



TRANSCRIPT

Mr. **Germyns**: Good morning everybody and welcome to you all for the BinckBank presentation. We are pleased to be able to present you our fourth quarter figures and also the annual results for 2015. In this analyst call we will focus mainly on the Q4 figures of 2015. Everybody saw the press release this morning. It was clearly a tough quarter and especially compared with the very good last quarter the year before, 2014. Nevertheless, we managed to end up with EUR 0.16 earnings per share. You will see that we are on good track with our strategy to bring BinckBank to the next level and, as we said before, 2015 was a year in which we put a lot of effort in the backbone of the system. Together with our teams we managed to increase the effectiveness of the organisation, combined with some turnaround projects regarding the innovation. The challenges are fierce but we are very determined to realise our strategic plans. Overall, the year results were very solid, and especially it is worth mentioning that we achieved this result based on our operational strength whereas the year before we had a very positive contribution of the sale of BeFrank. So, excluding this one-off, 2015 was much better than the year before and we are convinced that the more customer-oriented approach combined with financial discipline and important investments in future growth are the keys for our company to increase shareholder value in the longer term.

## Agenda

- i. Highlights
- ii. Update on strategy
- iii. Results T5Q4
- iv. Financial position
- v. Q&A

That was the introduction. We will give you the update in the usual sequence. I will present the commercial part and after that Evert will guide you through the financial position. Then I will come back for the key messages and we will organise a QandA session. I suggest we start with the business highlights.

## Highlights

### FY15 compared to FY14

- Number of transactions 9.3 million +8% (FY14: 8.6 million)
- Total income from operations € 170.2 million +3% (FY14: 165.7 million)
- Total operating expenses € 130.4 million -8% (FY14: € 141.4 million)
- Adjusted net result € 55.5 million +32% (FY14: € 42.0 million excl. one off sale BeFrank of € 15.5 million)
- Net result attributable to shareholders per share € 0.79 (FY14: € 0.60 excl. one off sale BeFrank of € 0.22)
- Proposed final dividend € 0.25 per share (interim dividend € 0.14 per share in August 2015)
- Cost/Income ratio excl. IFRS amortisation 64% (FY14: 72%)

### 15Q4 compared to 14Q4

- Number of transactions 2.0 million -14% (14Q4: 2.3 million)
- Adjusted net earnings € 11.6 million -9% (14Q4: € 12.7 million)
- 3 • Adjusted net earnings per share € 0.16 -11% (14Q4: € 0.18) \*

First of all, we compared 2015 with 2014. The number of transactions increased with 8% towards 9.3 million. In 2014 we executed 8.6 million trades. The total income from operations went up EUR 170.2 million, which was an increase of 3%. The total operating expenses decreased to EUR 130 million compared to EUR 141.4 million in the year before. This resulted in a net profit of EUR 55.5 million, which is 33% increase if you exclude the one-off from the sale of BeFrank. The net attributable earnings per share of EUR 0.79 compare to EUR 0.60 in 2014 from the business point of view. On our AGM we will propose a final dividend of EUR 0.25. With an interim dividend we had from EUR 0.14, this should total in a year dividend of EUR 0.39. The cost/income ratio was importantly reduced from 72% to 64%, excluding the IFRS amortisation. Of course, this is a snapshot on a certain moment in time, but I think we can conclude that this is a signal that the trend is moving in the right direction.

When we compare 2015 with Q4 2015, we see that the number of transactions decreased with 14% towards 2 million from 2.3 million. The adjusted net earnings and earnings per share dropped accordingly to EUR 0.16 EPS compared to EUR 0.18 the quarter before.

## Strategy on track (1)

### New growth strategy for BinckBank announced on Capital Markets day, 18 November 2015

- BinckBank will help navigating its customers towards the products and services best suited for them in realizing their personal financial ambitions
- Expansion of services in saving/ investment/ trading for self directed/ validator/ delegator customers using the “9 grid model”

### Continuously improving customer & user experience

- Customer service levels remain high.
- Customer panels for continuous improvement of product development & user experience  
e.g. successful introduction of mobile app for iOS and Android in NL/Belgium & Italy

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We are on track with the strategy. On 18<sup>th</sup> November we shared our growth strategy during the Capital Markets Day. This was well received and we are working very hard internally to make this happen. As we communicated before, our ambition is to help navigate the customers towards the products and services, which are best suited for them, and realising their personal financial ambitions. Therefore, we will expand our services from – if you look at it from a historical point of view – a pure online broker more in the direction of savings, investments and trading, this as well for the self-directed and for the validated and delegated customers using our so-called 9-grid model.

At the same time, we will continuously improve the customers’ user experiences. All this by introducing the new technologies, but also with basic ideas like high service and customer panels and the constant interaction with our customer enables us to deliver services that correspond exactly with the customers’ needs. Good examples are for instance our iOS and Android apps, which we have launched in the Netherlands but recently also in Belgium and Italy.

## Strategy on track (2)

### Update investment strategy

- Invest up to €500 million of investment portfolio in Dutch residential mortgages through partnership with an independent Dutch originator

### Progress in implementing operating excellence

- Appointment of COO and uniform organisation structure
- Migration of BinckBank France on schedule; planned for end 16Q1
- Cost/income ratio FY15 64%; within long term target of 65%

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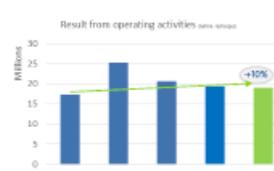
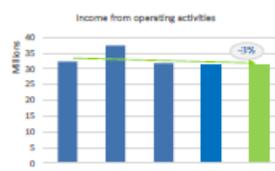


Let me give you a short update on the investment strategy. As we announced, we established partnerships in the fourth quarter to invest up to EUR 500 million in Dutch residential mortgages. We did this with an external originator and later on, Evert will shed somewhat more light on this.

