay some additional stock exchange and clearing costs. So, that is basically a one-off from EUR 3.89 to EUR 2.50.

In this slide you basically have the overview of all commission income per country in Q3 and Q2, which we discussed at the country level.



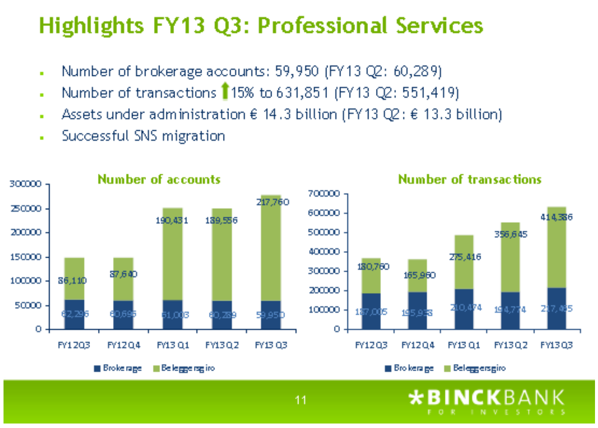
FY13 Q3	Retail total	Netherlands	Belgium	France	Italy
Net fee and commission income (in € 1,000)	18,997	15,392	1,766	1,729	110
Number of transactions	1,859,021	1,334,065	181,692	299,261	44,008
Average net fee and com. income (in €)	10.22	11.54	9.72	5.78	2.50
FY13 Q2	Retail total	Netherlands	Belgium	France	Italy
Net fee and commission income (in € 1,000)	17,507	13,864	1,979	1,481	183
Number of transactions	1,822,458	1,301,955	193,628	279,790	47,085
Average net fee and com. income (in €)	9.61	10.65	10.22	5.29	3.89



Alex Asset Management keeps performing very well. We decided to continue our marketing campaign during the summer holidays and apparently, a lot of people spend time on their financial wellbeing during their holidays and trusted us with their wealth. This quarter, the inflow almost equalled the second quarter at EUR 191 million. I would like to remind you of the fact that the performance fee is calculated on 31st December after the close of business, so till that time we have to see what the portfolio development is. The VAT that it is in the performance fee is for the account of BinckBank. That implies that the performance fee net of VAT is at 8.26%. This is just to remind you.

Of course, we are very pleased with the results for Alex Asset Management and the inflow for the whole year of a little bit over EUR 700 million is an important building block in the recurring revenue stream for BinckBank in the future.

Professional Services completed the SNS migration, the fourth stage in the last quarter. So, all migrations have been done now. We have to state that the number of new BPO business growth as outsourcing agreement that is in our mid-term target – two per annum – is not going to be achieved. We are lagging behind plan here.



Concluding, our mid-term target of 14 BPO agreements by the end of 2015 is most probably not going to be achieved.

Part II

Financial position

Mr. **Kooistra**: Let's start with the highlights of the profit and loss, the quarterly comparison.

Net interest income in the third quarter increased from EUR 6.5 million to EUR 7.1 million. Collateralised loans contributed positively to the net interest income line. Collateralised loans went up from EUR 323 million in the second quarter to EUR 377 million in the third quarter, which is an increase of 16%. The increase reflects the positive developments of the AEX in Q3. The AEX index went up from 345 to 375, which is an 8% increase.

Profit & Loss quarterly comparison

in € million	FY13 Q3	FY13 Q2	FY12 Q3
Net interest income	7.1	6.5	7.8
Net fee & commission income	31.0	28.9	26.5
Other operating income	2.0	2.9	3.0
Results on investments & impairment losses on fin. instr.	-	-	-
Total net revenues	40.1	38.3	37.3
Employee expenses	(12.6)	(12.8)	(12.0)
Depreciation & amortisation	(7.2)	(7.2)	(8.8)
Other operating expenses	(12.7)	(11.6)	(9.0)
Total operating expenses	(32.5)	(31.6)	(29.8)
Profit (loss) from operations	7.6	6.7	7.5
Other nonoperating income	(1.5)	1.2	(1.1)
Tax expense	(2.0)	(1.7)	(2.0)
Net profit	4.1	6.2	4.4
Net profit to minority shareholders	-	-	-
Net profit to shareholders BinckBank	4.1	6.2	4.4
Adjusted net profit	10.6	12.7	12.1

13

Also, the reduction of interest rates on saving accounts contributed positively to the net interest income line. Interest rates were lowered from 1% to 75 bps. at the end of the second quarter and are further lowered to 65 bps. as from the 1st October onwards.

