

First quarter results 2011

26 April 2011

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Evert Kooistra CFO



TRANSCRIPT

Agenda

- I. Update FY11 Q1
- II. Financial position
- III. Events after 31/03/2011 & outlook 2011
- IV. Q&A

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Mr. **Beentjes**: Good morning gentlemen. I would like to welcome you to the analyst presentation of our first quarterly results. Evert and I will host the meeting, as usual. We will give a short presentation and take questions afterwards.

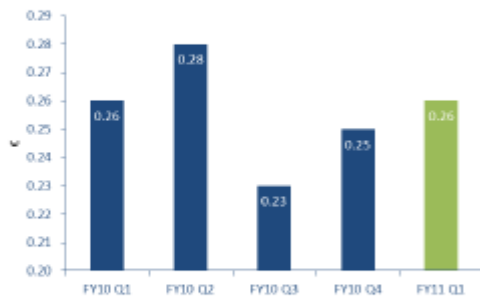
Part I

Update FY11 Q1

Our first update is that we had a profit of EUR 18.9 million, which is EUR 0.26 per share. We are a little bit below analysts' expectations, which is basically due to somewhat higher cost. We will come back to that later in the presentation.

Business highlights FY11 Q1

- Adjusted net profit FY11 Q1: € 18.9 million (FY10 Q4: € 18.1 million)
- Adjusted EPS FY11 Q1: € 0.26 (FY10 Q4: € 0.25)



- Number of transactions increased for third consecutive quarter to 2.6 million (+12%)
- Growth of the business results in higher cost base
- Number of French brokerage accounts increased with 17% to 28,745

All in all, we see that our French business is doing very well. We are pleased with that and we will also come back to that later on.

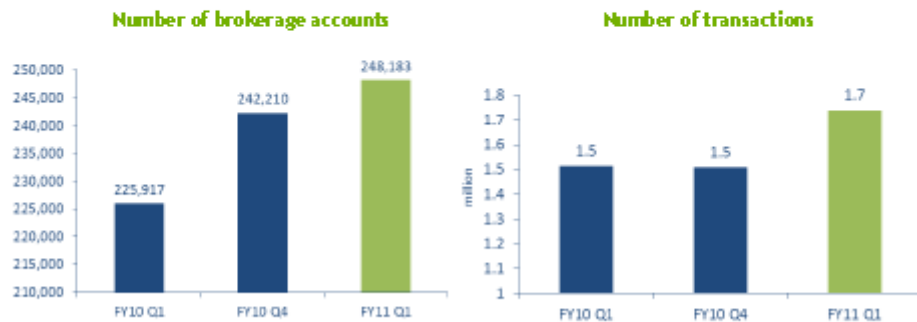
Profit & Loss Statement quarterly comparison

in € million	FY11 Q1	FY10 Q4	FY10 Q1
Net interest income	9.7	9.3	12.2
Net fee & commission income	36.5	32.5	31.1
Other operating income	4.1	4.1	2.9
Results on investments & impairment losses on fin. instr.	(0.6)	0.2	(0.2)
Total net revenues	49.7	46.1	46.0
Employee expenses	(13.0)	(11.6)	(11.3)
Depreciation & amortisation	(8.7)	(9.0)	(8.5)
Other operating expenses	(12.2)	(11.2)	(11.1)
Total operating expenses	(33.9)	(31.8)	(30.9)
Profit (loss) from operations	15.8	14.2	15.1
Other non operating income	(0.7)	0.1	(0.4)
Profit (loss) before tax	15.1	14.3	14.7
Tax expense	(4.0)	(4.1)	(3.5)
Net profit	11.1	10.2	11.2
Net profit to minority shareholders	0.1	0.1	-
Net profit to shareholders BNPi Bank	11.2	10.3	11.2
IFRS amortisation	7.0	7.0	7.0
Fiscal goodwill amortisation	0.7	0.7	0.7
Adjusted net profit	18.9	18.1	18.9
Cost of income (inc. excl. IFRS amortisation)	54%	54%	52%

When we look at the Profit & Loss statement we see that the interest is going up a little bit. Evert will explain more about that later on. We had a strong fee and commission income. Other operating income -- mostly Syntel -- is at a stable level. Costs are a little up and I will come back to that later, and all is ending in EUR 0.26.