Furthermore, we made good progress in implementing the operational excellence. Our new COO was appointed and we brought our organisation more in line with the wanted agile way of working. The migration of the French business towards the Topline platform is also very promising. The migration was scheduled before the end of the first quarter and we sincerely believe that we will be able to deliver on time. Last but not least, one of our longer-term key metrics is the cost/income ratio. The targets we have for into 2018 is to bring the cost/income below the 65% barrier. We have 64% for 2015 and this is going in the right direction, but in the coming years we should make this more sustainable and more consistent.

## The Netherlands

- Transactions in 15Q4: 1.4 million -16% compared to 14Q4 (14Q4: 1.7m)
- Income from operating activities down 3% to € 31.3m (14Q4: € 32.3m)
- Result from operating activities up 10% to € 19.0m (14Q4: € 17.4m)
- Business:
  - Marketing campaign: "Ik maak mezelf"
  - New website for Binck.nl planned in 2016 (and other countries later this year)
  - Customer panel expanded to 450 members among (most) active clients



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For the Netherlands, in the fourth quarter we had 1.4 million trades. This is 16% lower than in the fourth quarter of 2014 but more or less in line with the other countries. What is more, this is a comparison with the last quarter of 2014, which was of exceptional height compared to other years. Net revenue per trade stayed relatively stable, above EUR 11, which means that price erosion is still under control. Income from operating activities went down with 3% to EUR 31.3 million but the result from operating activities went up 10% to EUR 19 million due to substantially lower operational costs. The former Professional Services department is now fully integrated in the business unit Netherlands and this enables us to ensure the continuity of the service. The independent asset manager business is still growing at a fast pace. This core activity is developing as planned and acquisition stays at a high level.

Also, the new campaign 'ik maak mezelf' is very successful from an acquisition point of view. If we compared our acquisition power with competition it shows that we are still attracting a lot of new customers with our solid position. In the coming months, we will roll out a new lead site and also the customer website will be refined. We will continue to keep this on our agenda for optimising our user experience. Other countries will follow later this year, so this is a general point. We have also expanded our customer panel to 450 members and they are very helpful in our design thinking to improve the ergonomics of the website and the optimisation of our services.

### Alex Asset Management: solid results for customers over 2015

- Total AuM end 15Q4 stable at € 1.7b (end 15Q3: €1.7b)
- Positive investment returns FY15 for our customers
  - Example portfolio for profile Behoedzaam: +11.7%\* (FY14 – 11.2%)
- Income from asset management totaled € 6.4m in 15Q4 (FY15: performance fee € 3.6m)
- Net outflow 15Q4 € 44m (15Q3: € 25m)
  - Turbulent markets lead to more withdrawals than normal/ still no acquisition initiatives during 15Q4
- Outstanding customer claims: 150 for a total amount of € 3.8m
- Expansion of investment spectrum with SwissNordics



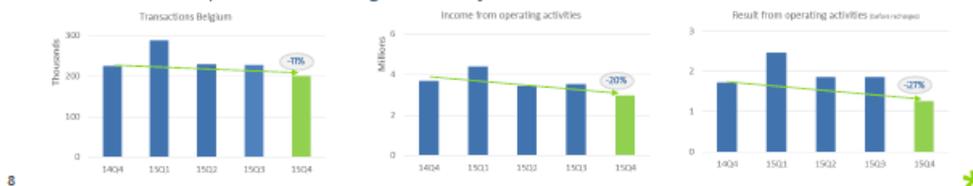
For Alex Asset Management 2015 was a solid year for the customers. The total assets under management by the end of the fourth quarter stabilised at EURO 1.7 billion. This is for us a sign that the big shake-out is probably over. We were able to present to our customers positive investment returns, for instance the example portfolio for the profile of 'Behoedzaam', so the cautious profile. It has a positive performance of 11.7% and in 2014 this was 11.2% negative. So, this was much better last year.

The income from asset management totalled at EUR 6.4 million for the quarter. This includes a performance fee of EUR 3.6 million over 2015. This performance fee is based

on a higher watermark and this means that a lot of people had their portfolio on the highest level. The turbulent markets in Q4 led to more withdrawals than normal. When the markets are shaky, it is common that people want to lock in their profits and even in asset management. This means that we were still confronted with a small net outflow, which was compensated by performance, so overall the assets under management stabilised at EURO 1.7 billion. As of next week, we will start a new campaign and this is after a period of 18 months of radio silence. This campaign should help us to revive the Alex brand. So, we can expect newly acquired customers in the coming months. The total of the customer claims increased, bringing this to a total of 150 claims, which represents a total amount of EUR 3.8 million. It also means that the impact from the intention of the AFM to impose an administrative fine on Alex Asset Management for the time being has not led to a steep increase of the number of claims. In the fourth quarter, we also expanded the investment spectrum with Swiss Nordics, which enables us to invest in a well-diversified actively managed portfolio for our customers.