Interest income from the treasury portfolio dropped only marginally.

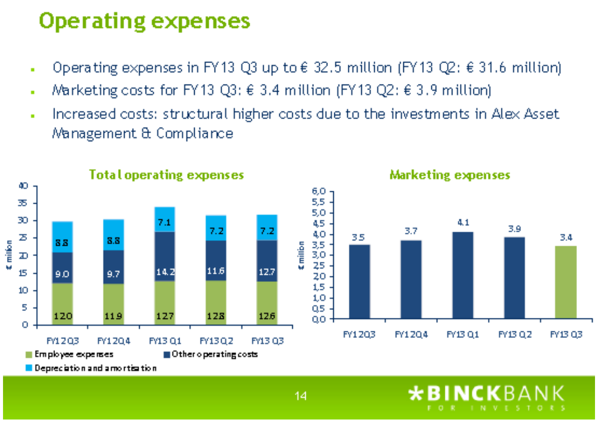
Commission income for the third quarter was EUR 31 million versus EUR 28,9 million in the second quarter. Net fee and commission income increased by 7%, which is a result of higher transaction volumes. Transaction volumes in Q3 increased with 5% compared to the second quarter. Also, the income from Alex Asset Management increased from fees in the third quarter.

Please note that we have made our financial reporting on this topic more transparent. On page 11 of the press release you see that income from asset management fees are now separately disclosed. Income from Alex Asset Management in the third quarter was EUR 3.6 million, which is an increase of EUR 1.1 million versus the second quarter. Also, it is an increase of EUR 2 million versus the third quarter of 2012. Growth of recurring income from Alex Asset Management has accelerated.

Furthermore, you see that other commission income has decreased. This reflects the decrease of kick-back fees from issuers of leverage products. The decrease already started as contracts with issuers of leverage products were not renewed. The amount of kick-back fees recorded in Q3 was EUR 1 million and for Q2 and Q1 this was still approximately EUR 2 million per quarter. For Q4, we expect to report approximately EUR 800,000 in kick-back fees and from 1st January onwards no more kick-back fees will be recorded.

Other operating income is mainly software licenses and consultancy from Abel BV and income dropped mainly due to lower consultancy income.

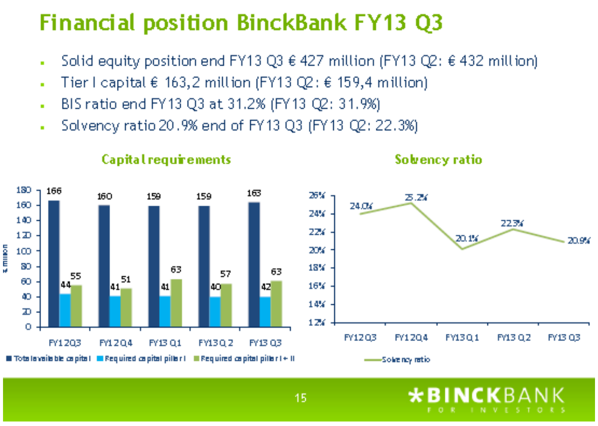
Payroll costs were stable for Q3. Payroll costs amounted to EUR 12.6 million and for Q4 we expect payroll costs to increase slightly, as staffing levels have come up towards the end of the quarter.



Amortisation and depreciation: this is mainly due to the amortisation of a slight increase of Alex intangibles due to investments made in new IT equipment.

Other operating expenses increased with EUR 1 million, which is mainly driven by IT consultancy and IT expenditure.

