

# Second quarter results 2014

21 July 2014

Koen Beentjes CEO  
Evert Kooistra CFRO



TRANSCRIPT

Mrs. **Nederlof**: Good morning and welcome to the conference call of BinckBank. During this call, we will present you the Half Year results.

Koen Beentjes en Evert Kooistra will lead the call and after this, you will have the opportunity to ask questions.

A transcript of the call will be published this week on the corporate website of BinckBank.

I would now like to give the floor to Koen Beentjes.

Mr. **Beentjes**: Welcome to our analyst presentation. We are presenting our second quarter numbers today. We will follow the usual agenda. I will give you an update on the second quarter, Evert Kooistra will elaborate on our financial position and we will wrap up with the outlook and the QandA session.

**Agenda**

- I. Update FY14 Q2
- II. Financial position
- III. Outlook 2014
- IV. Q&A

## Part I

### Update FY14 Q2



You have noticed that we issued three press releases this morning. One for our Half-Year results, one for the Letter of Intent for Able that we signed, and the third for the divestment of our participation in BeFrank. They will all come to mention in the presentation.

Let me go the business highlights for the second quarter. We achieved a result of

#### Business highlights FY14 Q2

- Adjusted EPS FY14 Q2: € 8.5 million / € 0.12 per share (FY14 Q1: € 11.6 million / € 0.17 per share)
- 28 July: payment interim-dividend € 0.10
- Alex Asset Management:
  - > € 104 million net inflow new assets FY14 Q2
  - > Total AUM end of FY14 Q2: € 2.5 billion (FY14 Q1: € 2.5 billion)
- Number of transactions ↓ 26% to 1.9 million (FY14 Q1: 2.5 million)
- Successful migration SNS Fundooach to Binck Fundooach

EUR 8.5 million, net adjusted, which is EUR 0.12 per share. We were under consensus. Consensus stood at EUR 0.14 where the main difference is that the analysts anticipated a higher number of transactions, which were not there. It has been extremely calm at the exchanges this quarter and we have seen a 26% drop in the total number of transactions. We have seen that all across the board, so it is

not only for the Netherlands, but also for Belgium and France.

This morning, we have seen the market reacting negatively on our numbers. We have seen the stock price coming down several percent. We will see what happens later today.

On 28<sup>th</sup> July we will pay an interim dividend of EUR 0.10. This is approximately equal to the accounting net profit. By dividending out EUR 0.10 we can ask a declaration of no objection. For us, this was the easy way to set the dividend at EUR 0.10 but paying out the full accounting net profit.

The inflow at Alex Asset Management was EUR 104 million in the second quarter. We have seen assets under management which were at the end of the quarter at the same level as at the end of the first quarter, basically impacted by a negative performance of the model which compensated to a large extent the net inflows.

As I mentioned, the number of transaction was down 26% all across the board. I will come back to that later. We have successfully migrated the SNS Fundcoach client to the new Binck Fundcoach platform on 28<sup>th</sup> June. In our numbers there is practically nothing there except for the assets under administration and the number of accounts, so no income yet.

In the beginning of the third quarter, so in the beginning of July, we introduced the

#### Business highlights FY14 Q3 (July)

- Introduction turbo's
- Significant progress in negotiations with BlackFin Capital Partners
  - > BinckBank & BlackFin signed a letter of intent on 18 July 2014
  - > BlackFin is a French equity company that exclusively invests in European financial services companies
  - > Deal structure: Business Processing Outsourcing (BPO) activities (asset & liabilities, carve out BinckBank NV) + Shares Able (Holding) BV
  - > Expected deal closing: 31 December 2014
- BinckBank & Delta Lloyd signed an agreement on 18 July 2014. Delta Lloyd acquires BinckBank's 50% holding in BeFrank for € 19.5 million. The book value was € 4 million.

turbos. These are well received by our clients. We are trading the turbos with a small spread. We have extended opening hours and this is really very much appreciated by our clients. So, it is a bit too early to give you a full picture of how it is going to be but we are happy with the start and we believe that we can achieve good results.