Highlights FY11 Q1: Retail business unit NL

- Number of accounts grew with 5% to 248,183
- Number of transactions increased with 15% to 1.7 million
- Assets under administration rose with € 507 million to € 8.6 billion
- Introduction Shares
- Launch of new (mobile) website and iPhone app for Binck



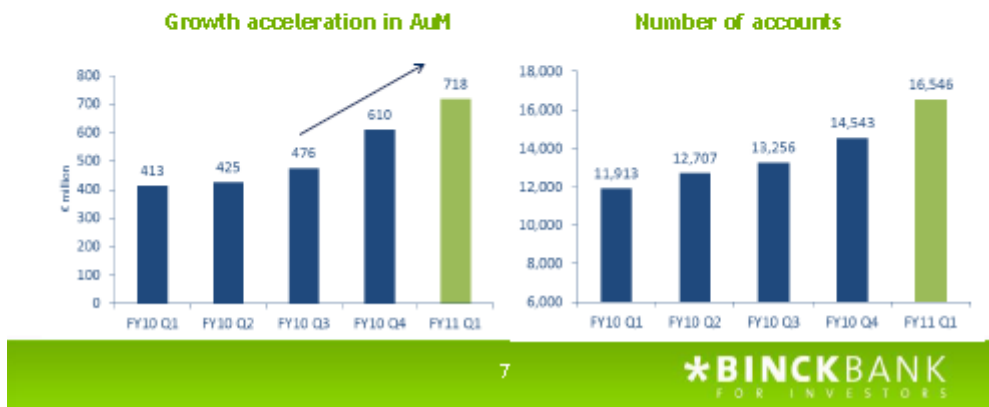
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Let me start with retail. We had an account growth of 6,000 new accounts, which is a run rate of 24,000 annualised. We are a little bit short of our target, which is at 30,000, but we are optimistic that we will reach the target.

The number of transactions was up, as were the assets under administration. We introduced shares and what is important is that we have the mobile website and the iPhone application in place. We are working on more developments for iPad and Android apps.

Growth continues at Alex asset management

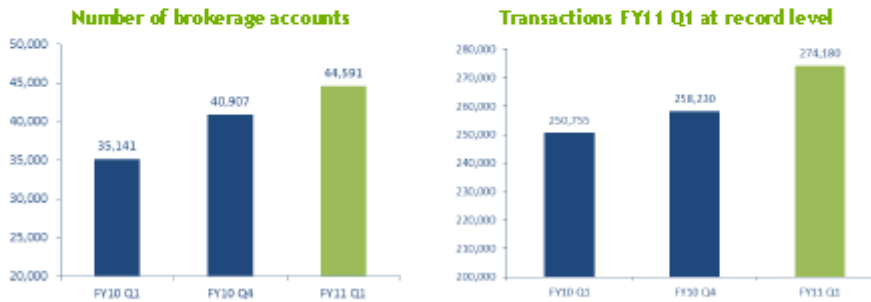
- 2,003 accounts opened in FY11 Q1 → total number of accounts at 16,546
- Inflow of new money € 117 million in FY11 Q1
- Total AuM increased with 18% to € 718 million



In Alex Asset Management we see something new: in the second line of the presentation we see the inflow of new money. That is a new disclosure this quarter and from this quarter onwards we will give you the net inflow of new money in the product. So, in the first quarter this was EUR 117 million and assets under management increased in total to EUR 718 million. We still see a good demand for the product.

Highlights FY11 Q1: Retail business unit BE

- Number of brokerage accounts increased with 9% to 44,591
- Number of transactions up 6% to 274,180
- Assets under administration up 10% to € 1.3 billion

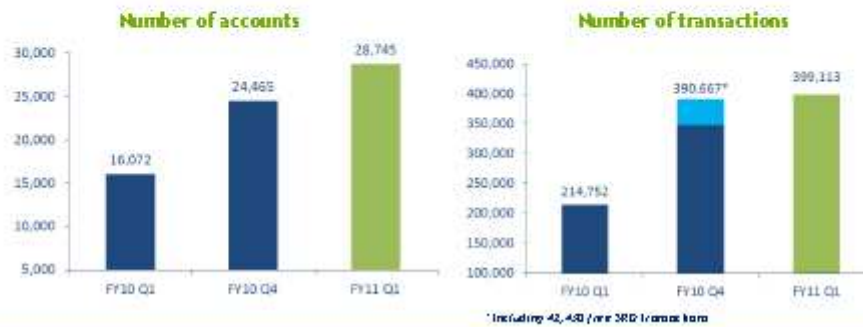


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In Belgium we also saw a good inflow of new accounts, some 3,600. This is at a good level. The number of transactions was up in the last quarter and we see the assets under administration rising to EUR 1.3 billion.

Highlights FY11 Q1: Retail business unit FR

- Number of brokerage accounts increased with 17% to 28,745
- Number of transactions up 2% to 399,113
- Assets under administration rose with 18% to €481 million



In France we are especially pleased with the results. We had 4,300 new accounts, which is at a run rate of a little bit over 17,000 new accounts annually. To reach our targets we need 18,000 new accounts annually, so we are just a little bit short of our target. This has been up for discussion in the last quarters and I often had the question whether we were confident with the French business. We have confirmed that time and again. I think now that we really see the numbers proving that our French business is very well on track to become break-even by the end of this year or the beginning of next year. We are getting close now.