IFRS equity amounted to EUR 427 million as per the end of the third quarter. The equity level dropped due to the payment of interim dividend in August. Tier 1 capital has grown from EUR 159 million to EUR 163 million, mainly due to the quarterly depreciation of the Alex intangibles. The solvency rate dropped with 1.4% from 22.3% to 20.9%, due to an increase of capital requirements.



Capital requirements under Pillar I have come up with EUR 1.9 million, mainly due to higher cash positions. We had approximately EUR 200 million more in cash than at mid-year. The level of cash depends on client activity and therefore may fluctuate.

Pillar II requirements went up with EUR 3.5 million due to an increased size of the collateralised loan book. Collateralised lending went up with EUR 54 million, which is good for the interest income line but it had its reflection on the capital position, as we saw an increase for the capital requirements in this area.

Pillar II capital held for interest rate risk also increased slightly due to a different build-up of the treasury book. Although the average duration of the portfolio remained the same, at 1.1 years, the interest sensitivity of the loan book increased. In Q3 we invested more in the long end of the book, as interest rates showed an upward trend during the quarter.

Capital requirements for concentration and margin risk in Q3 have still been calculated using the existing models. We continue to work on the new model for the calculation of margin and concentration risk. The model is in its final stages of development and will be tested over the coming months. We incurred a delay in Q3 in testing, due to static data problems related to the configuration of AEX Index options to XNL options on TOM. We aim to use the model as from year-end onwards, provided that we will be able to get the proper static data from TOM.

The key take-away on the financial position is that developments in transaction volumes and collateralised lending were positive but also required some capital for increased risks. With a solvency rate of 20.9% the financial position is still very sound.

With the publication of the Capital Requirement Directive IV (CRD IV) in the Journal of the European Union on June27th legislation has been formalised.

Overview Basel III capital position

Category	Basel II Q3 2013	Basel III Q3 2013	Difference
Total Equity	**€ 426,732**	**€ 426,732**	
Less: goodwill	€ 152,929-	€ 132,390-	€ 20,539
Less: other intangible assets	€ 95,131-	€ 95,131-	-
Less: fair value reserve (AfS valuation)	€ 3,475-	-	€ 3,475
Less: proposed dividend	€ 7,161-	€ 7,161-	
Core capital	**€ 168,036**	**€ 192,050**	**€ 24,014**
Less: investments in financial subsidiaries	€ 4,790-	-	€ 4,790
Common Equity Tier 1 (CET1)	**€ 163,246**	**€ 192,050**	**€ 28,804**
BIS Ratio	31.2%	35.8%	

16 *BINCKBANK FOR INVESTORS

It will come into force as of 1st January, 2014. CRD IV will come into effect gradually and will have full effect by 2018. We would like to summarise once again the primary differences with the Basel II capital requirements as applicable for BinckBank.

Overview Basel III capital position

- Basel III will come into force as of 1 January 2014
- Under Basel III goodwill is deducted net of any deferred tax liabilities, which results in a capital relief of approx. € 20 million for BinckBank
- The fair value reserve is no longer deducted in the calculation of core capital under Basel III. This implies interest rate developments will start to impact capital ratios under Basel III
- Investment in subsidiaries are no longer deducted but are included in the risk weighted assets subject to a 250% risk weighting

17 *BINCKBANK FOR INVESTORS

First of all, the treatment of goodwill. Under Basel II goodwill is deducted growth and under Basel III goodwill is deducted net of any deferred tax liabilities, which would be extinguished if the goodwill becomes impaired or de-recognised under the relevant accounting standards. This creates a capital relief of approximately EUR 29 million for BinckBank as per September 13, 2013.