## Belgium

- Transactions down 11% to 200k in 15Q4 (14Q4: 224k)
- Income from operating activities down 20% to € 2.9m (14Q4: €3.7m)
- Result from operating activities down 27% to € 1.3m (14Q4: € 1.7m)
- Successful introduction of new products:
  - 9/11 Mobile app well received among customers
  - 12/11 Binck turbo (market share among customers of 50% within 4 weeks)
  - Award from Euronext for "best broker for derivatives"
- Introduction of 'speculation tax' brings uncertainty



For Belgium transactions were down 11% to 200K compared to the fourth quarter in 2014. Income from operating activities were down with 20% compared to Q4, 2014, which resulted in an overall result drop with 27%. It will be crucial how the Belgian customers will react to the speculation tax, but from what we saw in the first month – January 2016 – the transactions in shares fell sharply because people do not feel at ease with the unclear guidelines. If we compare it with other countries, the decrease in the number of transactions was more or less 10% in January. Nevertheless, we introduced some new features for the Belgian customers in the fourth quarter. We have launched a new mobile app which is very well received. We also launched the Binck Turbos. These instruments reached already a market share of 50% in the turbo segment after four weeks only. For the whole year 2015 we were awarded by Euronext as the best broker for derivatives. This is a very positive point.

All in all, the quarter was not so fantastic but overall 2015 was a good year for Belgium. We will need to wait and see how 2016 will turn out to be and what the impact of the speculation tax will be of course.

## France

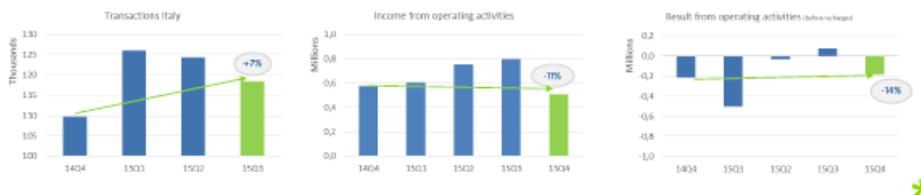
- Transactions down 13% to 268k in 15Q4 (14Q4: 308k)
- Income from operating activities down 15% to €2.1m (14Q4: € 2.4m)
- Result from operating activities 15Q4 down 24% to € 0.6m (14Q4: € 0.8m)
- Label d' Excellence from Les dossiers de l'Épargne (8th year consecutive)
- Migration to Topline platform on schedule/ planned for 16Q1



For France, we have the same message. Compared to record quarters, the all-time highs in 2014, the transactions came down with 13% to 268K. The income from operating activities was reduced with 15%, down to EUR 2.1 million. The result also dropped 24% due to extra charges and very competitive markets but, as we said before, we see our competition struggling with the price and one could ask himself whether their business models are still viable. For the eighth year in a row we managed to receive the label 'Label d'Excellence' from Les Dossiers de l'Épargne. This was also good, more or less like we had in Belgium. This is an award for the good performance we had. But as I mentioned before, France is still promising but in order to be more competitive we needed to migrate from Europort to Topline and once we have this migration done, all retail business will be on the same European base platform. This is why the big efforts we have put in it is justified. We will bring extra trades to the Topline platform, which makes it more efficient and in the long run this will prove to be a very interesting synergy. This also means that the frequency of being able to roll out new features will increase accordingly. So, the migration of French customers is still on schedule and will be delivered in Q1, 2016.

## Italy

- Transactions up 7% to 117k in 15Q4 (14Q4: 110k)
- Income from operating activities down 11% to € 510k (14Q4: € 576k)
- Result from operating activities improves 14% to -€ 183k (14Q4: -€ 212k)
- Break even in 15Q3 not continued in 15Q4:
  - stamp duty which is related to AUM is paid by BinckBank (Italian "Bollo tax")



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The last business unit is Italy. This is the only country with higher transaction numbers compared to the same quarter the year before. We saw an increase with 7% to 170K trades. Income from operating activities went down with 11% but on the contrary the result from operating activities was 14% better, resulting in a loss of EUR 183K compared to a loss of EUR 212K the year before. Unfortunately, the break-even level from Q3, 2015 was not continued in Q4 but this was mainly related to an unforeseeable extra cost of the so-called BOLLO, and Italian tax related to the assets under management of the customers, which BinckBank pays for.

Now, I will hand over to Evert, who will guide you through the financial position and the consolidated Q4 results.

15Q4 consolidated results  
and financial position

Mr. **Kooistra**: Good morning everybody, we continue with part 2, the financial position.

We ended the year below analyst consensus. The expectation of analysts for the fourth quarter were verifying from EUR 0.16 at the low end to EUR 0.22 at the high end of the range. Consensus was calculated at EUR 0.19 per share and we came in EUR 0.03 lower, with EUR 0.16 per share.

### Profit & Loss quarterly comparison

	15Q4	15Q3	14Q4
Net interest income	6,153	6,718	6,682
Net fee and commission income	30,608	30,716	32,164
Transaction related fee and commission income	20,309	23,491	25,037
Asset management fee and commission income	7,064	3,803	3,952
Other fee and commission income	3,235	3,422	3,175
Other income	2,685	2,806	2,984
Result from financial instruments	455	491	191
Impairment of financial assets	(20)	(28)	(162)
<b>Total income from operating activities</b>	<b>39,881</b>	<b>40,703</b>	<b>41,859</b>
Employee expenses	12,707	12,987	14,708
Depreciation and amortisation	6,989	6,773	6,806
Other operating income	12,493	10,969	14,052
Total operating expenses	32,189	30,729	35,566
<b>Result from operating activities</b>	<b>7,692</b>	<b>9,974</b>	<b>6,293</b>
Tax	(2,225)	(1,016)	37
Share in profit/ (loss) of associates and joint ventures	(316)	(215)	(220)
<b>Net result</b>	<b>5,151</b>	<b>8,743</b>	<b>6,110</b>
Result attributable to non-controlling interests	(66)	(156)	87
<b>Net result attributable to shareholders BinckBank</b>	<b>5,085</b>	<b>7,587</b>	<b>6,197</b>
IFRS amortisation	5,379	5,379	5,379
Tax goodwill amortisation	1,102	1,102	1,102
<b>Adjusted net result</b>	<b>11,566</b>	<b>14,068</b>	<b>12,678</b>