The next issue is the process on selling our Able business. We have signed a Letter of Intent with BlackFin Capital Partners. BlackFin is a French private equity company that exclusively invests in European financial services companies. The founders of BlackFin are the people in France who founded ProCapital and Fortuneo. Fortuneo is a retail broker that can be compared to Binck and ProCapital is a B2B-service provider that can be compared to Able. These people have extensive knowledge of our business and we trust our clients to be in good hands once the transaction will be executed. We are looking at the end of this year to complete the transaction and we are currently working on it.

Last Friday we signed an agreement with DeltaLloyd on 50% of BeFrank, our stake in the company. The book value was at EUR 4 million, so we are making an accounting profit of

EUR 15.5 million, which will be accounted for in the third quarters. That is under the Dutch ‘deelnemingsvrijstelling’, so it is free of tax income.

Both divestments – the divestment and the potential divestment – are in line with our strategy. We want to concentrate and focus on the retail side, on the retail brokerage and wealth management side. By introducing turbos and Fundcoach and looking at divestments for our B2B and BeFrank we are putting the focus where we believe it should be.

The next slide is on the highlights for the second quarters of our Dutch business. We

**Highlights FY14 Q2: Retail business unit NL**

- Number of transactions ↓ 28% with to 1.1 million (FY14 Q1: 1.6 million)
- Number of brokerage accounts up with 24,130 to 315,687 (FY14 Q1: 291,557)<sup>1</sup>
- Assets under administration at brokerage accounts ↑ 8% to € 9.1 billion end FY14 Q2 (FY14 Q1: € 8.5 billion)<sup>1</sup>
- Average price per transaction € 11.89 (FY14 Q1: € 11.68)  
The forecast of the number of accounts, as well as the fee and net fee are an estimation and subject to the full financial statements.



we have seen very low volatility on the exchanges in the second quarters and that has really hurt our volumes. The number of transactions in the Netherlands came down with 28%. That is not a good number and I think that is the reason why the market is reacting the way it is. In Belgium, it is 26% down and in France, it is 29% down, so the picture is all over the business units we have.

Prices remained stable at 11.89 compared to 11.68 in the first quarter.

Assets under administration and the number of accounts went up but that is to a large extent basically the migration of SNS Fundcoach clients to our platform.

In Belgium, we more or less see the same picture. The number of transaction is down

and the average price per transaction remained stable at 10.46.

**Highlights FY14 Q2: Retail business unit Belgium**

- Number of transactions ↓ 26% to 181,892 (FY14 Q1: 247,026)
- Number of brokerage accounts up to 58,816 (FY14 Q1: 58,038)
- Assets under administration: € 1.8 billion (FY14 Q1: € 1.8 billion)
- Average price per transaction € 10.46 (FY14 Q1: € 10.48)



In France, we see the same picture again, so the number of transaction down and the average price per transaction at EUR 5.58.

**Highlights FY14 Q2: Retail business unit France**

- Number of transactions ↓ 29% to 292,962 (FY14 Q1: 411,297)
- Number of brokerage accounts up to 49,271 (FY14 Q1: 48,668)
- Assets under administration ↑ 1% to € 693 million (FY14 Q1: € 687 million)
- Average price per transaction € 5.58 (FY14 Q1: € 5.67)



In Italy, the picture is a little bit different but that is driven by the increase in the number of accounts. So, the total number of transactions is somewhat less down with 11% to 90,000 transactions for the quarter. But here, the number of accounts was up by 19%. So, the average income per transaction is at 3.95. What we discussed earlier, that we have given away free trades and that the free trades and the BOLO are impacting the average income per transaction, is now coming

**Highlights FY14 Q2: Retail business unit Italy**

- Number of transactions ↓ 11% to 89,671 (FY14 Q1: 100,685)
- Number of accounts ↑ 19% to 3,600 (FY14 Q1: 3,199)
- Assets under administration ↑ 17% to € 371 million (FY14 Q1: € 316 million)
- Average net fee and com. income per transaction € 3.95 (FY14 Q1: € 3.29)



back to a somewhat higher level. In the end, it has to move to an even higher level than we are seeing today.

This is all summarised in the table in this page. Overall, the number of transactions was down 26% and the average net income per transaction was stable, so from EUR 10.40 up to EUR 10.23 for the quarter.