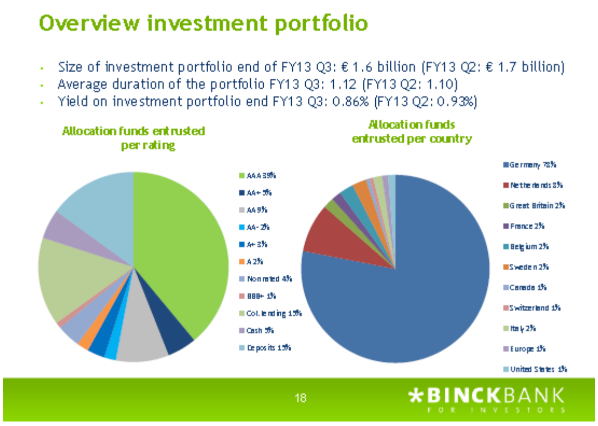
The second difference relates to the treatment of unrealised gains and losses recorded in the fair value reserve. This is a very important element. Under Basel II the fair value reserve is excluded from the core capital calculation and value swings in the available for-sale portfolio have no impact on the core capital and related ratios. Under Basel III this deduction no longer takes place and consequently, value swings in the available for-sale assets will impact the available capital and the core capital ratios. Interest rate developments will start to impact the ratios under Basel III. The phasing of this change will ensure a smooth transition process for banks, as it will only come into full effect by 2018.

As the current investment portfolio has an unrealised post-tax gain of approximately EUR 3.5 million, Basel III has a positive impact on the BIS ratio for Binck as per the end of the third quarter. However, if interest rates increase the unrealised gain in the available for-sale book might turn into a loss and negatively impact the available capital.

Lastly, investments in subsidiaries are no longer deducted but are included in the risk-weighted assets, subject to a risk-weighting of 250%.

The key take-away is that under Basel III the core Tier 1 ratio goes up but also becomes a little bit more volatile.

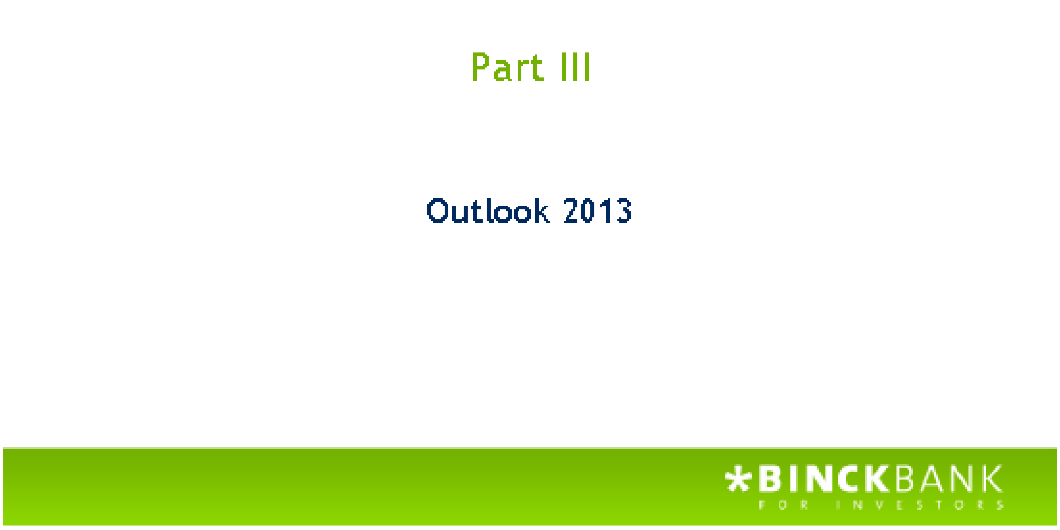
Here, you see an overview of the investment portfolio. The size of the investment portfolio decreased with 5% from EUR 1.7 billion at mid-year to EUR 1.6 billion at the end of the third quarter.



Reinvestment rates increased significantly compared to the second quarter. In Q2, reinvestment rates averaged at 54 bps. and in Q3 we reinvested EUR 122 million with an average of 85 bps. The duration of the portfolio remained at 1.1 years.

The average yield in the treasury book dropped to 87 bps, which is only 6 bps. down from Q2 levels, so if market interest rates stay at current levels we might see the bottom of the book in the first quarter or the first half of next year. Hopefully, growth will come again after that.

So far the financial position. I will now hand it back to Koen for the outlook and to round off the presentation.



Mr. **Beentjes**: Let’s go to the slide on leveraged products.

