PILLAR 3 2016

BINCKBANK

Contents

1. Introduction

1.1 General

The Pillar 3 report of BinckBank provides insight into aspects such as the capital position, the size and composition of capital and how the capital relates to credit risk, market risk, settlement risk and operational risk, as expressed in risk weighted exposure amounts.

This report is a stand-alone document. The annual report also contains a detailed explanation of capital and risk management. The information included in the annual report and this Pillar 3 report is consistent and partially overlaps. Accordingly, this Pillar 3 report must be seen in conjunction with the 'Risk management' section of the annual report. With regard to the required disclosure of the remuneration policy BinckBank has made available a separate document on the corporate website (www.binck.com).

Drawn up in compliance with the reporting requirements of the European Directive, i.e. the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) IV, the Pillar 3 report discloses information on all topics mentioned in the Directive to the extent that they apply to BinckBank. Only relevant fields and fields with values are shown in the (compulsory) tables. The figures stated in the tables are based on amounts that have not been rounded off and therefore rounding differences may occur.

The information in the Pillar 3 report has not been audited by BinckBank's external auditor. BinckBank's Pillar 3 report is drawn up yearly. Periodic updates on key issues are given in BinckBank's press releases or are made public on the corporate website.

1.2 Scope of application

BinckBank is subject to prudential supervision by De Nederlandsche Bank (DNB). The entities consolidated by BinckBank in accordance with IFRS (accounting) and the CRR (regulatory) are listed in the table below.

Name of the entity	Method of accounting consolidation	Method of consolidation in accordance with CRR				Description of the entity
		Full consolidation	Proportional consolidation	Neither consolidated nor deducted	Deducted	
BinckBank N.V.	Full	X				Credit institution
Binck Bewaarbedrijf B.V.	Full	X *				Other financial corporation
Think ETF Asset Management B.V.	Full	X *				Other financial corporation
Able Holding B.V.	Full			X		Non-financial corporation

** Belongs to the prudential consolidation base but not consolidated under application of article 19 CRR.*

The IFRS scope of consolidation for BinckBank is established in accordance with IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements, IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures. All companies over which BinckBank has direct or indirect control over the financial and operational policy for the purpose of obtaining gains from their operations are part of BinckBank's consolidation scope and are fully consolidated. There are no current or foreseen material practical or legal impediments to the prompt transfer of own funds or repayment of liabilities among the parent undertaking BinckBank N.V. and its subsidiaries.

Able B.V. and its subsidiaries do not carry out any licensed financial activities and are not part of the prudential scope of consolidation (column 'Neither consolidated nor deducted'). In the determination of the risk weighted exposure amount under CRD IV, the net asset value of these subsidiaries is weighted at 100%. After having obtained the approval of DNB, BinckBank has chosen to apply article 19 of the CRR for subsidiaries Binck Bewaarbedrijf B.V. and Think ETF Asset Management B.V., whereby these companies are not included in the prudential consolidation base. In the determination of the risk weighted exposure amount under CRD IV, the net asset value of these subsidiaries is weighted at 250%. As a consequence of the aforementioned adjustments supervisory reporting is done at solo level, i.e. at company level.

1.3 Approach applied and related key figures Pillar 1

The next table presents the relevant figures and ratios.

		2016	2015
Available capital			
1	Common Equity Tier 1 capital (CET1)	245,542	253,582
2	Tier 1 capital (T1)	245,542	253,582
3	Total capital	245,542	253,582
Risk weighted exposure amount			
4	Total risk weighted exposure amount (RWA)	768,675	630,663
Risk-based capital ratios as a percentage of RWA			
5	CET1 capital ratio	31.9%	40.2%
6	T1 capital ratio	31.9%	40.2%
7	Total capital ratio	31.9%	40.2%
Additional CET1 buffers requirements as a percentage of RWA			
8	Capital conservation buffer requirement	0.625%	0.000%
9	Countercyclical buffer requirement	0.000%	0.000%
11	Total CET1 specific buffer requirements	0.625%	0.000%
12	CET1 available to meet buffers after meeting the minimum capital requirements	27.4%	35.7%
Leverage ratio			
13	Leverage ratio total exposure measure	3,660,470	3,560,357
14	Leverage ratio	6.7%	7.1%
Liquidity Coverage Ratio (LCR)			
15	Total high quality liquid assets (HQLA)	1,364,885	1,117,907
16	Total Net Cash Outflow	173,472	55,062
17	LCR ratio	922%	2579%

CRD IV/CRR provide guidelines for the calculation of the Pillar 1 capital requirements that, according to the supervisors, a credit institution must hold for credit risk, market risk, settlement risk and operational risk. CRD IV/CRR permit various approaches for the calculation of the requirements under Pillar 1 with regard to the aforementioned risks. BinckBank applies the Standardised Approach for credit risk, market risk, settlement risk and operational risk.

BinckBank does not apply the phasing in period (transition phase from 1 January 2014 to 31 December 2017) of the regulatory adjustments (deductions and filters). Therefore the regulatory own funds and the ratios represent the fully phased in figures.

1.4 Detailed index of Pillar 3 references

The Pillar 3 disclosure requirements are described in Part Eight of the CRR. The table below provides insight into these disclosure requirements and states where the reader can find this information in the annual report and/or the Pillar 3 report.