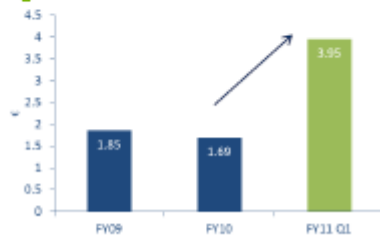
Highlights FY11 Q1: Retail business unit

Segmentation of net fee & commission income by country

	Retail	Retail NL	Retail BE	Retail FR
Net fee & commission income (€ x 1,000)	32,359	27,870	2,911	1,578
Number of transactions	2,412,337	1,739,044	274,180	399,113
Average net fee & com. income (€ x €)	13.41	16.03	10.62	3.95*

*Excluding SRD interest component

Strong increase net fee & commission income France



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This is also a new disclosure. We are disclosing the break-up of the transactions per country and the break-up of the fee income per country. In the Netherlands the average transaction size -- the net fee and commission income -- is EUR 16.03. In Belgium it is EUR 10.62 and in France it is EUR 3.95. So, the stock exchange costs have already been deducted. This is the net commission income. In France, what is not included is the interest component of the commission component, which is in the SRD-product. In the graphs you see the average fee income was at EUR 1.85 when SRD was not yet in our product package. In 2010 it was EUR 1.69; so we improved it to EUR 3.95, which is mostly due to the additional commission income we have on the SRD-product. So, SRD proves to be very important for our business model.

Highlights FY11 Q1: Professional Services

- Number of accounts up 2% to 28,042
- Strong increase of 21% in number of transactions to 182,693
- AuA grew with € 180 million to € 4.6 billion

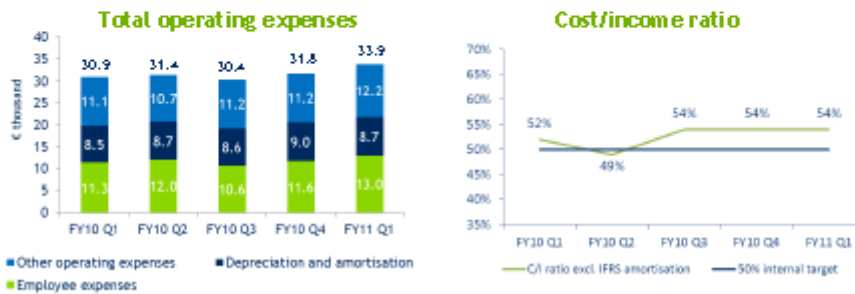


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Professional Services is a steady business. We are currently working on the implementation of the SNS deal. In our target are two more BPOs annualised, so we are well on track. We are confident that we will reach our target for this year, starting with the implementation of two more deals. These will give an additional contribution to the top line in 2012.

Operating expense & Cost/Income ratio

- In FY11 Q1 costs increased to € 33.9 million:
 - Other operational expenses increased due to higher marketing and consultancy costs for the development of the European IT platform
 - Employee expenses increased due to additional FTEs for the development of the European IT platform and implementation of new BPO contracts
- Annual cost base FY11 approximately 5 - 6% higher than FY10 (quarterly run rate approx. € 32 - 33 million)



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With regard to operating expense and income ratio costs have increased to EUR 33.9 million for this quarter, which was above the analysts' expectations. This is mostly due to increased staff costs. We have staffed the company with additional people to execute the projects we have at hand.

Increased cost base due to investments in growth

1. Development of European IT platform
2. Strengthening of product development
3. Strengthening of BPO organisation
4. Supporting growth in France
5. Preparation for start in Italy

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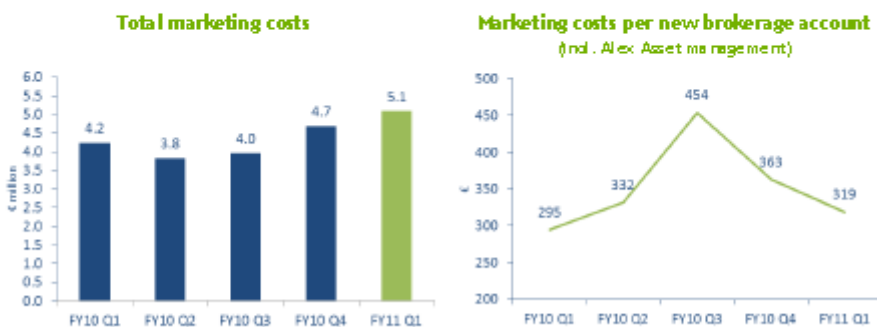
In this slide we show you the break-up of what these investments are. We are currently working on the development of the European IT Platform. This platform is going to serve us in Italy but is also going to serve us in other countries. The benefit we see in this platform is that we can control our costs and have a platform where we basically from Amsterdam can implement new products easily, where we can centralise clearing and settlement processes and corporate action processes. This will give us a lot of benefit in entering a new country and managing the existing countries. So, a very important development but it is going to ask for an investment as well. We are going to strengthen our product development, which is going one-on-one with the European IT Platform. Also, the goal is to reduce our 'time to market'.