**Highlights FY14 Q2: Retail business unit**

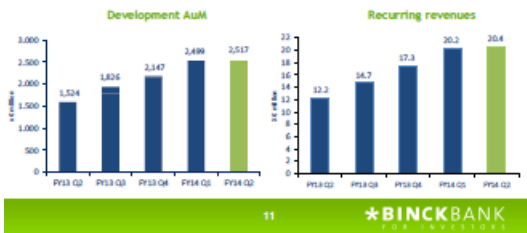
Segmentation of transaction-related net fee & commission income by country

	Retail total	Netherlands	Belgium	France	Italy
<b>FY14 Q2</b>					
Net fee and commission income (in € 1,000)	17,456	12,536	1,802	1,688	806
Number of transactions	1,705,862	1,141,271	181,884	262,862	89,671
<b>Average net fee and com. income (in €)</b>	<b>10.23</b>	<b>11.06</b>	<b>10.46</b>	<b>6.42</b>	<b>9.00</b>
<b>FY14 Q1</b>					
Net fee and commission income (in € 1,000)	23,862	18,838	2,588	2,888	802
Number of transactions	2,465,394	1,596,026	247,023	421,281	100,864
<b>Average net fee and com. income (in €)</b>	<b>9.68</b>	<b>11.86</b>	<b>10.48</b>	<b>6.86</b>	<b>8.28</b>

In Alex Asset Management the increase in assets under management at the end of the quarter was disappointing because it stayed at the same level. We had a net inflow of new assets, which were reduced by a negative performance of the model. It is not the easiest climate for our model to find direction, so at the end of the day we have seen a negative performance for our clients this quarter.

**FY14 Q2: Development Alex Asset Management**

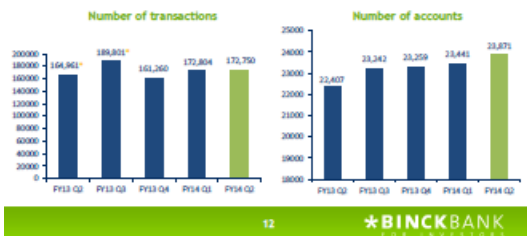
- Total AUM end FY14 Q2: ↑1% to € 2,517 million (FY14 Q1: € 2,499 million)
- Net inflow new assets FY14 Q2: € 104 million
- Recurring revenues FY14 Q2: € 20.4 million (FY14 Q1: € 20.2 million)



Professional Services is going to stay with BinckBank. This is servicing the private wealth managers. It is a pretty stable business. There is actually not that much to mention for the quarter.

**Highlights FY14 Q2: Professional Services**

- Number of transactions: 172,750 (FY14 Q1: 172,804)
- Number of brokerage accounts: 23,871 (FY14 Q1: 23,441)
- Assets under administration € 5.8 billion (FY14 Q1: € 5.5 billion)



## Part II

### Financial position

Mr. **Kooistra**: Let's move to the highlights of the Profit & Loss quarterly comparison. Net

#### Profit & Loss quarterly comparison

In € million	FY14 Q2	FY14 Q1	FY13 Q2
Net interest income	7.7	7.5	6.5
Net fee & commission income	28.4	34.8	27.7
Other operating income	(0.1)	-	0.6
Results on investments & impairment losses on Fin. Inst.	-	-	-
<b>Total net revenues</b>	<b>36.0</b>	<b>42.3</b>	<b>34.8</b>
Employee expenses	(10.7)	(10.2)	(8.8)
Depreciation & amortisation	(6.8)	(6.9)	(7.1)
Other operating expenses	(13.7)	(10.7)	(11.3)
<b>Total operating expenses</b>	<b>(31.2)</b>	<b>(27.8)</b>	<b>(27.2)</b>
Profit (loss) from operations	5.0	9.2	7.3
Other non-operating income	(1.2)	(1.1)	1.1
Tax expense	(1.6)	(2.7)	(1.8)
Result after tax from continuing operations	2.2	5.4	6.6
Result after tax from discontinued operations	(0.1)	(0.1)	(0.1)
<b>Net profit</b>	<b>2.1</b>	<b>5.3</b>	<b>6.5</b>
Net profit to minority shareholders	-	-	-
<b>Net profit to shareholders/stockholders</b>	<b>2.1</b>	<b>5.3</b>	<b>6.5</b>
Adjusted net profit	8.9	11.6	12.3

interest income in the second quarter slightly increased with EUR 200,000 to EUR 7.7 million. The increase is due to additional billings for the first quarter, causing a small shift between the quarters. If you adjust for this shift, there is net decrease of 2.3%, which is what you would expect given the trend in collateralised loans.