CRR article	Pillar 3 disclosure requirements	Location in Pillar 3 report	Notes
435	Risk management objectives and policies	The Management statement is included in the annual report. The section Risk report in the annual report adresses risk-, capital- and liquidity management. Information regarding directorships, recruitment and diversity of the board and the supervisory board are included in the annual report in the sections Corporate Governance and the Report from the supervisory board.	
436	Scope of application	1.2 Scope of application	
437	Own funds	2. Own funds and leverage	
438	Capital requirements	3. Capital requirements	
439	Exposure to counterparty credit risk	5. Counterparty credit risk	
440	Capital buffers	4. Capital buffers	
441	Indicators of global systemic importance	Not included	BinckBank is not considered an institution of global systemic importance.
442	Credit risk adjustments	3.2.2 Credit risk adjustments	
443	Unencumbered assets	6. Liquidity risk	
444	Use of ECAIs	3.2.5 Use of external credit ratings for credit risk	
445	Exposure to market risk	3.3 Capital requirement for market risk, 3.4 Capital requirement for settlement risk	
446	Operational risk	3.5 Capital requirement for operational risk	
447	Exposures in equities not included in the trading book	7. Equities outside the trading book	
448	Exposure to interest rate risk on positions not included in the trading book	8. Interest rate risk outside the trading book	
449	Exposure to securitisation positions	Not included	BinckBank has no exposure to securitisation positions.
450	Remuneration policy	9. Remuneration policy	
451	Leverage	2.4 Leverage ratio	
452	Use of the IRB Approach to credit risk	Not included	BinckBank does not use the IRB Approach to credit risk. The Standardised Approach to credit risk is used by BinckBank.
453	Use of credit risk mitigation techniques	3.2.3 Credit risk mitigation	
454	Use of the Advanced Measurement Approaches to operational risk	Not included	BinckBank does not use internal models to operational risk. The Standardised Approach (TSA) to operational risk is used by BinckBank.
455	Use of Internal Market Risk Models	Not included	BinckBank does not use internal models to market risk. The Standardised Approach to market risk is used by BinckBank.

2. Own funds and leverage

2.1 Reconciliation own funds and calculation CET1-capital

BinckBank's regulatory own funds completely consists of Common Equity Tier 1 capital (CET1). BinckBank has no additional Tier 1 capital (AT1) and has no Tier 2 capital (T2). For the purpose of calculating the Common Equity Tier 1 capital the shareholders' equity is adjusted for prudential filters and capital deductions.

The reconciliation of the own funds elements in the financial statements to the regulatory own funds of BinckBank is disclosed in the table below.

(figures in EUR 1,000, unless otherwise stated)	Reference row Own funds disclosure template	2016	2015
Issued share capital	1	7,100	7,100
Share premium	1	361,379	361,379
Treasury shares	16	(29,468)	(4,979)
Fair value reserve	3	1,021	1,526
Other reserves	2	53,660	51,371
Unappropriated profit	5a	1,877	19,786
Shareholders' equity attributable to shareholders of BinckBank N.V.		**395,569**	**436,184**
Less: goodwill	8	(144,882)	(144,882)
Plus: deferred tax liabilities related to goodwill	8	32,273	28,651
Less: other intangible assets	8	(23,204)	(45,418)
Less: prudent valuation adjustment	7	(724)	(1,167)
Less: proposed dividend	5a	(13,490)	(17,750)
Less: unappropiated profit adjusted for interim dividend and proposed final dividend	5a	-	(2,036)
Common Equity Tier 1 capital (CET1)	**29**	**245,542**	**253,582**
Additional Tier 1 capital (AT1)	44	-	-
Tier 1 capital (T1)	**45**	**245,542**	**253,582**
Tier 2 capital (T2)	58	-	-
Total capital	**59**	**245,542**	**253,582**

BinckBank's capital position as at 31 December 2016 was sound. BinckBank's shareholders' equity at the end of December 2016 stood at € 395.6 million (year-end 2015: € 436.2 million). Common Equity Tier 1 capital at year-end 2016 amounted to € 245.5 million (2015: € 253.6 million).

BinckBank has deferred tax assets which are dependent on future profitability for realisation. The total amount of these deferred tax assets is below the threshold mentioned in article 48 CRR. As a consequence these deferred tax assets are not deducted from own funds but weighted at 250% in the determination of the risk weighted exposure amount.

2.2 Composition of own funds and capital ratios

The next template reflects the fully phased in detailed own funds position of BinckBank and the relevant capital ratios. BinckBank does not apply the phasing in period (transition phase from 1 January 2014 to 31 December 2017) of the regulatory adjustments (deductions and filters).

	(figures in EUR 1,000, unless otherwise stated)	2016	2015	Regulation (EU) No 575/2013 Article Reference
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	368,479	368,479	26 (1), 27, 28, 29
	of which: Ordinary shares issued by a public limited liability company	368,479	368,479	EBA list 26 (3)
2	Retained earnings	53,660	51,371	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	1,021	1,526	26 (1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	(11,613)	-	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**411,547**	**421,376**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(724)	(1,167)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(135,813)	(161,648)	36 (1) (b), 37
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(29,468)	(4,979)	36 (1) (f), 42
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(166,005)**	**(167,794)**	
29	**Common Equity Tier 1 (CET1) capital**	**245,542**	**253,582**	
44	**Additional Tier 1 (AT1) capital**	-	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**245,542**	**253,582**	
58	**Tier 2 (T2) capital**	-	-	
59	**Total capital (TC = T1 + T2)**	**245,542**	**253,582**	
60	**Total risk weighted assets**	**768,675**	**630,663**	
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	31.9%	40.2%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	31.9%	40.2%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	31.9%	40.2%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	0.625%	0.000%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	0.625%	0.000%	
66	of which: countercyclical buffer requirement	0.000%	0.000%	
67	of which: systemic risk buffer requirement	0.000%	0.000%	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.000%	0.000%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	27.4%	35.7%	CRD 128
	Amounts below the thresholds for deduction (before risk weighting)			
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,620	2,716	36 (1) (i), 45, 48
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	291	778	36 (1) (c), 38, 48

2.3 Capital instruments' main features

The template below describes the main features of the capital instruments issued by BinckBank.