With regard to the BPO-organisation and our Professional Services I already mentioned that we are confident that we will conclude two more BPO-deals this year. So, we also need some people to implement those deals with the clients. We are already anticipating and taking steps to contract some more staff.

Growth in France: France is going very well. That means that we are opening more accounts and need some more people in the Client Service department. This is 'ordinary' growth in France that has to be supported with staff. We are also making preparations in Italy. In the last quarter we contracted a very seasoned banker from Italy who has a good track record in brokerage. He is going to help us starting off the company and he will be general manager from the start.

Development of the marketing costs

- Total marketing costs for FY11 Q1 € 5.1 million
- Marketing costs per new brokerage account however declined to € 319



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After a hype in Q3 2010 we see the marketing costs per new client coming down. We are now at the EUR 319 for the first quarter and this is a level where we feel much more confident than with the EUR 454 in Q3 last year.

Let me now hand over to Evert who will give you more clarification on the financial position.

Part II

Financial position

Mr. **Kooistra**: Let me share some highlights with you on the capital position and the interest income.

Strong financial position BinckBank FY11 Q1

- Solid equity position at end FY11 Q1 €471 million
- Tier I capital grew with 7% to €141 million (FY10 Q4: 131 million)
- Required capital Pillar I declined due to implementation of standardised approach opposed to the basic indicator approach for operational risk
- Solvency ratio increased to 16.9% end of FY11 Q1 (FY10 Q4: 15.7%), within the target range of 12% - 20%



BinckBank went through its quarterly internal capital adequacy assessment process. The outcome is that we have a solid capital position. Our solvency ratio is steadily growing towards the upper limits of the target range. The main driver of the growth is the write-off of the Alex intangibles, which drive the Tier-1 capital up.

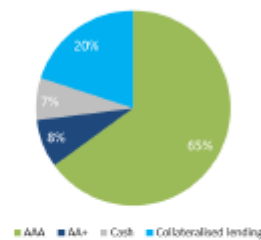
Worth sharing with you is the approval of the Dutch Central Bank that we got to use the standardised approach for operational risk, which lowered the capital requirements under Pillar 1. This accelerated the growth of the BIS-ratio with 5% up to 28.5%. We saved roughly EUR 5 million in capital for operational risk. The total capital requirements remained stable as we were faced with some increased risks under Pillar 2. The interest rate risk went up, due to growth of the investment portfolio with EUR 200 million and an increase of the duration from 1.3 to 1.4. Also, the negative position of the available reserve contributed to the increased interest rate risk.

Furthermore, we had some additional reservations for credit risk, due to stronger concentrations in the loan book. Also the size of the loan book went up.

Allocation of funds entrusted

- Investment portfolio increased to € 1.8 billion (FY10 Q4: € 1.6 billion)
- Average duration of the portfolio: 1.40
- Yield on investment portfolio FY11 Q1: 1.65%
- Reinvested in FY11 Q1 at 2.10%
- Reinvestment yield for FY11 Q2: 2.50%
- Reinvestments for FY11 Q2: € 185 million (ceteris paribus)

Allocation funds entrusted



Funds entrusted FY11 Q1: € 2.3 billion



Collateralised lending



Here you see the allocation of the funds entrusted. On this slide you see the main drivers of the interest income. Although we bottomed out and we passed the inflection point for interest income we were still a bit behind on analysts' expectations. Binck came in on EUR 9.7 million for the quarter and the analyst consensus was EUR 10.7 million. There are a few reasons why we ended up under consensus. First, only 5% of the investment portfolio was matured and reinvested: roughly EUR 90 million on a portfolio of EUR 1.8 billion. The reinvestments were done early in the quarter against 2.1% and only later in the quarter we saw a more significant increase of the interest rate, up to 2.5%. So, the reinvestments did not fully benefit from the increase of the interest rates.

The bonds that matured were early 2008 bonds. They were relatively high-yielding compared to the average yield on the portfolio. Furthermore, we sold the last part of the Spanish position. They had a relatively high yield compared to the average yield on the portfolio, so we lost out a bit on there.

The volume increase on the collateralised loans was not enough to accelerate interest earnings fully. That is why we ended up under analyst consensus.

For Q2 we expect to reinvest roughly EUR 185 million but it depends on the trading behaviour of the clients. If our clients start to buy shares and they ask for funds, the EUR 185 million will not be invested but will flow out of the balance sheet to the clients. So, it is difficult to say what the upside is on the investment renewals.

We also see some savings money and outflow of savings money because we are not fully competitive on the interest rate on the savings money.

Let me now hand back to Koen for the last part of the presentation.

Part III

Events after 31/03/2011 & outlook 2011

Mr. **Beentjes**: Let me get into the events after the end of the first quarter and the outlook for 2011.