Collateralised loans held up rather well during the quarter but dropped in June below 400 million.

Transaction-related net fee and commission income decreased by 24% from EUR 27.4 million to EUR 20.7 million in the second quarter, which is in line with the average transaction volume decrease of 28%. Transaction volumes in all four markets showed a negative trend with volume decreases between 11% and 29%. Transaction volumes are highly correlated to market volatility and the 30-day volatility was at the lowest levels in ten years.



Recurring fees from Alex Asset Management continued to grow from EUR 4.5 million in the first quarter to EUR 5.8 million in the second quarter, which is an increase of 29%. The EUR 5.8 million includes a one-off tax-related adjustment of EUR 1.2 million, so the growth rate ex the tax one-off is 6.6%.

In operating expenses payroll costs increased in the second quarter. Payroll costs amounted to EUR 10.7 million, an increase of 4% versus the payroll costs in the first quarter. The increase is mainly due to the hire of temporary staff for projects. We expect to keep this staff for the rest of the year to work through back log on compliance-related projects.

As far as amortisation and depreciation are concerned, this is mainly the amortisation of the Alex intangibles: a slight decrease due to certain parts of the data centre equipment that has been fully written off.

Other operating expenses showed a decrease of 13%, mainly due to lower marketing expenses. Marketing expenses in the second quarter were EUR 1.8 million lower than in the first quarter. We slowed down on marketing, as investor sentiment was reduced.

### Operating expenses FY14 Q2

- Operating expenses in FY14 Q2 down to € 31.2 million (FY14 Q1: € 32.9 million)
- Marketing costs for FY14 Q2: € 2.7 million (FY14 Q1: € 4.5 million)



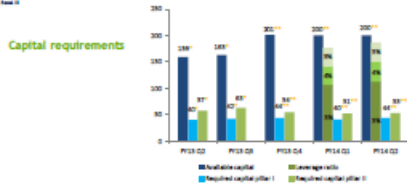
The second quarter operating expenses include the second tranche of the SNS resolution charge of EUR 1.3 million. In the first Half we have recorded EUR 2.6 million of SNS charges and the total costs for this year will be EUR 4 million, negatively impacting the EPS with EUR 0.05 to EUR 0.06 per share. The last tranche will be recorded in the third quarter.

In the line of other non-operating income we record the funding losses of our joint ventures and subsidiaries. The recorded losses for BeFrank in the first Half were EUR 1.5 million and for TOM EUR 800,000. Going forward, we will no longer record the losses for BeFrank. Annual savings are EUR 3 million, which is EUR 0.04 per share improvement. The positive impact for the second Half of 2014 is therefore EUR 0.02 per share. The sale of the shares will contribute a one-time profit of EUR 15.5 million, which is EUR 0.22 positive impact.

The IFRS equity amounted to EUR 423 million as at the end of the second quarter, which is a net decrease of EUR 15 million versus the first quarter, due to the payment of the final dividend over 2013, which happened in April and May of this year.

**Financial position BinckBank FY14 Q2**

- Solid equity position end FY14 Q2 € 423 million (FY14 Q1: € 438 million)
- Capital ratio end FY14 Q2 at 36.5% (FY14 Q1: 39.6%)
- Conform our surplus capital distribution policy Tier I equity remained at € 200 million (FY14 Q1: € 200 million)
- Surplus capital available for distribution end of FY14 Q2: € 10.0 million



Tier 1 capital has been kept flat at EUR 200 million. The surplus capital available for shareholders has grown to EUR 10 million at mid-year. Growth of the surplus in the second quarter slowed down due to the purchase of SNS Fundcoach for EUR 3 million. Part of the capital surplus has been reinvested in the business. Of this EUR 3 million EUR 2 million has been recorded as goodwill and EUR 1 million as intangibles, which we will depreciate over five years.

The BIS-ratio has decreased from 39.6% to 36.5% due to an increase of capital requirements under Pillar I. Capital requirements under Pillar I increased due to 8% higher average solvency weight on the investment portfolio and incidental higher cash balances at the quarter end.