	Capital instruments' main features	Common Equity Tier 1 instruments: Share capital
1	Issuer	BinckBank N.V.
2	Unique identifier	NL0000335578
3	Governing law(s) of the instrument	Dutch law
	Regulatory treatment	
4	Transitional CRR rules	Common Equity Tier 1 capital
5	Post-transitional CRR rules	Common Equity Tier 1 capital
6	Eligible at solo / (sub-) consolidated / solo & (sub-) consolidated	Solo & consolidated
7	Instrument type	Ordinary shares issued by a public limited liability company
8	Amount recognised in regulatory capital as at 31 December 2016	€ 245.5 million. For a specification see paragraph 2.1
9	Nominal amount of instrument	The nominal amount per share is € 0.10. At reporting date 71 million shares were issued and fully paid up, so that the total nominal amount is € 7.1 million.
9a	Issue price	Resultant of issuances in the past, on average € 5.19
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	24 January 2003 (granted banking license)
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Most subordinated position
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

2.4 Leverage ratio

The table below presents the leverage ratio for BinckBank.

(figures in EUR 1,000, unless otherwise stated)		CRR leverage ratio exposures 2016	CRR leverage ratio exposures 2015
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	3,785,799	3,173,857
2	(Asset amounts deducted in determining Tier 1 capital)	(168,811)	(167,794)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**3,616,988**	**3,006,063**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-	488,299
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	-	63,654
11	**Total derivatives exposures**	**-**	**551,953**
	SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	3,785	-
16	**Total securities financing transaction exposures**	**3,785**	**-**
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	195,555	2,341
18	(Adjustments for conversion to credit equivalent amounts)	(155,858)	-
19	**Other off-balance sheet exposures**	**39,696**	**2,341**
	Capital and total exposure measure		
20	Tier 1 capital	245,542	253,582
21	**Leverage ratio total exposure measure**	**3,660,470**	**3,560,357**
	Leverage ratio		
22	**Leverage ratio**	**6.7%**	**7.1%**

The reconciliation between the total assets as per financial statements and the leverage ratio total exposure measure (row 21 in the table above) is as follows:

(figures in EUR 1,000, unless otherwise stated)		Applicable amount 2016	Applicable amount 2015
1	Total assets as per published financial statements	3,800,262	3,436,334
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(3,161)	(2,751)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with article 429 (13) CRR)	-	-
4	Adjustments for derivative financial instruments	-	291,448
5	Adjustment for securities financing transactions (SFTs)	3,785	-
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	39,696	2,341
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with article 429 (7) CRR)	-	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with article 429 (14) CRR)	-	-
7	Other adjustments	(180,113)	(167,016)
8	**Leverage ratio total exposure measure**	**3,660,470**	**3,560,357**

The CRR introduced a non-risk based leverage ratio which will be monitored until 2017 and which will be refined and calibrated before it becomes a binding measure as of January 1st 2018.

The Commission Delegated Regulation (CDR) amended the definition of the leverage ratio to improve the comparability of the disclosure of the leverage ratio. The CDR calculations are applicable as of January 1st 2015.

Based on the CDR the CRR leverage ratio as at 31 December 2016 was 6.7% (2015: 7.1%). The decrease of the leverage ratio compared to 2015 is mainly caused by:

- The increase of the on-balance sheet exposures with € 611 million caused by growth of the balance sheet resulting from the increase in funds entrusted by clients;
- The decrease of the derivatives exposures with € 552 million due to the fact that derivative positions held on behalf of clients are no longer recognised in the statement of financial position after 1 April 2016. As a result of changes to the Securities Giro Transfer Act (Wet giraal effectenverkeer, or 'Wge'), since 1 April 2016 derivative instruments also fall under the protection of the Wge and, subject to conditions, are segregated from the assets of the institution. BinckBank only acts as intermediary with regard to derivative transactions on behalf of clients. BinckBank has accordingly reassessed the recognition criteria under IFRS for the item 'derivative positions held on behalf of clients'. BinckBank has concluded that in view of the nature of these positions, this item no longer has to be recognised in the statement of financial position under IFRS after 1 April 2016;
- The increase of the other off-balance sheet exposures with € 42 million caused by the growth of the issued mortgage offers.

3. Capital requirements

3.1 Minimum capital requirements

The next table shows the risk weighted exposure amounts and capital requirements by type of risk.

(figures in EUR 1,000, unless otherwise stated)		RWAs		Minimum capital requirements 2016
		2016	2015	
1	Credit risk (excluding counterparty credit risk)	539,649	383,793	43,172
2	Of which the Standardised Approach	539,649	383,793	43,172
6	Counterparty credit risk	-	2,546	-
7	Of which mark to market method	-	2,546	-
13	Settlement risk	127	72	10
23	Operational risk	228,898	244,252	18,312
25	Of which the Standardised Approach	228,898	244,252	18,312
29	**Total**	**768,675**	**630,663**	**61,494**

The total Pillar 1 risk weighted exposure amount (RWA) as at 31 December 2016 has increased by 21.9% to € 768.7 million (2015: € 630.7 million). The increase in risk weighted exposure amounts with respect to credit risk is largely due to the investment in Dutch residential mortgages, which have a higher risk weighting under the Standardised Approach compared to exposures in the bond portfolio.

BinckBank has started with investing in the financing of Dutch residential mortgages at the beginning of 2016. BinckBank acts as the financer in a collective structure in which an AFM-licensed service provider is responsible for the marketing, sales, administration and the duty of care. The investment in Dutch residential mortgages is part of the in 2015 adjusted investment policy. In 2016 BinckBank also took over a € 340 million Dutch mortgage portfolio from Obvion.

This investment in Dutch residential mortgages is an expression of the formulated strategic objective of greater diversification in the income stream and thereby becoming less dependent on transaction-related income.