Events after 31/03/2011 & outlook 2011

- Remaining position in Spanish (state guaranteed) bank bonds of € 50 million sold at a loss of € 0.4 million in April (FY10 Q4: € 75 million)
- Four new world trackers introduced by ThinkCapital in April
- Low volumes in April
- More mobile apps will be launched shortly
- In 2011, BinckBank will continue developing new European IT platform
- Growth initiatives result in higher cost base of approx. 5 - 6% for FY11 compared to FY10 (expected quarterly run rate: € 32 - 33 million)

Evert just explained that we sold the Spanish bank bonds and we have now sold them completely. In the first quarter we sold EUR 25 million and in April the remaining EUR 50 million. The book is now completely clean: no more Spanish bonds in our books.

ThinkCapital introduced four new world trackers. These are important to compete in the institutional market as well, because there is huge demand for world trackers.

We see low volumes in April. April has been very calm. You should anticipate that the volumes coming in in April are not at the level we have seen in the first quarter.

More mobile applications will be launched shortly, so we are coming with an application for iPad and an Android app for other phones than iPhone.

We continue to develop the new European IT Platform and looking at the cost base, we want to give you the guidance here that the cost increase we have seen in the first quarter is going to be permanent. So, we anticipate a cost increase of 5% to 6% for the full year 2011.

We do not give any other outlook, as you know, because it depends too much on the volatility of the markets, which we cannot predict.

I would now like to open the QandA-session, please.

Part IV

Q&A

❖ **Maarten Altena - ING**

Good morning! I have three questions to start off with. The first is on the savings. I see that the number of saving accounts increased but that total savings decreased. However, there was also a rapid pick-up of reinvestment yields. Do you now have a renewed focus on those savings with possible marketing campaigns or whatever?

My second question is on asset management. Thank you for the extra disclosure. However, would you be able to split the new inflow in real net new inflow and asset accumulation or is this real new inflow and has there not been any asset accumulation in the first quarter?

My third question is on capital. You announced the standardised approach. Are there other upcoming adjustments we should take into account? Moreover, as you solvency ratio approaches the upper end of your targeted 20% range at the end of 2011, do you still feel comfortable with the 20% range and do you already have plans what you will do with the excess capital?

Mr. **Beentjes**: Evert, will you take the third question? Let me begin with the savings. No, we do not have a renewed focus on savings. We still feel that this market is distorted. There is huge competition for customer deposits and given our business model, we are basically cash-rich, so to speak, because we do not have an asset side with mortgages or stuff like that. So no, we do not intend to renew focus on savings as long as the market is distorted. At this moment, we still feel that it is a distorted market.

With regard to asset management: in the presentation the inflow of new money -- EUR 117 million -- is the real inflow. It looks from the graph as though there is a negative result.

Mr. **Kooistra**: Some EUR 7 million to EUR 8 million is a negative result on the portfolio.

Mr. **Altena**: So, in order to calculate the performance fee we can take that into account?

Mr. **Beentjes**: Yes.

Mr. **Kooistra**: There is EUR 117 million. If you add that up with EUR 610 million you get to EUR 727 million. The actual size of the portfolio is EUR 717 million or EUR 718 million, so there is a EUR 9 million negative investment result on a total base.

With regard to capital, the standardised approach is new this quarter. We had the approval as from the 1st January to use it. No other changes on the capital side are expected. So, we are growing the solvency ratio each quarter just through the write-off of the intangibles. It looks like it will hit the 20% by the end of this year. It depends on what the balance sheet does. If we grow very fast in the rest of this year we might need some extra capital under Pillar 2 but that depends on how the balance sheet develops, but in principle we will grow steadily towards 20%. Once we hit the 20% ratio we will return capital to shareholders, as we have always said. There are no plans yet on how to do that. We do not see any consensus amongst investors of how they would like to see that. So, we will give it a thought once we hit the 20%.

Mr. **Altena**: Thank you. That is very clear!

❖ **Benoit Pétrarque - Kepler**

Good morning. On page 10, Retail France at net commission income per transaction at EUR 3.95, is a big increase in Q1. Where are we going there for the rest of the year? Do you think we will remain at this level or can we improve a bit going forward?

On page 14: marketing costs are on EUR 5.1 million in Q1. That is more than EUR 20 million on an annual basis. Is there a bit of seasonality there? Are you going to decrease marketing costs in the coming quarters or do you think we are going to keep this pace of increase?

Again on costs: you mentioned the development of the European IT Platform. What is your policy in terms of capitalisation of costs? Do you capitalise cost and could we have an increase of the amortisation going forward?

Finally, on page 12 of the press release you talk about the financial position and risk management. I am a bit struggling with the fair value reserve, which is up around EUR 10 million, up from EUR 2.6 million to EUR 11 million in Q1. Given that we had a pick-up in the yield I was expecting actually the fair value reserve to decrease and eventually to become negative in Q1. So, could you explain a bit how it works there?

Mr. **Beentjes**: Evert will answer your question on the amortisation in the press release and I will answer your first and second question.