The launch of the turbos did not have an impact on the BIS-ratio yet, as the turbos were launched after the quarter end and therefore did not yet impact the balance sheet. The foreseen capital requirements for the leverage products have not changed and are still between EUR 2 million to EUR 4 million, as we communicated last time.

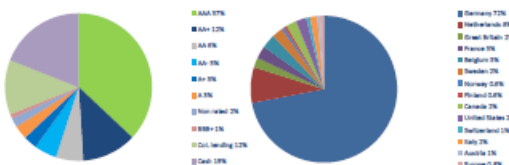
The size of the treasury book remained stable at EUR 1.6 billion. The average yield in the treasury book dropped slightly from 73 bps. to 68 bps. Duration went up from 1.4 years to 1.5 years.

**Overview investment portfolio FY14 Q2**

- Size of investment portfolio FY14 Q2: € 1.6 billion (FY14 Q1: € 1.6 billion)
- Average duration of the portfolio FY14 Q2: 1.51 (FY14 Q1: 1.40)
- Yield on investment portfolio end FY14 Q2: 0.68% (FY14 Q1: 0.73%)

Allocation funds entrusted per rating

Allocation funds entrusted per country



In the second quarter, we invested EUR 233 million at an average yield of 58 bps. and EUR 200 million in bonds were redeemed, on which we lost an average of 95 bps.

If we managed in the second Half of the year to reinvest at an average of 40 bps. The yield on the treasury book will drop towards 66 bps. by the end of the year.

At Q1 we mentioned that we expected to bottom out in the treasury book during the course of this year. The recent ECB interest rate cuts have however slightly deteriorated the interest income outlook for the treasury book in the second Half.

So far, the financial position. I will hand it over to Koen to round up.

## Part III

### Outlook 2014

Mr. **Beentjes**: The last part on the outlook is, as Evert already mentioned, the low interest rate environment. It remains and we do not see much change happening. The consequence is that we have continued pressure on our investment portfolio yield. I think you are all aware of that but it is an important issue.

#### Outlook

- Low interest rate environment remains, continued pressure on investment portfolio yield
- Pursuing Sales process Able
- Slow start July (low volumes)
- Continued focus on implementation of turbo's and Fundooach

We will pursue the sales process of Able and complete it. There is still a lot of work to be done in the second Half of this year

but our intention is to complete this and we will put all the necessary effort in it to get it done.

In July, we did not see much of a change from the second quarter. So, currently still somewhat low volumes in the market. We will spend a lot of energy this quarter on the implementation of turbos and Fundchoach. We have both products live and now we need to promote them, bring them in the market and make them flourish for BinckBank.

So, that is what is currently on our agenda for the second Half of this year as important processes and issues.

Thank you. Let's go to QandA.

## Part IV

### Q&A

- **Cor Kluis - Rabobank**

Good morning. I have a few questions, first of all concerning Alex Asset Management. Net inflow shows some EUR 100 million increase when it was EUR 300 million in the past. Are you comfortable that this EUR 200 million – EUR 300 million net inflow level will return going forward or did something really change?

My second question is about BeFrank and Able. You have EUR 10 million excess capital, BeFrank brings it probably EUR 15 million to EUR 20 million, Able perhaps EUR 10 million and then some profits, so at the end of this year you are close to EUR 50 million excess capital. Last quarter you were quite clear about it but it is just to double check, because BeFrank is a new thing: can we be sure that this money will be returned to the shareholders, whatever the figure might be?

My third question is about the Turbo business. Of course, it is early days because you just started it but can you already tell what you have seen up until now? Do you see some cross selling, some mix effects? Do you really see people switching to the better product that you are offering?

Mr. **Beentjes**: On the Alex Asset Management inflow: the EUR 104 million is of course the balance from the inflow and also from some outflow. The performance on the product has not been at the level we hoped for, so we have some people also taking money out. The general picture is that the first quarter is the best quarter year on year that we see most inflow until now. The product is not that old but we have seen most inflow in the fourth quarter and the first quarter and always slower in the second and the third quarter. So, a net new asset level of EUR 300 million per quarter is too high. That is not an achievable target at the current state where we are in quarter on quarter. We have given our mid-term target of EUR 3.5 billion by the end of 2015 and today, that looks very achievable. But this quarter demonstrates that you stay where you are if the performance is not that good in a quarter. So, in my view EUR 300 million a quarter is a bit too optimistic.