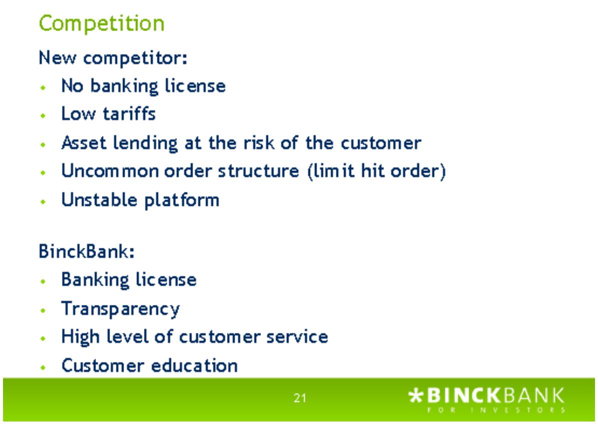
We are all aware of the fact that the kick-back fees are abolished by January 1st, 2014. Last quarter we informed the market that BinckBank is developing its own leveraged products.

Most probably, we will do this in cooperation with an experienced banking partner who will execute part of the operational processes. The project is going according to plan and our products will see daylight in the first half of 2014. After an introductory marketing campaign that will basically be at the same level as the income in 2014, the product will add to our profit in 2015.

One of the key questions has been how much capital will be tied with the new product. Issuing our own products in cooperation with a partner is quite a complicated structure but we currently believe that the capital requirement will be less than EUR 15 million.

So far on the Binck-leveraged products.

We have had a lot of questions about the giro, a new competitor in the Dutch landscape with very low fees. We are not coming to react on individual market participants but in this case we believe that we should. BinckBank is offering a full-service concept. We are a bank, we have a banking licence, and we are under direct supervisory control from both DNB as the AFM. We are fully transparent, we have high interest in our clients, and we offer education and so on.



We do not lend assets to the client at any risk. We have a stable platform, we bring orders in a transparent way to the regulated market or MTF and we do not execute uncommon order types like limited orders.

In our view, comparing the giro with BinckBank is not a good comparison. Actually, that is all I would like to say about it.

Our results depend heavily on the activities of our customers in the market and on the market sentiments. We are going to develop our own leveraged products and we will keep a continued focus on Alex Asset Management, where we are very pleased with the results in the last quarters.

This is the end of the slide presentation. We now have time to take your questions.

Part IV

Q&A

BINCKBANK FOR INVESTORS

- **Cor Kluis – Rabobank**

Good morning. I have a few questions, first of all on the leveraged products that you are going to launch. Why does it take until 2015 before the revenues will show up? Why don't you already start now with the marketing, so that you can rapidly the revenues that you will lose from the Turbos and sprinters by 1st January? That is the timing question on the leveraged products. I also have a question on the expenses. If you set this up, what kind of expenses will show up in the P&L at BinckBank next year? Probably, expenses will first hurt the earnings a little bit. Also, what will the partner exactly do? You mentioned execution but can you explain that a little bit more?

My second question is Basel III. You mentioned already two positive items – the EUR 20 million and EUR 3.5 million – but you do not give a figure for the investments in subsidiaries what the negative impact is. So, taken everything into account, what is the fully-loaded Basel III impact for BinckBank?

My third question is about the BPO-pipeline. It has been a while now that there were no new BPO-contracts coming in. Are you already considering to take expense measures over there to reduce the size of that operation? Many people are working there in anticipation of new BPO-contracts and it takes some time to get that.

My last question is about the performance fee. If we deduct the net inflows from Alex Asset Management, which is growing extremely well, we see that the year-to-date performance of Alex Asset Management seems to be +10%. That means that there should be quite a strong performance fee if nothing changes the rest of the year. Have I done this correctly or do you say that only a small part of those funds are already in the high watermark-level? Could you comment on that?

Mr. **Beentjes**: A lot of questions, Cor! Let me start with the leveraged products. Evert will answer your questions on Basel III and then I will come back to your last two questions.

You asked why so late with regards to the leveraged products. It is a difficult project and a difficult product. We are very happy to have Jean-Paul aboard to guide us in this project. We started it in the summer and it just takes as long as it is going to take. The product is not yet there. We would love to start the marketing but that is going to be difficult.