Capital management at BinckBank is extensively disclosed in the section ‘Risk management’ of the annual report.

3.2 Capital requirement for credit risk

BinckBank has no exposures belonging to the exposure classes underneath:

- Public sector entities;
- International organisations;
- Items associated with particularly high risk;
- Securitisation positions;
- Collective investments undertakings.

The aforementioned exposure classes are not shown in the tables.

The total and average net amount of exposures for credit risk by exposure class is presented in the following table:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions at the end of the period	Average exposure net of value adjustments and provisions over the period
16	Central governments or central banks	1,072,311	849,321
17	Regional governments or local authorities	377,410	454,781
19	Multilateral development banks	23,848	22,686
21	Institutions	667,206	707,837
22	Corporates	209,359	254,651
24	Retail	502,774	459,207
26	Secured by mortgages on immovable property	443,540	199,773
28	Exposures in default	254	85
30	Covered bonds	310,196	399,469
31	Claims on institutions and corporates with a short-term credit assessment	114,893	171,357
33	Equity exposures	6,463	7,083
34	Other exposures	88,735	73,875
35	**Total Standardised Approach**	**3,816,990**	**3,600,125**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions at the end of the period	Average exposure net of value adjustments and provisions over the period
16	Central governments or central banks	385,613	536,732
17	Regional governments or local authorities	601,093	718,219
19	Multilateral development banks	17,473	21,970
21	Institutions	736,958	732,314
22	Corporates	339,673	318,001
24	Retail	672,682	688,897
26	Secured by mortgages on immovable property	-	-
28	Exposures in default	42	39
30	Covered bonds	556,036	570,800
31	Claims on institutions and corporates with a short-term credit assessment	126,306	201,744
33	Equity exposures	6,759	5,185
34	Other exposures	71,476	64,010
35	**Total Standardised Approach**	**3,514,110**	**3,857,910**

3.2.1 Breakdown exposure by geographical area, counterparty type and residual maturity

The tables below provide an insight into the breakdown of the exposure values by geographical area, counterparty type and residual maturity so as to form a complementary picture of credit risk.

Breakdown by significant geographical area:

As at 31 December 2016		Exposure net of value adjustments and provisions by geographical area							
(figures in EUR 1,000, unless otherwise stated)		European Union (EU)	Netherlands	Germany	Belgium, France, Italy	Other EU countries	North America	Other geographical areas	Total
7	Central governments or central banks	996,160	893,687	82,505	19,968	-	76,151	-	**1,072,311**
8	Regional governments or local authorities	366,412	-	355,817	10,595	-	10,998	-	**377,410**
10	Multilateral development banks	-	-	-	-	-	-	23,848	**23,848**
12	Institutions	508,766	105,448	40,104	138,741	224,473	55,938	102,502	**667,206**
13	Corporates	209,354	200,640	-	8,492	223	-	5	**209,359**
14	Retail	501,238	452,416	5,230	37,534	6,057	3	1,533	**502,774**
15	Secured by mortgages on immovable property	443,540	443,540	-	-	-	-	-	**443,540**
16	Exposures in default	254	246	-	9	-	-	-	**254**
18	Covered bonds	310,196	-	310,196	-	-	-	-	**310,196**
19	Claims on institutions and corporates with a short-term credit assessment	101,365	65,382	-	25,841	10,142	13,041	487	**114,893**
21	Equity exposures	6,463	6,463	-	-	-	-	-	**6,463**
22	Other exposures	88,735	82,337	-	6,224	173	-	-	**88,735**
23	**Total Standardised Approach**	**3,532,484**	**2,250,159**	**793,852**	**247,405**	**241,069**	**156,130**	**128,376**	**3,816,990**

As at 31 December 2015		Exposure net of value adjustments and provisions by geographical area							
(figures in EUR 1,000, unless otherwise stated)		European Union (EU)	Netherlands	Germany	Belgium, France, Italy	Other EU countries	North America	Other geographical areas	Total
7	Central governments or central banks	330,318	242,596	23,931	63,791	-	55,294	-	**385,613**
8	Regional governments or local authorities	574,867	-	548,408	26,459	-	26,226	-	**601,093**
10	Multilateral development banks	-	-	-	-	-	-	17,473	**17,473**
12	Institutions	494,561	111,528	36,492	99,759	246,782	174,049	68,347	**736,958**
13	Corporates	339,671	326,485	-	13,152	34	-	2	**339,673**
14	Retail	670,703	475,272	3,672	187,729	4,030	1	1,978	**672,682**
15	Secured by mortgages on immovable property	-	-	-	-	-	-	-	**-**
16	Exposures in default	42	32	-	10	-	-	-	**42**
18	Covered bonds	556,036	-	556,036	-	-	-	-	**556,036**
19	Claims on institutions and corporates with a short-term credit assessment	85,567	64,955	-	11,365	9,247	40,048	690	**126,306**
21	Equity exposures	6,759	6,759	-	-	-	-	-	**6,759**
22	Other exposures	71,476	65,819	-	5,600	57	-	-	**71,476**
23	**Total Standardised Approach**	**3,130,001**	**1,293,447**	**1,168,539**	**407,866**	**260,149**	**295,619**	**88,491**	**3,514,110**

The increase in exposure in the Netherlands is on the one hand due to the investments in Dutch residential mortgages made in 2016 and on the other hand results from the increase of funds at the central bank arising from the increase of customer deposits. The movements of exposure in other countries are due to redemptions and adjustments in the investment portfolio.