The net commission income in France went up because we had the EUR 2.50 addition of fee on an SRD-transaction. It will depend on the percentage of SRD-transactions in our total flow. I do not have a forecast of how that will move. We believe that some 30% to 40% of the transactions is at competition in SRD. That may give you some guidance, Benoit. I do not have an exact answer to your question but if it would be 30% to 40% it would be a guideline.

Mr. **Pétrarque**: So, 30% or 40% of the total flow is SRD?

Mr. **Beentjes**: Yes. That is what we see at competition.

In marketing there is seasonality. The whole bunch for this year is EUR 16 million, so we spent more than average in the first quarter with the EUR 5.1 million. The budget is EUR 16 million.

Mr. **Pétrarque**: I would like to chat a bit on that. On the right side of the chart on slide 14 we see the marketing costs per new account coming down. Do you have more and more marketing costs to also maintain your current client base? How does that work in terms of marketing costs? Do you only market to get accounts or do you also market to

make sure that your current accounts are going to trade with you? I am wondering whether the chart on the right hand side is actually relevant.

Mr. **Beentjes**: So, spending on current clients is not in the marketing costs. What you see are new clients. Generally costs are coming down after the crisis, when the market is volatile and there is more appetite for investing. The high volatility and the high activity in the first quarter are helping our marketing in attracting new customers. So, the EUR 319 is basically also lower because the climate was good.

Mr. **Kooistra**: With regard to your question on capitalisation of costs: we apply IFRS-accounting principles and within what is allowed within IFRS we capitalise or expense costs. We do not have a very aggressive approach towards capitalisation of costs. If it is allowed we will take the costs, so the majority of the costs is expense. You can see that in the balance sheet as well if you look at the line fixed assets -- onroerende zaken en bedrijfsmiddelen -- where it is steady at EUR 43 million to EUR 44 million. So, there is not much increase expected on the amortisation line from these numbers.

Mr. **Pétrarque**: So, you took almost everything through the P&L in this quarter?

Mr. **Kooistra**: Yes, if it is possible we will take it through the P&L.

Your last question was about the fair value reserve. I am not sure whether I really understood it.

Mr. **Pétrarque**: If you take the consolidated statement of changes in equity on page 17 of the press release you see you have actually a revaluation reserve, which is increasing in Q1. I am sorry! It is decreasing in Q1; now I understand.

Mr. **Kooistra**: It is decreasing because the interest rate went up, so the value of our portfolio came down. The movement is EUR 8.5 million negative.

Mr. **Pétrarque**: Because it is not the same figure as on page 12 of the press release. You decreased your fair value reserve ... It is a positive there, but it is actually negative amount there. I see it now; it is minus, minus, plus.

Mr. **Kooistra**: You reverse it out, so it is negative in the top line, in the 471 and you reverse it out to come to your Tier-1 capital.

Mr. **Pétrarque**: I get it, yes.

Mr. **Kooistra**: It does not affect the Tier-1 capital.

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

❖ **Matthias de Wit - Petercam**

Good morning. I have two questions. First of all, with regard to the operating expenditures you are guiding for a quarterly run rate below the current level seen in the first quarter but I am not sure what will drive that projected decline going forward. Is it only marketing costs or are there maybe some exceptional items included in Q1? It would be helpful if you could provide more colour on that one.

Secondly, on the SNS BPO-contract: could you give me an update with regard to where we are in the implementation phase? If I am correct you stated previously that you expected a first contribution as of the third quarter. Is that still realistic?

Mr. **Beentjes**: On your last question: yes, that is still the case. We are working with SNS on the implementation and we expect to have the first revenues in from that contract in Q3.

Your first question was on the operating expense. The decrease is indeed the marketing. In Q1 we had a run rate of 5.1, so there is 10.9 for the year, which is 3.6 per quarter, on average. So, the marketing costs in the remaining quarters will be lower.

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

❖ **Thomas Nagtegaal - RBS**

Good morning. I have a couple of questions. You sounded not that optimistic on your savings product. Does it also mean that you will not increase your rates in line with the general market interest rate increase shortly?

Secondly, can you say something on France? There is a big uptake in client growth this quarter; is this the kind of quarterly client growth level that fits your expectations or do you expect a further increase there?

Finally, for the cost uptake this year: could you say how much of that is structural and how much will run out in 2012 and 2013, once the new projects are realised?

Mr. **Beentjes**: At this point in time we do not intend to increase the interest rates with regard to savings. If the market rates there will be a certain point in time that we have to increase these rates but currently we have no plans to do that.

Secondly, the client growth level in France: with 80,000 accounts we wanted to achieve we have set a very ambitious goal. We are now approximately at the run rate we need to achieve that target by the end of 2013. I do not expect it to go over that. To cut a long story short, the current run rate has to improve a little bit but we do not expect that it will be very much higher.