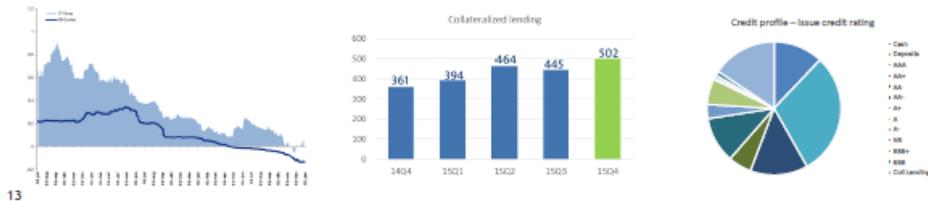
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There are basically two reasons why we missed out on the expectations of analysts. First of all, the fourth quarter was characterised by a negative market sentiment, resulting in a decline in trading volumes. This pressurised the transaction-related net commission income. Client activity was still high in August last year and started to decline in September. The decline continued in the fourth quarter. Trading volumes in the fourth quarter declined with 12% compared to Q3 and consensus amongst analysts was on 2.2 million transactions and BinckBank reported 2 million transactions.

Secondly, the net interest income was lower than expected due to lower average daily outstanding balances for collateralised lending and increased interest expenses. The lower average daily outstanding balances are an indication of reduced investor sentiment and are in line with the lower trading levels. Interest expenses increased due to an increase in interest rate charged by the Central Bank and a new fact this quarter was also that we had to absorb negative charges from commercial banks.

## Net interest income

- Net interest income down 8% to € 6.2m in 15Q4 (14Q4: € 6.7m)
- Collateralized loans up to € 502m, increase was very late in Q4 for a few customers
- Average return investment portfolio end 15Q4 at 0.45% (15Q3: 0.45%)
- Investment portfolio stable at € 2.0b at 15Q4



Net interest income decreased with EUR 565,000 from EUR 6.7 million in the third quarter to EUR 6.2 million in the fourth quarter. The net decrease was a result of EUR 437,000 lower interest income and increased interest expenses of EUR 128,000. Negative interest rates on cash positions varied between 24 bps. up to 50 bps. Interest income from collateralised loans and SRD-positions decreased, due to lower average daily outstanding balances. The average outstanding balance on a daily basis in the fourth quarter was lower than in Q3. The amount of collateralised loans as per the end of the December therefore does not fairly represent the outstanding loan levels in the fourth quarter. At the end of December we experienced a rather sharp increase in collateralised lending towards EUR 502 million. This increase was driven by just a small number of large customers. In Q3 we saw the opposite effect; there we saw a rather sharp decline of the outstanding balance at the end of the quarter towards EUR 445 million. Collateralised lending balances declined again in January to EUR 465 million. The size of the investment portfolio decreased slightly during the fourth quarter from EUR 2.1 billion at the end of Q3 to EUR 2 billion at the end of the fourth quarter. The average yield in the investment portfolio remained stable at 45 bps. and duration increased slightly from 1.4 years to 1.2 years.

## New initiative within investment policy

As from 2016 BinckBank is planning to change its investment policy and invest € 500m (app. 25% of the total investment portfolio) in new Dutch residential mortgages through partnership with an independent Dutch originator

- Originator will do Marketing/ Sales/ & Servicing (incl. duty of care)
- BinckBank will purchase mortgage receivables with duration of 1 – 10 years
- Amount € 500m, expected risk weighted assets € 150m (RW 30%)
- No impact on leverage ratio

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In the fourth quarter BinckBank redeemed bonds for EUR 86 million in nominal value. On these redemptions we lost an average yield of 47 bps. No new investments were done, as funds entrusted by clients decreased during the quarter and cash is held for the funding of mortgages.

We did not acquire any mortgage receivables yet at the end of the fourth quarter. In January 2016 we received EUR 1.1 million in signed mortgage offers and originated 0.1 million.

If conditions on the financial markets do not improve, the yield on the investment portfolio is expected to decline towards 17 bps. by the end of 2016.

## Net fee and commission income

- Net fee and commission income in 15Q4 down 5% to € 30.6m (14Q4: € 32.2m)
- Transaction-related income in 15Q4 down 19% to € 20.3m (14Q4: € 25.0m)
- Asset management fees include performance fee of 3.6m over 2015  
AuM stable at € 1.7 billion



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The transaction-related net fee and commission income for the fourth quarter was EUR 22.3 million, which is 19% lower than the transaction-related income in Q4, 2014 and 14% lower than the previous quarter. The 14% decline is due to a rather strong

decline in trading volumes across all four country branches. The total trading volume in the fourth quarter declined by 12% compared to Q3. The Netherlands declined by 13%, Belgium 12%, France 8%, and Italy did rather well with just a decline of 1%. In Italy, the drop in trading volumes was largely offset by accounts growth.

Consolidated fees from asset management activities increased strongly with 86% from EUR 3.8 million in the third quarter to EUR 7.1 million in the fourth quarter. This increase is mainly due to the performance fee of Alex Asset Management. The total performance fee over 2015 is EUR 3.6 million.

The performance fee recorded in the fourth quarter offset the decline in transaction-related fee and commission income and therefore, the total net fee and commission income in the fourth quarter remained rather stable compared to Q3. Also the assets under management remained rather stable during the fourth quarter, as a net outflow of EUR 44 million was compensated by an increase of value of client assets of EUR 57 million.