Breakdown by counterparty type:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions by counterparty type							
		Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Other	Total
7	Central governments or central banks	883,267	189,044	-	-	-	-	-	**1,072,311**
8	Regional governments or local authorities	-	377,410	-	-	-	-	-	**377,410**
10	Multilateral development banks	-	-	23,848	-	-	-	-	**23,848**
12	Institutions	-	-	656,903	10,303	-	-	-	**667,206**
13	Corporates	-	-	-	43,671	165,688	-	-	**209,359**
14	Retail	-	-	-	-	-	502,774	-	**502,774**
15	Secured by mortgages on immovable property	-	-	-	-	-	443,540	-	**443,540**
16	Exposures in default	-	-	-	-	-	254	-	**254**
18	Covered bonds	-	-	310,196	-	-	-	-	**310,196**
19	Claims on institutions and corporates with a short-term credit assessment	-	-	100,248	14,646	-	-	-	**114,893**
21	Equity exposures	-	-	-	1,620	4,843	-	-	**6,463**
22	Other exposures	1	5,378	98	8,379	-	7,420	67,459	**88,735**
23	**Total Standardised Approach**	**883,268**	**571,832**	**1,091,292**	**78,619**	**170,532**	**953,989**	**67,459**	**3,816,990**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions by counterparty type							
		Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households	Other	Total
7	Central governments or central banks	205,525	180,088	-	-	-	-	-	**385,613**
8	Regional governments or local authorities	-	601,093	-	-	-	-	-	**601,093**
10	Multilateral development banks	-	-	17,473	-	-	-	-	**17,473**
12	Institutions	-	-	682,039	54,919	-	-	-	**736,958**
13	Corporates	-	-	-	47,905	291,768	-	-	**339,673**
14	Retail	-	-	-	-	-	672,682	-	**672,682**
15	Secured by mortgages on immovable property	-	-	-	-	-	-	-	**-**
16	Exposures in default	-	-	-	-	-	42	-	**42**
18	Covered bonds	-	-	556,036	-	-	-	-	**556,036**
19	Claims on institutions and corporates with a short-term credit assessment	-	-	84,886	41,419	-	-	-	**126,306**
21	Equity exposures	-	-	-	2,716	4,043	-	-	**6,759**
22	Other exposures	2	4,734	1,664	6,485	-	9,034	49,557	**71,476**
23	**Total Standardised Approach**	**205,526**	**785,915**	**1,342,099**	**153,444**	**295,812**	**681,758**	**49,557**	**3,514,110**

The increase in exposure of counterparty Central banks is due to funds placing with DNB resulting from the increase of customer deposits. The increase of counterparty Households is the result of the investments made in 2016 in Dutch residential mortgages. The main component under counterparty type ‘Other’ are the tangible fixed assets.

Breakdown by residual maturity:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions by residual maturity					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
7	Central governments or central banks	883,267	65,576	123,468	-	-	**1,072,311**
8	Regional governments or local authorities	-	243,422	133,988	-	-	**377,410**
10	Multilateral development banks	-	14,288	9,560	-	-	**23,848**
12	Institutions	121	206,097	456,855	4,133	-	**667,206**
13	Corporates	209,359	-	-	-	-	**209,359**
14	Retail	242,755	194,823	-	65,196	-	**502,774**
15	Secured by mortgages on immovable property	-	-	964	442,576	-	**443,540**
16	Exposures in default	30	-	-	225	-	**254**
18	Covered bonds	-	257,831	52,365	-	-	**310,196**
19	Claims on institutions and corporates with a short-term credit assessment	114,893	-	-	-	-	**114,893**
21	Equity exposures	-	-	-	-	6,463	**6,463**
22	Other exposures	-	-	-	-	88,735	**88,735**
23	**Total Standardised Approach**	**1,450,425**	**982,038**	**777,200**	**512,129**	**95,198**	**3,816,990**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Exposure net of value adjustments and provisions by residual maturity					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
7	Central governments or central banks	205,525	92,872	87,216	-	-	**385,613**
8	Regional governments or local authorities	-	217,793	383,300	-	-	**601,093**
10	Multilateral development banks	-	9,200	8,274	-	-	**17,473**
12	Institutions	63,689	262,965	406,226	4,077	-	**736,958**
13	Corporates	339,673	-	-	-	-	**339,673**
14	Retail	671,865	817	-	-	-	**672,682**
15	Secured by mortgages on immovable property	-	-	-	-	-	**-**
16	Exposures in default	42	-	-	-	-	**42**
18	Covered bonds	-	241,823	314,213	-	-	**556,036**
19	Claims on institutions and corporates with a short-term credit assessment	126,306	-	-	-	-	**126,306**
21	Equity exposures	-	-	-	-	6,759	**6,759**
22	Other exposures	-	-	-	-	71,476	**71,476**
23	**Total Standardised Approach**	**1,407,100**	**825,468**	**1,199,230**	**4,077**	**78,235**	**3,514,110**

3.2.2 Credit risk adjustments

For a detailed discussion of credit risk, credit approval and credit management please refer to the annual report of BinckBank 2016 and specifically to note 39 to the financial statements.

Past due are all loans of which the interest and/or redemption is not paid in time. A provision will be formed when a client will probably or is unable to fulfil his obligations towards the bank. The credit extended to the client is then designated non-performing credit.

Non-performing loans relate to loans that can be designated as:

- Loans that have been in material arrears for over 90 days; or
- Loans for which a provision has been made; or
- Loans with a Probability of Default of 1; or
- Forbearance exposures for which the two-year probationary period has yet to begin.

BinckBank provides loans solely on the basis of collateral received in the form of marketable securities, bank guarantees or mortgage collateral.