You also asked whether there is not going to be any commission or provision income next year. Yes, there will be but that will be offset by additional marketing expenses. That is what we expect to happen, that we will have additional income out of the Binck Turbos but the introductory campaign will basically offset that amount.

We do not expect the expenses for the set-up to be much. Of course, we have ordinary project costs but we do not have expectations that there will be something special. So, let's take that marginal.

What will the partner do? We are looking for a partner who is experienced in this field and with those products. We will be formally the issuer of the product but in reality the partner will do most of the work. There we have to see where we have to strike the balance, because we have to be formally the issuer for the product.

Let me take the other questions, the first being about the BPO-pipeline. We are lagging behind target but we are still in discussion about possible prospects. We will have to see what the outcome of that discussion is. If it is only later, then we will of course need the people. If we would see not enough inflow of the agreements, then we have to consider other measures. But for the time being we are in discussion with some potential parties.

Your calculation on the performance fees is correct. We had a little bit over EUR 100 million in return for the clients, close to 10%. The high watermark is not going to take away a lot of the performance fee.

Mr. **Kooistra**: Your question regarding Basel III: the BIS ratio of 35.8% reflects the fully-loaded impact, so the investments in financial subsidiaries are taking up in that calculation at a risk-weighting of 250%. So, that is approximately the equivalent of the EUR 4.790 million, which is EUR 12 million in risk-weighted assets that you pick up.

Mr. **Kluis**: EUR 12 million in risk-weighted assets?

Mr. **Kooistra**: Yes. If you multiply that number by 2.5 you come to EUR 12 million in additional risk-weighted assets. That is included in the 35.8% calculation.

Mr. **Kluis**: Clear! Thank you.

- **Albert Ploegh – ING**

Good morning. I have a few questions. First of all, on the cost base. You are already flagging in the opening remarks on the European platform, which seem to be about finalised. Can you give me some indication of how many cost savings you expect from rolling out that platform across the board?

My second question is on the international strategy and mostly on Italy and France. Performance has been mixed there, as you have also reflected. So, what should we expect going forward for these two countries? Do you expect to make some changes to the strategy, for example maybe using a European passport instead of a local office to reduce costs? Any flavour would be helpful.

Finally, on Alex Asset Management, clearly a stellar inflow that continues. Can you update where you are with respect to the expansion of the model to US equities and what kind of cap do you see on the current offering of the model, basically in relation to any targets you might have for a size of assets under management?

Mr. **Beentjes**: I do not have an answer to your question about the cost base because we have the two platform and a part of the business is going from one platform to the other. It is not going to massively reduce costs. The benefit for us if we develop a new product for the retail market with the European basis platform, we will have this product available in all countries. But it is not a massive cost saving because we have the two platforms and now with this on the Belgian, for instance on the EuroPort platform and Professional Services, but there it does not lead to a substantial cost reduction. On the other side, it does not have a massive increasing effect on the costs on the retail side.

Mr. **Kooistra**: The benefit is more in the synergy going forward, in a more efficient operation.

Mr. **Beentjes**: Your question on Italy and France: we are actually already working with a European passport. There is one other form where you do not have an office in a country but that is not something we have considered. That is also something you could do. We have branches, we have customer service departments, and we have local operations to open accounts. That is in line with the way how we want to operate in countries. France contributes to our bottom line before all internal charges, so of course we hope that it will grow. Italy is somewhat disappointing, to be honest, because the number of clients is too low. There we have to see what we can do because this way it will hard to reach the break-even by 2015. We need to have a massive number of new clients to reach that goal. So, let's put it like this: we are following it on a very regular basis and we have to grow faster there to have a chance to become successful.

Alex Asset Management: US equities is in the first half 2014. Currently, we have expended the universe with some European stocks that we had not yet in the portfolio, in the model horizon. So, that is one thing we have already done. We are looking for opportunities to trade larger blocks with institutional partners, so that will give us the opportunity to increase the capacity of the model. These together give us currently enough flexibility to grow the product. So, we do not have a declared cap on where we can go. Until now we are fine.