The turbos are well received. We have EUR 0.005 spread on the AEX turbos and it is a very good product in the market right now with very sharp pricing. We have opening hours till ten o'clock in the evening. We are also planning on some US turbo products. We see that clients are well receiving the offering and we are really optimistic on the pick-up but it is too early to mention numbers because we are just three weeks in business. It looks good we are happy with what we see.

#### **Cor Kluis - Rabobank**

You mentioned 0.5% spread that you were charging. What is the spread that ING and ABN AMRO are charging on their products?

Mr. **Beentjes**: Generally EUR 0.01 or EUR 0.02, so we are in a very aggressive and attractive spread.

Mr. **Kooistra**: On BeFrank, we will record in the third quarter EUR 15.5 million and that will flow into the capital surplus. It contributes to the results of 2014 and any equity over EUR 200 million will be paid to shareholders.

For Able the proceeds are uncertain. The book value at the end of last year was EUR 4.5 million and we do not expect any material profits or losses from this transaction. But any result will go into the capital surplus as well, either positive or negative.

#### **Cor Kluis - Rabobank**

And there is no risk-weighted asset release? There is only a numerator and not a denominator effect?

Mr. **Kooistra**: There is a risk-weighted assets release, slightly, and that is already recorded in the numbers. It is disclosed in the paragraph on the financial position.

**Cor Kluis - Rabobank**

And the excess capital? If you add everything, including BeFrank, the whole figure that will be there at the end of this year? The intention is to return that to the shareholders, correct?

Mr. **Kooistra**: Yes, anything above EUR 200 million and that is on top of the regular dividend. So, the dividend policy is unchanged.

**Cor Kluis - Rabobank**

Thank you.

I have another technical question. Will the capital gain that you will report on the BeFrank sale as well as on the Able transaction – gain or loss – be reported in your underlying profit or will you put it below the line as divested items, that it does not distort your recurring figure?

Mr. **Kooistra**: It will go in the same as where we normally record the result on these things, so it is in the result on subsidiaries and joint ventures.

**Cor Kluis - Rabobank**

So it will be in the normal underlying profit?

Mr. **Kooistra**: Yes, and the result for Able will go into the discontinued line.

**Cor Kluis - Rabobank**

Thank you.

- **Peter Frawley - ING**

Just on the decision not to go to the Central Bank for the decision on the full year dividend and the return from the fact that shareholders [...] Is it the same timeline?

What was behind the decision? Was it just that you wanted a speedy dividend decision at the interim stage? Should investors read anything into that?

Mr. **Beentjes**: They should not read too much in that. It is just a speedy process on the EUR 0.10 we could do without any formalities. Otherwise, it would have been EUR 0.12 or EUR 0.13 and we decided that we would do the EUR 0.10 with lesser formalities. You should not read too much into it.

Mr. **Kooistra**: It is purely a technicality because you have to ask for a declaration of no-objection if you pay more than the net result. That takes up to a maximum of 13 weeks. Now, we can pay it without any approval. We pay a little bit less on the interim dividend and a little bit more on the final dividend. The dividend policy has not changed, so that will remain intact. To give you an idea: last year we paid EUR 0.13 on an adjusted of EUR 0.31 for the first Half year and now we pay EUR 0.10 on an adjusted of EUR 0.29. So, that is 34% and last year we were at 42%. It is slightly less than last year. The reason is technical.

#### **Peter Frawley - ING**

Can you just confirm the return of the excess funds to shareholders? Did the central bank already approve that? That would be a fairly straightforward decision?

Mr. **Kooistra**: No, we will file a request to pay out the surplus capital early next year, at the moment we declare it. Then they need to approve of it at that time and then they look at the capital position by that time. But we do not foresee any problems with that.

#### **Peter Frawley - ING**

Thank you.

- **Tom van Kempen - Petercam**

Good morning. Sorry, I was a bit late. I have two questions, first of all regarding Alex. Would it be possible to have a bit more detail on the net inflows and basically on how much inflow and outflow there is in there? How does it work with the performance fee if people chose to leave the product at mid-year?