Provisions methodology

When a loan is impaired BinckBank will make an estimate of the potential loss on the basis of the information at its disposal, including the information received from the service providers. Objective indications for an impairment of an individual item will give cause to an estimation of the cash flows. This estimate is based on assumptions of the proceeds from foreclosure of collateral, the payments yet to be received and the timing of these payments, as well as the discount rate. All other loans for which no individual provision is calculated are included in the IBNR (incurred but not reported) provision. The IBNR provision relates to impairments that have taken place on the reporting date but are not yet known to the bank because of an information backlog. This impairment is calculated at portfolio level.

The next tables present the specific and general credit risk adjustments by:

- Exposure class;
- Geographical area;
- Counterparty type.

Furthermore the movement of the aforementioned credit risk adjustments is presented.

Breakdown by exposure class:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
16	Central governments or central banks	-	1,072,311	-	-	-	-	**1,072,311**
17	Regional governments or local authorities	-	377,410	-	-	-	-	**377,410**
19	Multilateral development banks	-	23,848	-	-	-	-	**23,848**
21	Institutions	-	667,206	-	-	-	-	**667,206**
22	Corporates	-	209,359	-	-	-	-	**209,359**
24	Retail	-	502,888	-	114	-	114	**502,774**
26	Secured by mortgages on immovable property	-	443,540	-	-	-	-	**443,540**
28	Exposures in default	716	-	461	-	-	-	**254**
30	Covered bonds	-	310,196	-	-	-	-	**310,196**
31	Claims on institutions and corporates with a short-term credit assessment	-	114,893	-	-	-	-	**114,893**
33	Equity exposures	-	6,463	-	-	-	-	**6,463**
34	Other exposures	-	88,735	-	-	-	-	**88,735**
35	**Total Standardised Approach**	**716**	**3,816,850**	**461**	**114**	**-**	**114**	3,816,990
37	Of which: Loans	716	1,931,480	461	114	-	114	**1,931,621**
38	Of which: Debt securities	-	1,514,420	-	-	-	-	**1,514,420**
39	Of which: Off-balance sheet exposures	-	195,769	-	-	-	-	**195,769**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
16	Central governments or central banks	-	385,613	-	-	-	-	**385,613**
17	Regional governments or local authorities	-	601,093	-	-	-	-	**601,093**
19	Multilateral development banks	-	17,473	-	-	-	-	**17,473**
21	Institutions	-	736,958	-	-	-	(779)	**736,958**
22	Corporates	-	339,673	-	-	-	-	**339,673**
24	Retail	-	672,682	-	-	-	-	**672,682**
26	Secured by mortgages on immovable property	-	-	-	-	-	-	**-**
28	Exposures in default	503	-	461	-	-	(20)	**42**
30	Covered bonds	-	556,036	-	-	-	-	**556,036**
31	Claims on institutions and corporates with a short-term credit assessment	-	126,306	-	-	-	-	**126,306**
33	Equity exposures	-	6,759	-	-	-	-	**6,759**
34	Other exposures	-	71,476	-	-	-	-	**71,476**
35	**Total Standardised Approach**	**503**	**3,514,068**	**461**	**-**	**-**	**(799)**	3,514,110
37	Of which: Loans	503	533,203	461	-	-	(799)	**533,245**
38	Of which: Debt securities	-	1,980,605	-	-	-	-	**1,980,605**
39	Of which: Off-balance sheet exposures	-	2,555	-	-	-	-	**2,555**

Breakdown by significant geographical area:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
1	European Union (EU)	716	3,532,344	461	114	-	114	**3,532,484**
2	Netherlands	596	2,250,028	350	114	-	115	**2,250,159**
3	Germany	-	793,852	-	-	-	-	**793,852**
4	Belgium, France, Italy	120	247,396	111	-	-	(1)	**247,405**
5	Other EU countries	-	241,069	-	-	-	-	**241,069**
6	North America	-	156,130	-	-	-	-	**156,130**
7	Other geographical areas	-	128,376	-	-	-	-	**128,376**
8	**Total**	**716**	**3,816,850**	**461**	**114**	**-**	**114**	**3,816,990**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
1	European Union (EU)	503	3,129,959	461	-	-	(799)	**3,130,001**
2	Netherlands	382	1,293,415	350	-	-	(795)	**1,293,447**
3	Germany	-	1,168,539	-	-	-	-	**1,168,539**
4	Belgium, France, Italy	122	407,856	112	-	-	(4)	**407,866**
5	Other EU countries	-	260,149	-	-	-	-	**260,149**
6	North America	-	295,619	-	-	-	-	**295,619**
7	Other geographical areas	-	88,491	-	-	-	-	**88,491**
8	**Total**	**503**	**3,514,068**	**461**	**-**	**-**	**(799)**	**3,514,110**

Breakdown by counterparty type:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
1	Central banks	-	883,268	-	-	-	-	**883,268**
2	General governments	-	571,832	-	-	-	-	**571,832**
3	Credit institutions	-	1,091,292	-	-	-	-	**1,091,292**
4	Other financial corporations	-	78,619	-	-	-	-	**78,619**
5	Non-financial corporations	-	170,532	-	-	-	-	**170,532**
6	Households	716	953,848	461	114	-	114	**953,989**
7	Other	-	67,459	-	-	-	-	**67,459**
8	**Total**	**716**	**3,816,850**	**461**	**114**	**-**	**114**	**3,816,990**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
1	Central banks	-	205,526	-	-	-	-	**205,526**
2	General governments	-	785,915	-	-	-	-	**785,915**
3	Credit institutions	-	1,342,099	-	-	-	(779)	**1,342,099**
4	Other financial corporations	-	153,443	-	-	-	-	**153,443**
5	Non-financial corporations	-	295,812	-	-	-	-	**295,812**
6	Households	503	681,716	461	-	-	(20)	**681,758**
7	Other	-	49,557	-	-	-	-	**49,557**
8	**Total**	**503**	**3,514,068**	**461**	**-**	**-**	**(799)**	**3,514,110**