Mr. **Ploegh**: Maybe one clarification question on the Basel III slide. I think you mentioned you had 12 million or so additional RWAs following the subsidiaries. If I do a quick calculation, the pro-forma equity Tier 1 is around 20%-21%, so basically unchanged pro-forma from the nine-month level. Or am I doing something wrong there?

Mr. **Kooistra**: If you take the same amount of required capital plus the 12 million and the adjusted core capital, I think you come close to the Pillar II ratio.

Mr. **Ploegh**: And then maybe a general question on the capital, because you are changing the model. With Basel III coming up and also somewhat more volatility due to the AFS included in there, the target-setting on the solvency range has still been consistent with 12%-20%. Is that something that you are going to review if you include Basel III and also including the new model or is that something you keep unchanged?

Mr. **Kooistra**: The 20% we used in the past to put a landmark for the share buyback does not have a function at this stage. We run the company at a 12% minimum ratio.

Mr. **Ploegh**: Thank you.

- **Ton van Kempen – Petercam**

Good morning. I have three questions. The first is related to marketing expenses, which were down in the third quarter against the second. Could you provide us with a bit more flavour? Is the drop mainly the result of Italy?

My second question is also related to this. When do you expect to have finished the platform in Italy and when do you want to beef up your marketing efforts again to get more growth in Italy?

My last question is related to collateralised lending. Could you provide us with a bit more feeling of where you want to go, which targets you have set in terms of volumes? Do you have a limit in terms of capital you want to employ to these activities?

Mr. **Beentjes**: On the marketing expenses: traditionally, during the summer months we are reducing marketing. That is something which we did not do this year because we kept on going with the marketing for Alex Vermogensbeheer, Alex Asset Management. It is a normal pattern and it is all across the board that we have reduced marketing expenses during the summer, with the exception of Alex Asset Management.

Your second question was whether we are going to beef up marketing in Italy. First, we need to do the platform improvements. We are working on those but it is quite an effort to bring the platform in all aspects at par with the peers. So, we are working on that but we do not have a final stage. Marketing we have to see but we will spend more on marketing. Otherwise, it does not make sense. We need to have more clients in. So, we do not have a declared moment when we are going to start with doing more marketing but it is clear that we need to attract more clients for our proposition there.

Mr. **Kooistra**: Then the collateralised lending: there is no specific target for collateralised lending. What you see is that collateralised lending balances go up and down, depending on the investor sentiment. So, they have been at the highest in the past at over 500 million and now they have increased again. It is not something that we can drive ourselves; it comes along with the sentiment. If the sentiment improves you see collateralised balances going up.

Mr. **van Kempen**: So there is no specific amount of capital you would be willing to […] these activities?

Mr. **Kooistra**: No, there is no restriction from the capital side in further increasing the collateralised lending balances but we cannot push it.

Mr. **Beentjes**: It is not taking that much capital because we have collateral behind it. So, capital is not really …

Mr. **Kooistra**: Only on the concentration side.

Mr. **van Kempen**: Thank you.

- **Bénoît Pétrarque – Kepler Cheuvreux**

Good morning. I have a couple of questions. The first is on the capital and your plans to develop your own leveraged products. I think you mentioned EUR 15 million of capital. I just want to understand how sensitive that will be to volumes. So, is the 15 based on 'it will be a starting point that could drive higher depending on volumes' or is that the maximum capital that you expect?

Also in the capital: in the past you have mentioned 20% as being the limit for the share buyback. EUR 15 million is about 2 percentage point of the core Tier 1 ratio, so you probably will close on or just below 20%. Do you still have these 20% in mind as we speak or are you happy to drive the core Tier 1 ratio a little bit lower?

My second question is on pricing. I get your point on the giro and the different stems of quality but one month after the launch of the giro will there be a zero impact for you in terms of volumes or are you expecting some small impact simply because pricing is just much more attractive there?

Then on net interest income: I think you mentioned a reinvestment yield at 85 bps. This sounds a bit high looking at your average duration of just above one year. I think [Pfandbriefe] for two years is about 46, so I just wanted to check where you actually reinvest the cash now.