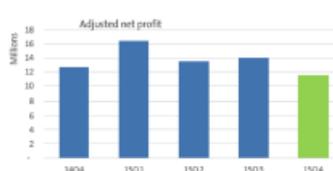
The net outflow declined strongly compared to the fourth quarter of 2014, when we had almost EUR 300 million, but that increased slightly due to the turbulent markets, as Vincent said, compared to the third quarter this year when we saw an outflow of EUR 25 million.

We expect inflows to return again as from the end of the first quarter 2016, as we will start up marketing activities again in mid-February.

Other fee and commission income remained rather stable on EUR 3.2 million. Other operating income includes the software-related revenues from Able and BPO IT consultancy revenues. We saw a decrease of 4% due to slightly lower activity levels in Able and lower IT revenues from the BPO contracts.

## Operating expenses & adjusted net profit

- Total operating expenses 15Q4 down 9% to € 32.2m (14Q4: € 35.6m)
- Employee expenses down 14% to 12.7m (14Q4: €14.7m)
- Depreciation up 3% to €7.0m (14Q4: € 6.8m)
- Other operating expenses down 11% to € 12.5m (14Q4: 14.1m)
- Adjusted net profit 15Q4 down 9% to € 11.6m (14Q4: € 12.7m)



Operating expenses increased by 5% from EUR 30.7 million in Q3 to EUR 30.2 million in Q4. Employee expenses decreased by 2%, due to a small reduction in FTEs and lower accruals for variable pay.

Depreciation and amortisation expenses increased by 3%, due to accelerated write-offs on certain IT-assets.

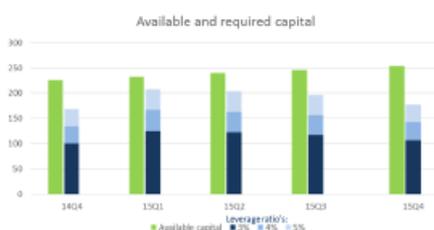
Other operating expenses increased by 14%. This increase is primarily the result of additional charges for provisions. We reviewed the provisions as part of the year-end closure process and recorded additional charges amongst others for legal disputes, legal costs and expected fines from the AFM.

Marketing cost in Q4 amounted to EUR 2.4 million.

The tax charge is slightly higher this quarter due to the non-deductibility of certain costs.

### Strong financial position

- Solid equity position end 15Q4: € 437.5m (14Q4: € 440.2m)
- Capital ratio remains strong at 40.2% end 15Q4 (14Q4: 37.1%)
- Leverage ratio strong at 7.1% in 15Q4 (14Q4: 6.7%)



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IFRS equity amounted to EUR 437.5 million as at the end of the fourth quarter, which is a net increase of EUR 5.6 million versus the third quarter. This increase is primarily driven by the recorded fourth quarter profits.

The capital ratio increased from 38.4% in Q3 to 40.2% in Q4. The increase is due to a decline in the risk exposure amount and growth of the Tier1 capital. The risk exposure amount decreased due to smaller short-term risk exposures on financial institutions.

As we stated before, during the first quarter in 2016 BinckBank will review its capital and liquidity position and assess the business prospects against the background of the capital requirements regulations and the capital requirements directives. We have the intention to share the outcome of our deliberations with you at our AGM on 25<sup>th</sup> April.

The balance reduced in the third quarter by EUR 310 million, mainly due to a reduction in funds entrusted by clients and a reduction of outstanding client derivative positions. The reduction of the balance sheet has a positive effect on the leverage ratio. The

leverage ratio at the end of December was 7.1% and Tier1 capital grew from EUR 246 million to EUR 352 million.

So far the financial position. I will now hand it back to Vincent for part 3, to round off the presentation. After that, we will take your questions.

### Key messages 15Q4

- Solid quarter €0.16 per share but lower than 14Q4
- Strong drop in transaction volumes in 15Q4 due to deteriorated investor sentiment:
  - compared to 15Q3 -12% and compared to 14Q4 -14%
- Alex Asset management good track record for 2015, solid performance for customers portfolios realised a performance fee € 3.6m over FY15
- Migration for BinckBank France on schedule/ planned for end 16Q1
- Good progress in drafting of road maps for "Rethink Binck":
  - Savings Broker
  - Asset management international roll out
- Slow start in January 2016, important drop in trading volumes compared to January 2015

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Mr. **Germyns**: Thank you, Evert. What are the key messages for the fourth quarter? All in all, it was a tough quarter, especially because of the contrast with a very good fourth quarter the year before. This quarter resulted in EUR 0.16 per share, which was the lowest of the last year but exactly in line with overall market circumstances. The year result of EUR 0.79 without special one-offs was very encouraging.

There was a strong drop in transaction volumes in Q4, 2015, due to deteriorated investor sentiment, of -12% compared to the quarter before and -14% compared to the year before.

2015 was positive for the performance of Alex Asset Management, so the track record we can show to our customers is a lot better than the year before. This resulted in an extra performance fee of EUR 3.6 million for the whole year.

The migration for France is right on schedule and we are pretty confident that we will be able to roll it out this quarter.

We are continuously improving our customer experience and, as we announced during the Capital Markets Day, we are working very hard on the different tracks for the Rethink Binck-project. The savings broker and the international roll-out of the asset management service is on our agenda.

We think that it is also good to update you that we had a slow start in January. Due to special market conditions and a lot of uncertainty the number of transactions is significantly lower than in the first quarter of 2015. Once again, this shows that it is quite

impossible to engage us to make good predictions. We are confronted with too many external factors, which makes this almost impossible.