My second question is on the marketing expenses. You mentioned they were down because of a low sentiment in the markets in general. You also mentioned that the volatility in the start of July remained quite low, so what is the outlook for the marketing



expenses over the second Half of the year? Where have you cut these expenses? Is that mostly related to Alex? Can I also draw a link to the lower net inflows for the quarter or is it also across the board on other products?

Mr. **Beentjes**: Let me start with the marketing expenses. If the markets stay where they are and it is still the holiday season, then we are not going to start the marketing at a high level. Normally, we will pick up marketing in Q4. To some extent we have reacted a little opportunistically to the sentiment in the markets in the last couple of years. Last year, we spent more on Alex Vermogensbeheer because we had large inflows and we have supported that with additional marketing budgets. If there would be a pick up again in Alex Vermogensbeheer or in the general market sentiment of course we will put some more money in. Where we are currently spending additional money in is getting Binck Fundcoach and the turbos well received into the market. That is where we are spending somewhat extra, also in the third quarter, in introducing the products into the market.

On the net inflow in Alex: Evert has the full details.

Mr **Kooistra**: The outflow was approximately 4% of the size of the assets under management. If you look over the last year and a half, it has been between 3% and 4% in outflow on a quarterly basis.

Mr. **Beentjes**: If people leave us, they will of course have to pay the performance fee but currently, most portfolios are around zero or below.

### **Tom van Kempen - Petercam**

Thank you. I have a follow-up question. It is just a short comment on the regular topic of competition. You are the low cost competitor. Giro has now opened its platform, in Belgium too. Do you have a quick comment on the competitive environment? Do you have the feeling that their impact on the market is increasing or not? I guess transactions were a bit lower than what we expected, so should we read also in there an impact from competition or does it still remain benign as it was in the first quarter?

Mr. **Beentjes**: We now that they opened in Belgium but we have not heard much from them. So, general competition? In all three countries the volumes have come down in line with each other, so there we do not see a separate or special influence from competition. Competition is not new to Binck. We have had parties in the market with lower prices for quite some time now and there is a new participant in the market with a low price as well, but that is not new. We are offering something different in terms of solidity, of banking licencing, of partner in the depositgarantiestelsel. We see it comparing apples and pears. We are confident that we are in a good position. If we

actually have a look at our numbers we do not see much influence of new competitors in the market.

**Tom van Kempen - Petercam**

Very clear. Thank you!

- **Benoit Pétrarque - Kepler**

I have a couple of questions. The first one will be on BeFrank, just to check the figures. BeFrank was a loss of EUR 1.5 million in this quarter. Is that correct?

Mr. **Kooistra**: In the first Half year.

**Benoit Pétrarque - Kepler**

Do you keep any contracts with Delta Lloyd now? I guess they will use your platform. Do you keep any recurring revenue or will that be part of the sell-off of Able?

Mr. **Kooistra**: We are also a supplier to BeFrank from our Able organisation. That contract with BeFrank will be sold to the buyer once we complete the transaction. The only relationship that remains with BeFrank is that we have our pensions for our own employees with BeFrank. Think Capital is providing services to BeFrank as well.

**Benoit Pétrarque - Kepler**

I have two other questions, the first on the turbo. You have a put a revenue guidance in the market a few quarters ago. You were speaking about around EUR 5 million additional revenue for the full year 2016. Are you still confident with this guidance?

Mr. **Kooistra**: Yes, we are. That is the aim, to compensate the full EUR 5 million we had. Benoit, we can give a little bit more guidance at the end of Q3 because then we will have seen what has happened. But this is the goal; this is why we are doing it. In the current status we see a good start, so we are optimistic to achieving the goal. But please give us a little bit of time until the end of Q3 because then we have really some numbers.

**Benoit Pétrarque - Kepler**

Alright. A final question on the performance of Alex. Have you been able to stabilise the [governance] in the third quarter so far? Are you performing in line with the market?

Mr. **Beentjes**: We have been a little bit busy last weeks but I have not seen the figures over the last three weeks, so I do not know.

**Benoit Pétrarque - Kepler**

Thank you very much!

Mr. **Beentjes**: As there are no more questions, I would like to thank everybody for his participation and for the questions. We hope that after the number season everybody has time for a good holiday. We hope to speak to you next time. Thanks for participating. Bye!

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End of call

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