Mr. **Kooistra**: The cost increase you see now is structural. We are transforming the company into a more European-based company. We do the investments in the IT Platform, product development, start of Italy, and France is growing. If you analyse the historical cost base of the company you see in 2007 and 2008 we were at a run rate of EUR 27 million to EUR 28 million per quarter, in 2009 and 2010 it went up to

EUR 31 million and now it goes up for EUR 32 million to EUR 33 million per quarter. So, it is a structural increase to further build the company.

Mr. **Nagtegaal**: Could you at least then indicate how much is basically allocated to the Italy expansion. That part of course still does not have any revenues. Could you give a bit of a view on what will be the underlying cost\income ratio run rate for the next three to five years?

Mr. **Kooistra**: No, we do not disclose these specific costs but it is comparable to France. The way we set up the Italian branch will be almost identical to the French branch.

Mr. **Nagtegaal**: Very clear! Thank you!

❖ **Lemar Salah - SNS Securities**

Good morning! I have two questions, the first with respect to the regulatory adjustments in France you mentioned. Is that entirely new? It is clearly your impeding your transaction volume in France. Going forward, what do you expect how this will evolve?

My second question regards the BPO contracts. In the rest of 2011 I believe you will be pretty busy with implementing the SNS contract. Going forward, if the inflow of BPO contracts will increase do you think a work force expansion will follow or will it remain at the current level?

Mr. **Beentjes**: Lemar, I do not exactly get what you mean by 'regulatory adjustments' in your first question.

Mr. **Salah**: Let me rephrase it. You mentioned that in France there is ...

Mr. **Beentjes**: You mean this long distance law that made us block the account for two weeks before opening it?

Mr. **Salah**: Exactly!

Mr. **Beentjes**: In the past that was the law as well, so there is no change. If you grow it is a one-off. It is not going to have a huge impact.

Mr. **Salah**: It may not be new but it is a distorting factor. There is 2% growth in transactions and the regulatory issues are not new. How do you cope with this?

Mr. **Beentjes**: We just go on opening accounts. If you grow, it will have a one-off effect actually but we just go on opening new accounts, so we are growing. That is how we are going to cope with it. With regard to the 2% growth: in the fourth quarter we had 42,000 free of charge SRD-transactions. If you take that out, you see growth is higher than 2%.

On the BPO contracts: we want to open or conclude two new contracts each year, which we are confident we are going to do in 2011 as well. We already improved the staff in the Professional Services department. That is already in the cost. So, if we keep on growing there may come a next step in additional staffing but for the time being this is the level. That is already in the cost of Q1.

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

❖ **Floris Oliemans - Kempen en Co**

Good morning. I have three questions. What do you see on the Dutch market competition, having noticed that there is increased advertising by other players in the market?

My second question is on France. What will be your net commission per trade for vested clients, so clients that have been with BinckBank say for one year in France and how quickly do you expect your clients in France become vested clients and to all ramp up to that net commission per trade?

Thirdly, a technical question. Looking at net commission income especially for the Netherlands, does that include Alex Asset Management?

Mr. **Beentjes**: On your first question on competition: I have not really seen increased advertising by competition, at least we did not notice it. Maybe we have not paid enough attention to that. That is also the answer to your question: we do not see improved competition. Of course, there are some new parties like Traders Only and mijnbroker.nl but this has not severely impacted our business.

Mr. **Oliemans**: And the shift to the new platform? Has that impacted any migration from current customers?

Mr. **Beentjes**: No, that is not the case. We have had some complaints in the beginning where we changed functionalities on the platform. We also had some performance issues in the beginning, so it is clear we had some complaints by clients on these topics but we have worked very hard on it and we have put on the site which things we would repair by April 11, by April 27, and by May 11. We are listening to clients, seeing what the largest complaints are and curing these in the pace we have published on the site. We have not seen very much impact by people actually leaving us or withdrawing assets or stuff like that but it is clear that we have had some issues at the moment we changed the site.

As regards France and the net commission income: I do not exactly know what ...

Mr. **Kooistra**: The base that is traded prior to SRD is very small. What you see is SRD brings up the transaction volumes. It accelerates the account growth and it brings up the average order size. That is why you see the pick-up in the average revenue per trade. The base really started growing since we introduced SRD. I do not think you should make a distinction between the two groups.

Your third question was on the net commission for the Netherlands. The average net commission per trade includes indeed the Alex Asset Management base fee. It is only done at the end of the year.

Mr. **Oliemans**: And you do not have an indication? You are not going to give a split what attributes to net commission in the Netherlands?

Mr. **Kooistra**: No, but you can calculate it yourself. It is 90 Bps. over the value of Alex Asset Management in the first quarter and then you divide it by the number of trades.

Mr. **Oliemans**: Thank you!

❖ **Maarten Altena - ING**

I have two follow-up questions. The first is on the SRDs. You mentioned 30% to 40% contribution of SRDs at competition. At what level is it right now?

Would you be able to mention the interest component per transaction attached to SRD transactions?