A final remark relates to the capital allocation. Many of you may have expected an announced but, as we stated before, this quarter we will put the excess capital allocation question on the table again. In line with what we communicated before, we will inform you thereof together with the Q1 figures and results on 25<sup>th</sup> April.

To conclude, we see quite some positive points to the turnaround phase we are in. We are proud of all our employees in all countries in which we are active. We would like to thank them for their efforts in their search for excellence and customer satisfaction and the maximisation of the shareholder value. Little by little we are moving into the right direction again and we are navigation towards the next growth wave for our company.

On behalf of the Board I can state that we are confident that with this team we will put BinckBank on the radar screen again.

So far for the outlook, we can start the QandA session now.

# Questions?

- **Cor Kluis – Rabobank**

Good morning, I have a few questions, first of all about the marketing expenses. What was the size of that in the fourth quarter? I also have a question on expenses you mentioned on reassessment of provisions, including the AFM fine. I understand you do not want to disclose the AFM fine, but at least for that total amount, the reassessment of provisions, what was the negative charge in the fourth quarter? Can you give some granularity in that respect? Was it more than EUR 1.5 million, yes or no?

My second question is about the capital return, the share buy-back. You mentioned in the past that you will focus not only on the capital position but also on the future of the company. Could you explain that way of thinking? It is very unlikely that Binck will make a loss going forward. Binck has material excess capital. If you will make a profit in the future that excess capital, even after dividend, will rise. Why are you still taking that into account and are you hesitant on returning cash to the shareholder? Increasing the excess capital might be strange from a shareholder point of view.

My last question is about the turbos that you have launched and that seem to be quite successful. What was the size of the revenue of the turbos that you launched yourself in the fourth quarter?

Finally, I have a technical question. What is the date on which the amortisation cost for the old Alex acquisition will stop? I think it was at the end of 2017 or the beginning of 2018 but could you indicate the ending moment for that?

Mr. **Kooistra**: Let me start. The marketing expenses for Q4 were EUR 2.4 million. On your second question on reassessment of provisions I must say that this is a very sensitive question. As part of the year-end closing process we have reviewed all our exposures and provided for the necessary outflows that we expect. We are not going to disclose how the provisions are built up but the fines for the AFM are included. On your question whether it is higher or lower than EUR 1.5 million I can say it is higher than EUR 1.5 million. But that is all I can say.

Regarding the capital position you asked why we take the future into account. That is because the capital requirement regulations and directives require you to do so. So, you have to look at the profitability of your business model going forward, the profitability and execution power of your strategy and your current metrics. This means you have to look at the capital situation of the bank today but certainly also at the future. That is different than a couple of years ago, when a bank only had to look at your ratios today and could then take a decision. Supervisors also looked at it in that way. But the world for banks is changing, so it is far more based on the economic outlook of a bank to return capital to shareholders. That is not only for a share buy-back but also for your regular dividend. So, that is how regulations work these days.

Mr. **Germyns**: Maybe I can add something to that, Cor. In fact, what we did last year is that at the end of first quarter we said 'okay, let's postpone this and let's put it on the agenda in the first quarter of 2016'. This means that we decided to do first things first. We focused on the business but then we already announced that we would have it on the agenda this quarter. This is still the plan and that means that we will look into it and take a decision, one way or the other. But first of all, we want all elements on the table. So, it is not a matter that we are postponing and postponing. No, last year we said we would do it in the first quarter of 2016. This was also related to what Evert explained earlier but also to the fact that we have an almost completely new Board and a new Supervisory Board. So, first of all, we needed to have a closer look at what was happening and put all the elements on the table but we plan to inform you with what the future plans are with regard to this part of the excess capital in the coming quarter. So, it is all as we have scheduled and it is not a matter of wanting to postpone it time and time again. No, it was planned to do it this quarter and we will inform you at the end of the first quarter.

Mr. **Kooistra**: You also asked about the amortisation date for the Alex intangibles. 2017 is the last year. Then we are at the ten year depreciation term. So, the adjusted net profit concept will end by the end of 2017 because then the net profit and the adjusted net profit will come together again.

**Cor Kluis – Rabobank**: And the turbo revenues?

Mr. **Germyns**: On this we have sort of a run rate of between EUR 2 million and EUR 2.5 million. As you know, it always depends. Our earnings model is based on the outstanding, so we have a percentage on the outstanding of the assets under management. It can change from month to month but we have a run rate of between EUR 2 million and EUR 2.5 million.

**Cor Kluis – Rabobank**: Thank you.

- **Michiel de Jonge – ABN AMRO**

Good morning. You indicated you had a slow start in January compared to the first quarter last year. It is also slow compared to the fourth quarter?

My second question is on the mortgages. If I understand well, you invested EUR 100,000 until now. Can you already share with us who is the origination partner will be and who the other investment partners are? At the Capital Markets Day you indicated that it would only take a couple of weeks to announce and it has been nearly two months now.

Mr. **Kooistra**: Let's start with the mortgages. We originated one mortgage in January and we received signed offers for EUR 1.1 million. The label that we operate under is [bijbouwe.nl](http://bijbouwe.nl). We have not discussed with our partner to disclose their name, so it is not fair to do that. We can do so but we first need to talk to them. Our partner basically has two distribution channels: their online platform which is now live under [bijbouwe.nl](http://bijbouwe.nl) and they have the distribution channel through the independent financial advisors and that channel should generate most of the production. That is coming up to speed later this month. So, by the end of this months they will have both their distribution channels up and running and then hopefully we see production increasing because we need to speed up with this.