The movement of specific and general credit risk adjustments is as follows:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	**Opening balance**	**461**	**-**
2	Increases due to amounts set aside for estimated loan losses during the period	97	115
3	Decreases due to amounts reversed for estimated loan losses during the period	(95)	(1)
4	Decreases due to amounts taken against accumulated credit risk adjustments	(2)	-
5	Transfers between credit risk adjustments	-	-
6	Impact of exchange rate differences	-	-
7	Business combinations, including acquisitions and disposals of subsidiaries	-	-
8	Other adjustments	-	-
9	**Closing balance**	**461**	**114**
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-	-
11	Specific credit risk adjustments recorded directly to the statement of profit or loss	-	-

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	**Opening balance**	**1,260**	**-**
2	Increases due to amounts set aside for estimated loan losses during the period	210	-
3	Decreases due to amounts reversed for estimated loan losses during the period	(1,002)	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	(6)	-
5	Transfers between credit risk adjustments	-	-
6	Impact of exchange rate differences	-	-
7	Business combinations, including acquisitions and disposals of subsidiaries	-	-
8	Other adjustments	-	-
9	**Closing balance**	**461**	**-**
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	2	-
11	Specific credit risk adjustments recorded directly to the statement of profit or loss	-	-

3.2.3 Credit risk mitigation

Advances against securities collateral and bank guarantees

BinckBank offers customers loans, i.e. advances, against collateral in various forms. The collateral received is used by BinckBank to mitigate credit risk and can consist of cash, bank guarantees and/or securities. The advances only can be used to cover margin requirements or to purchase securities. In both cases BinckBank has a (potential) credit risk regarding the customer. Given the nature of these advances and the surplus of collateral received the credit risk is limited. In the case of lending against securities collateral, the amount of credit advanced among other things depends on the liquidity and price of the securites in question.

Dutch residential mortgages

BinckBank mitigates the credit risk of the mortgage portfolio by requiring collateral and third party guarantees:

- BinckBank has collateral in the form of real estate. A first assessment of the value of the real estate collateral takes place during the approval process of a loan. In addition the legal enforceability of the collateral will be ensured.
- A substantial part of the mortgage portfolio is covered by third-party guarantees. The guarantor is the Homeownership Guarantee Fund ('Stichting Waarborgfonds Eigen Woning' or WEW), which provides the National Mortgage Guarantee (NHG) under strict conditions for the Dutch mortgage market. The WEW acts as guarantor for the repayment of the borrowed mortgage amount to the lender. This concentration on one party is acceptable since the Dutch State ultimately warrants the guarantees.

BinckBank applies credit risk mitigation in compliance with the techniques described in the CRR Part Three, Title II, Chapter 4. BinckBank does not make use of credit derivatives as a credit risk mitigation technique.

An overview of the credit risk mitigation techniques is presented in the table below:

As at 31 December 2016		Carrying amount				
(figures in EUR 1,000, unless otherwise stated)		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	968,758	962,863	732,313	225,986	-
2	Total debt securities	1,514,420	-	-	-	-
3	**Total exposures**	**2,483,178**	**962,863**	**732,313**	**225,986**	**-**
4	Of which: Defaulted	30	225	-	225	-

As at 31 December 2015		Carrying amount				
(figures in EUR 1,000, unless otherwise stated)		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	28,040	505,205	501,964	3,242	-
2	Total debt securities	1,980,605	-	-	-	-
3	**Total exposures**	**2,008,645**	**505,205**	**501,964**	**3,242**	**-**
4	Of which: Defaulted	42	-	-	-	-

The following table shows the credit risk exposure before and after credit conversion factors (CCF) and credit risk mitigation (CRM):

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1	Central governments or central banks	1,072,311	-	1,297,948	-	728	0%
2	Regional governments or local authorities	377,410	-	377,410	-	-	0%
4	Multilateral development banks	23,848	-	23,848	-	-	0%
6	Institutions	667,206	-	663,074	-	227,388	34%
7	Corporates	209,359	-	19	-	19	100%
8	Retail	307,316	195,457	61,556	38,965	75,391	75%
9	Secured by mortgages on immovable property	443,540	-	236,291	-	82,702	35%
10	Exposures in default	254	-	30	-	30	100%
12	Covered bonds	310,196	-	310,196	-	31,020	10%
13	Claims on institutions and corporates with a short-term credit assessment	111,109	3,785	115,672	1,863	38,502	33%
15	Equity exposures	6,463	-	6,463	-	8,893	138%
16	Other exposures	88,637	98	88,637	98	74,977	84%
17	**Total**	**3,617,650**	**199,340**	**3,181,143**	**40,925**	**539,649**	**17%**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1	Central governments or central banks	385,613	-	389,690	-	1,945	0%
2	Regional governments or local authorities	601,093	-	601,093	-	-	0%
4	Multilateral development banks	17,473	-	17,473	-	-	0%
6	Institutions	673,303	63,654	669,226	63,654	231,083	32%
7	Corporates	257,512	82,161	25	-	25	100%
8	Retail	264,399	408,283	1,172	163	1,002	75%
9	Secured by mortgages on immovable property	-	-	-	-	-	0%
10	Exposures in default	42	-	42	-	42	100%
12	Covered bonds	556,036	-	556,036	-	55,604	10%
13	Claims on institutions and corporates with a short-term credit assessment	126,306	-	129,547	-	25,046	19%
15	Equity exposures	6,759	-	6,759	-	10,833	160%
16	Other exposures	71,280	196	71,280	196	60,760	85%
17	**Total**	**2,959,816**	**554,294**	**2,442,344**	**64,014**	**386,339**	**15%**

3.2.4 Items related to performing and non-performing exposures

The next tables present:

- Ageing of past due exposures;
- Non-performing and forborne exposures;
- Changes in the stock of defaulted and impaired loans and debt securities.