Mr. **Beentjes**: Let's take the last question first. It is a little bit complicated. It is not an interest; it is a commission. You can go long and short in SRDs and re-net them. Let's say that roughly 80% is long and 20% is short, the net position is 0.6. So, the commission is the same on long and short and is 7.2% annualised.

Mr. **Kooistra**: We do not split it out; we give the total interest per quarter, like we do not split out what interest comes from collateralised loans or from the investment portfolio. That would be too much detail. The French book it in the commission line and we consider it financing cost because we pre-finance the trade. That is why we book it in the interest income line.

Mr. **Altena**: Secondly, I was a little bit puzzled by the joint venture charge, which actually doubled from last year. What will be the contribution for joint ventures going forward? Would the first quarter of 2011 be some sort of a run rate? Maybe you can elaborate on the increase?

Mr. **Kooistra**: The run rate you see in the first quarter is a good indication for the rest of the year. In Q4 of last year we made a small profit of EUR 44,000 because we sold part of the stake in TOM to ABN AMRO. So, we booked a one-off gain on the sale. We had 50% in TOM and we sold 12.5%.

Mr. **Altena**: So, the 671 is more or less the run rate we should think of per quarter, going forward?

Mr. **Kooistra**: Yes.

Mr. **Altena**: That's it! Thank you.

❖ **Maurits Heldring - ABN AMRO**

Good morning. I have three questions. The first is on marketing. There is a step up in the first quarter. Can you give some colour to which activities that is related? Was that France as well or were there additional marketing spends for Alex specifically in the first quarter?

My second question is on the account growth. Are you confident of getting the targets there?

However marketing spend will go down, the volatility is declining would it not be realistic to expect that account growth is going to slow down in the second quarter given these circumstances?

My third question is on the BeFrank joint venture. Can you give an update there? Can you still confirm the expectation of EUR 6 million in accumulative start-up losses or is that increasing as well?

Mr. **Beentjes**: We have marketed all activities but we are not disclosing that, Maurits. We are not splitting it. We have been in Belgium, in France, the Netherlands, in asset management, ordinary brokerage, Alex [...] We have it all.

Mr. **Kooistra**: Traditionally, we market more in the first quarter than in the other quarters.

Mr. **Beentjes**: Your second question was on account growth. Of course, there is a strong relationship with the marketing money we are putting in. There is also a strong relationship with the volatility in the market. Still, we are confident that we will reach our targets. Our targets are very ambitious but for instance in France we are now the number one broker if it comes to quality and product offering. So, we are getting prizes for that and that is helping us as well. Also, the size of the base is helping to improve the pace of attracting new clients. We have more name recognition and it will be easier to get new clients. If we are the number one we will get more clients. That is basically the reason for our confidence. We expect that we will achieve our target in France.

In the Netherlands we are now at a run rate of 24,000. In the crisis we saw that if there is volatility the pick-up can go very steep and it can go very fast. So yes, we have ambitious goals but if we have some tailwind by some volatility we are still confident that we will reach the targets.

Mr. **Heldring**: Can you remind us of when you want to reveal the statistics about the number of active accounts? Is that going to be this year or are you still contemplating there?

Mr. **Beentjes**: We have not disclosed it nor do we have the intention. What we can guide is that we are absolutely in a business where not the 20-80 rule, but the 10-90 rule applies. So, it is a smaller part of our base, which is giving the substantial part of the

revenues. That is more important than a split in active and not active. In the active it is also skewed.

On BeFrank I am not sure what we have given accumulative cost ...

Mr. **Kooistra**: EUR 6 million is the total for BeFrank, so that is EUR 3 million for Binck and EUR 3 million for Delta Lloyd. So far, there are no changes in the forecast there.

Mr. **Heldring**: Thank you.

❖ **Lemar Salah - SNS Securities**

Just one follow-up question, not as complicated as my previous one! Regarding SRDs in France how satisfied are you in France by implementing the SRDs? In the fourth quarter of 2010 you also provided a couple of free-of-charge SRDs. I presume that in the first quarter of 2011 all SRDs were full of charge.

Mr. **Beentjes**: Yes.

Mr. **Salah**: Do you think the SRDs are a significant product and what kind of percentage of executed transactions in France were SRDs?

Mr. **Beentjes**: Yes, it is a significant product and we expect it to go up to 30% to 40%. I do not know the percentage by heart but it should go up to 30% to 40%.

Mr. **Salah**: Thank you!

❖ **Dirk Peeters - KBC Securities**

I have a very small question remaining. When you are looking at your earnings model in France what would be the split between commission and interest income for the French orders?

Mr. **Kooistra**: We do not disclose the split. We have now disclosed the commission income but we do not disclose interest income or cost at this stage.

Mr. **Peeters**: But it should be sizeable, in my view.

Mr. **Kooistra**: You can see the assets under management. You can take the SRD positions from the balance sheet, so you could form an opinion about it yourself.

Mr. **Peeters**: Thank you!

Mr. **Beentjes**: As there are no more questions, thank you very much for attending. We hope to see you soon!

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End of call

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