Mr. **Germyns**: Let me come back to your first question on the slow start in January. Yes, it is slower than the month of January last year. If you compared those two it is slower but it is higher than for instance the month of December. At the end of the last quarter of last year the number of transactions was a bit higher. But there used to be a sort of seasonality in the transactions. The first three quarters of last year were very good but also the summer months were very good. It is very difficult to pinpoint the seasonality in these transactions because the markets became so volatile. So, it is very hard. But the number of transactions is lower compared to last year and a bit higher compared to the end of last year.

**Michiel de Jonge – ABN AMRO**: Thank you very much.

- **Albert Ploegh - ING**

Good morning. My first question is on the operating expenses, where control has been quite good in the last two quarters. But looking for 2016 and also with the already described start of January and also the NAI-outlook with the compression on margins, have you in any way changed your view on managing the cost base for 2016 or are you still comfortable with the trade-off between income and cost? Is it in any way possible to give a bit of a feel of what the absolute level of the cost base might be in 2016 compared to 2015, also in light of the planned campaign for reviving the Alex Asset Management brand? That is my first question.

The second question comes back to the capital question. I know there are a lot of reasons why it has been postponed. That has also been quite well described during the last Capital Markets Day in November. Is there any technical threshold or any opposition from DNB to say there is any doubt about the absolute level of capital that Binck needs to have, currently the EUR 200 million? In the past you have always returned capital through share buy-backs. Is there also a line of thinking to also look just at the dividend that because of a little bit more difficult 2016 due to the headwind you aim at a stable or progressive dividend growth instead of focusing on capital return through buy-back? Is that also up for discussion?

It was mentioned that the broker accounts were flat. That had also to do with some clearing of inactive accounts. Can you maybe shed a bit of light on what happened there? Can we maybe have the absolute numbers so that we can also have a feeling for what actually the underlying growth has been in the Netherlands over the fourth quarter?

Mr. **Germyns**: Let me start with the operating expenses. This is also related to the cost/income ratio. In the presentation we said that the cost/income ratio is below the 65% barrier that we plan to have at the end of 2018. In fact, what we do we always take a closer look at the investments we do and we want to decrease the cost et cetera. But this will not prohibit us to invest in the future. As I said, it is a bit unclear. From month to month the revenues can go from one direction into the other, so it is a bit difficult to make a good prediction on that one. But for us, we have a longer-term target of 65%. This is one of our targets, for 2018, and we will move in that direction. So, we will continue to invest. When we presented the strategy we did not say that we needed EUR 5 million, EUR 10 million or EUR 20 million for the execution of the strategy. Little by little, we have costs related to the new strategy but we have a couple of possibilities. We can always increase or decrease the speed if necessary. This means that we have good management of those costs. The same goes for the Alex brand and the investments around the Alex brand. After one and a half year of radio silence when we did not do any marketing regarding the Alex Asset Management business and restarting that next week, we have little by little good investment plans. We will look at the results

of those investment plans and little by little we can increase or decrease the amounts spent in marketing. It is managing it; we will see what the external world looks like but therefore it is a bit complicated in making any prediction of the marketing we spend and on the cost/income ratio. We have a longer-term focus but as we all know it is a snapshot. It is good to have a longer-term focus and to manage the costs as they should be managed.

**Mr. Kooistra:** Then on the capital position. As we said, we will give more visibility on that at the end of this quarter. There are a couple of things that we look at when we take this decision. It is the development of the risk profile of the bank, it is the predictability of the path towards the realisation of the long-term targets, it is the capital requirement of the new business initiatives that we are currently developing within the nine-grid, and it is regulatory developments. All those things we take into account in the decision to return capital. If we return capital it will be like we did before, through a share buy-back, so not a dividend. Once again, we need to take that position and we will do that by the end of this quarter.

On your question on the broker accounts: we had a bit of a clean-up in the ZV-business, account through the independent asset managers, the private wealth managers. We had a clean-up of accounts and we had around 1,100 accounts closed this quarter.

**Mr. Germyns:** But when it goes for the acquisition power of Binck, maybe you are comparing with other information from competition that was spread last week. If we compare the acquisition power we have with the Binck brand and with the Alex brand regarding online brokerage, we are pretty much in line with what they are able to do. So, people understand that is not solely about the tariffs and the way the tariffs are presented. There is a lot more to do with it to acquire new customers and we have a good feeling about it. So, the basic element is that we have a lot of customers. The figures here are net increases in the number of clients but if we take the gross figures for the number of clients, we see we still have a lot of acquisition power and that we are still able to attract a lot of new customers. As we said before, it is not only the costs people are looking at. As I said this morning to a journalist, maybe it is better to inform customers more about what they pay for. I compared it to somebody who is buying a house. You can see the percentage you pay to the broker and maybe you can compare the two percentages and you think that you have a good deal. But if you pay more for the house itself, then it is a bad deal. It is pennywise, pound foolish but this is a communication element. We should be able to explain this better to the customers because in the end they know that with our instruments we offer them – the smart order routing – they have the good quality and the good price for the instruments they are buying or selling. This is a very important element. So, it is not only looking at the transaction cost and people understand this, but it is our task to explain it even better.

**Albert Ploegh – ING:** Maybe one follow-up question on the mortgage production. You are targeting to have around EUR 500 million. What growth spout do you expect or are

you happy just to grow into that ball park figure over 2016 and 2017 and not build too high expectations on production levels for example in the first half of 2016?