My final question is on operating expenses. It is higher and at the same time marketing was down. I just want to get a bit more detail on why this line is up, especially how flexible you are to reduce these operating expenses line going forward, if necessary.

Mr. **Kooistra**: Let me start with the capital. The EUR 15 million Koen mentioned is nothing more than an educated guess at this stage. There are still a couple of business decisions that need to be made and that might impact the amount of required capital. This is our best guess at this moment. It also depends on client positions, whether they hedge out, if they go long or short and the mix in Turbos. So, it is difficult to say but – to give some guidance – the EUR 15 million is our best guess at this moment. The 20% you mentioned, we used that as a landmark for our share buyback in the past. At this moment, we are deferring the decision for any new share buyback because we want to see how Basel III works out on the treasury side with the classification of the portfolio and with the Turbos. Anyway, our capital is going to grow so we will take a decision in due course.

On the interest side: the reinvestment rate indeed was a bit high but during the quarter rates went up significantly and by the end of the quarter they came back. So, if you compare Q2 to Q1 the rates did not go up that much, but in Q3 they went up and at that peak we bought some bonds. So, we used that moment to grab as much as we could.

Opex are mainly higher due to significant costs in IT and IT consultancy. We are implementing are lot of systems on the security side, on the anti-money laundering side. There are lot of requirements from regulators and that costs money.

Mr. **Pétrarque**: And how much on that is not recurring and how much cannot disappear in the next twelve months?

Mr. **Kooistra**: Now they are project and implementation costs but when these are gone they are running costs of the system. The systems gives all kinds of alerts and these need to be followed up. These will structurally higher costs on this level.

Mr. **Pétrarque**: But you maintain the earlier guidance on overall costs, right?

Mr. **Kooistra**: Yes.

Mr. **Beentjes**: On the pricing and the giro, there are hardly any effects there. Some clients have called us but I think that maybe some will go and have a look over there. We expect them back soon given that the platform is not very stable. So, until now hardly any effect.

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

- **Lemer Salah – SNS Securities**

Good morning, three questions from my side. First of all, you previously stated that the level of EUR 10 was the floor for executed transactions. I was just wondering whether you have changed you mind and whether you expect some lower levels.

Secondly, I was wondering what the acquisition cost per client is for BinckBank nowadays.

Thirdly, can you elaborate on the marketing costs within the Netherlands? Perhaps you can break down the 3.4 level marketing spending.

Mr. **Beentjes**: Let me start with the question on the EUR 10 level as a floor for transaction fees in the Netherlands. If we speak five years from today, it may be a little bit lower but currently we do not see much price pressure in the market, even with the giro coming in at extremely low fees. So, we see a stable level of around EUR 10. We are still a little bit above it, so it could go down a little bit. But we do not see much pressure.

We have to sort out what is the exact acquisition costs per client and maybe in an hour or so we will have the answer.

The same goes for your question on the marketing split over the countries. If you would be so friendly to join us for lunch, we will try to have it there.

Mr. **Salah**: Perfect. Thank you!

Mrs **Nederlof**: Thank you very much for joining this conference call. Hopefully, we will speak to you next quarter. Thank you very much!

End of call

Contact details

Nelleke Nederlof
Manager Investor Relations
nnederlof@binck.nl
+31 (0)20 522 0372
+31 (0)6 201 98 337
www.binck.com

Address
Barbara Strozzilaan 310
1083 HN Amsterdam
The Netherlands

24 *BINCKBANK FOR INVESTORS

Cautionary Statement regarding Forward-Looking Statements

This presentation may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this document that expresses or implies our intentions, beliefs, expectations, forecasts, estimates or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections, as they are currently available to the management of BinckBank N.V. Forward-looking statements therefore speak only as of the date they are made, and we take no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, without limitation, the conditions in the financial markets, the reliability of our risk management policies, procedures, systems and methods.

The forward-looking statements contained in this announcement are made as of the date hereof, and we assume no obligation to update any of the forward-looking statements contained in this document.