**Mr. Kooistra:** It is difficult to say because this is a new entrance in the market of the mortgages and they are very well positioned, especially from a pricing perspective. But they need to get their business up and running, so they need to get their distribution channels up and running. By the end of this month, they will have both channels live. Hopefully, it goes linear over the months. That is at least how we have budgeted for it, but it is very hard to say because we have no experience at this stage.

**Albert Ploegh – ING:** But is the EUR 500 million a run rate target for the end of 2016 or is it for 2017?

**Mr. Kooistra:** For the end of this year. We plan to have originated EUR 500 million by the end of 2016 but we need to see how it goes. Every quarter we will shed some light on this, so that we can see where it is going. But the target is EUR 500 million by the end of 2016.

**Albert Ploegh – ING:** That is clear. Thank you.

- **Benoît Pétrarque – Kepler**

Good morning. I have a few questions. The first will again be on capital. All Dutch banks have disclosed their minimum CET1-ratio. Could you also update us on your current discussions with DNB in terms of where the minimum CET1 and the minimum leverage will be for BinckBank?

My second question is on Alex. You are planning to start marketing again. What has been the performance of [...] in a rather difficult market and how many inflows are you targeting? What could be an inflow figure for the first month post-marketing?

Another question will be on cost again. We have seen that the cost line has been rather stable and slightly increasing but are you really managing business on a cost/income ratio? It looks like there are less variable costs there than we might expect. Are you more thinking about EUR 130 million full year for 2016 in terms of cost level or are you really going to manage the cost/income i.e. if revenues are coming down you are going to get costs?

The last question will be on the net interest income. You mentioned 45 bps. average yield on the portfolio. What will be the average yield at the end of 2016, assuming you do not produce any mortgages in 2016? What will be the impact of the investment by the end of the year?

Mr. **Kooistra**: Let me start with your questions on capital. We disclosed all our ratios in our annual accounts. We basically look at two things. You have the capital ratio, which is your BIS-ratio, and you have the leverage ratio. The leverage ratio is not into force now. it is a monitoring phase and next year it will go into calibration and then it will be in force as from 2018 or 2019 onwards. That one is the most restrictive ratios. You have to look at the leverage ratio because that is more restrictive than the capital ratio. From that perspective we have looked at it before and we said that is where the EUR 200 million is coming from, because that covers basically all possible thresholds. The current discussion in the Netherlands probably ends up around 4%. So, from that perspective we are well capitalised.

Then on your question on the cost/income ratio. Going forward, the cost/income ratio is very volatile because that is inherent to the way our earnings model works at the moment. Currently, we are very dependent on transaction income. Costs have been rather stable but the ratio is going up and down, depending on the volumes each quarter. We want to stabilise that in the future to get a more stable income, so that the income/ratio as a measure has also more power and more predictability. What you know see is that it is going up and down and that makes it difficult to manage, because we are in a phase that we need to invest. If the trading volumes are low, the ratio goes into the wrong direction but it is not going to hold up our investments because we need to execute on the strategy. That is where the future value of the company is. We are not holding back because the ratio is bad in a single quarter or in two single quarters in a row because the trading volumes drop. That is now how we manage our business. So, for the longer term we have said that it needs to go below 65% and that is what we are aiming for, based on stable recurring revenues. But in the short term we can see overruns because of lower trading volumes. If we at the same time invest because we execute our strategy, you can have two negative effects. But it would be too short-term focused if we manage on that on a quarter-by-quarter basis.

Your third question was on the net interest income. Currently, we have 45 bps. in the book and that is dropping to 17 bps. by the end of the year if the current market conditions do not change.

The mortgages should increase the net interest income. The first mortgage that we originated was at 2.19% and it was a 10-year NHG-mortgage.

**Benoît Pétrarque – Kepler**: I have a follow-up on the collateralised lending, the big kind of end-of-year volumes. Are you going to see that into Q1?

Mr. **Kooistra**: No, it dropped back at the end of January to EUR 465 million. As I said in the presentation, we saw a peak in the collateralised lending at the end of December but it was a very short peak. So, it increased. It was rather low during the quarter and it increased at the end of December to EUR 502 million. It dropped back to EUR 465 million in January. So, there were a few large customers that borrowed money from BinckBank for a short period.

Mr. **Germyns**: Let me come back to your question regarding Alex. Since the beginning of this year we had a negative performance with Alex of around 2.5% to 3%. The AEX for instance did -5% to -6%, so this is also related to the fact that the portfolio was invested only for one quarter. The rest was invested in the Think ETFs, the fixed income part. This is why we did not have the big losses since the beginning of the year. So, this is turning out positive for our customers. They did not have the same drop in their portfolios that you should expect when [...] invested in the overall stock markets.

Regarding the figure for the inflow: it is rather difficult. We will start again paying as of next Monday, on 15<sup>th</sup> February. We have a good campaign, not only on national television but we are also working on a radio campaign. We have to wait to see the results but it is also good to revive the brand around Alex. After one and a half year of radio silence it is good to have a slow start. We are pretty confident that we will be able to acquire new customers of course.

**Benoît Pétrarque – Kepler**: Thank you very much!

Mr. **Germyns**: As there are no more questions, we would like to thank you for attending this conference call. We are very hopeful, especially when we look at the many efforts we put in the development of the new strategy, that we will be able to share better information with you. 2015 was a good and solid year. Maybe the fourth quarter was not that good and maybe the month of January of 2016 was not that great but we are pretty confident that we are heading in the right direction.

Thank you for attending this call and for your coverage on our share. Should you have any questions do not hesitate to contact us, whether it is Evert, myself or Harmen van der Schoor. Contact us and we will come back to all your questions you might have.

Thank you for now, have a nice day and talk to you soon!

## Contact Investor Relations

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