Ageing of past due exposures:

As at 31 December 2016		Gross carrying values					
(figures in EUR 1,000, unless otherwise stated)		<= 30 days	> 30 days <= 60 days	> 60 days <= 90 days	> 90 days <= 180 days	> 180 days <= 1 year	> 1 year
1	Loans	1,117	138	-	232	484	-
2	Debt securities	-	-	-	-	-	-
3	**Total exposures**	**1,117**	**138**	**-**	**232**	**484**	**-**

As at 31 December 2015		Gross carrying values					
(figures in EUR 1,000, unless otherwise stated)		<= 30 days	> 30 days <= 60 days	> 60 days <= 90 days	> 90 days <= 180 days	> 180 days <= 1 year	> 1 year
1	Loans	-	-	-	-	503	-
2	Debt securities	-	-	-	-	-	-
3	**Total exposures**	**-**	**-**	**-**	**-**	**503**	**-**

Non-performing and forborne exposures:

As at 31 December 2016	Gross carrying amount of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures
(figures in EUR 1,000, unless otherwise stated)					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		
010 Debt securities	1,514,420	-	-	-	-	-	-	-	-	-	-	-	-
020 Loans and advances	1,932,196	138	5,151	716	716	716	-	114	-	461	-	225	5,081
030 Off-balance sheet exposures	195,769	-	-	-	-	-	-	-	-	-	-	-	-

As at 31 December 2015	Gross carrying amount of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures
(figures in EUR 1,000, unless otherwise stated)					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		
010 Debt securities	1,980,605	-	-	-	-	-	-	-	-	-	-	-	-
020 Loans and advances	533,706	-	-	503	503	503	-	-	-	461	-	-	-
030 Off-balance sheet exposures	2,555	-	-	-	-	-	-	-	-	-	-	-	-

Changes in the stock of defaulted and impaired loans and debt securities:

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Gross carrying value defaulted exposures
1	**Opening balance**	**503**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	321
3	Returned to non-defaulted status	(106)
4	Amounts written off	(2)
5	Other changes	-
6	**Closing balance**	**716**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Gross carrying value defaulted exposures
1	**Opening balance**	**525**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	210
3	Returned to non-defaulted status	(226)
4	Amounts written off	(6)
5	Other changes	-
6	**Closing balance**	**503**

3.2.5 Use of external credit ratings for credit risk

BinckBank uses the public available information regarding credit assessment (credit ratings) by External Credit Assessment Institutions (ECAIs) for the determination of the applicable risk weights to calculate the risk weighted exposure amounts. The following ECAIs are used:

- Fitch;
- Moody's;
- Standard & Poor's.

The credit assessment by the ECAIs is linked to credit quality steps. For the relevant exposure classes it is stated in the CRR which risk weight corresponds to which credit quality step.

ECAI credit assessments are used for the following exposure classes:

- Central governments or central banks;
- Regional governments or local authorities;
- Institutions;
- Covered bonds;
- Claims on institutions and corporates with a short-term credit assessment.

The following table shows the breakdown of the exposure by risk weight corresponding to the credit quality steps in the CRR (risk weights in which BinckBank has no exposure are not shown):

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)		Exposure post conversion factors and post credit risk mitigation techniques by risk weight											Total	Of which unrated
	Exposure classes	0%	4%	10%	20%	35%	50%	75%	100%	150%	250%	Deducted		
1	Central governments or central banks	1,297,656	-	-	-	-	-	-	-	-	291	-	**1,297,948**	1,121,307
2	Regional governments or local authorities	377,410	-	-	-	-	-	-	-	-	-	-	**377,410**	-
4	Multilateral development banks	23,848	-	-	-	-	-	-	-	-	-	-	**23,848**	-
6	Institutions	-	-	-	347,566	-	315,386	-	-	121	-	-	**663,074**	-
7	Corporates	-	-	-	-	-	-	-	19	-	-	-	**19**	19
8	Retail	-	-	-	-	-	-	100,521	-	-	-	-	**100,521**	100,521
9	Secured by mortgages on immovable property	-	-	-	-	236,291	-	-	-	-	-	-	**236,291**	-
10	Exposures in default	-	-	-	-	-	-	-	30	-	-	-	**30**	30
12	Covered bonds	-	-	310,196	-	-	-	-	-	-	-	-	**310,196**	-
13	Claims on institutions and corporates with a short-term credit assessment	25,337	-	-	27,451	-	63,605	-	1,005	136	-	-	**117,535**	25,337
15	Equity exposures	-	-	-	-	-	-	-	4,843	-	1,620	-	**6,463**	6,463
16	Other exposures	13,758	-	-	-	-	-	-	74,977	-	-	-	**88,735**	88,735
17	**Total**	**1,738,010**	**-**	**310,196**	**375,018**	**236,291**	**378,991**	**100,521**	**80,873**	**258**	**1,911**	**-**	**3,222,069**	**1,342,411**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)		Exposure post conversion factors and post credit risk mitigation techniques by risk weight											Total	Of which unrated
	Exposure classes	0%	4%	10%	20%	35%	50%	75%	100%	150%	250%	Deducted		
1	Central governments or central banks	388,912	-	-	-	-	-	-	-	-	778	-	**389,690**	218,015
2	Regional governments or local authorities	601,093	-	-	-	-	-	-	-	-	-	-	**601,093**	-
4	Multilateral development banks	17,473	-	-	-	-	-	-	-	-	-	-	**17,473**	-
6	Institutions	-	63,654	-	353,702	-	315,489	-	-	35	-	-	**732,880**	-
7	Corporates	-	-	-	-	-	-	-	25	-	-	-	**25**	25
8	Retail	-	-	-	-	-	-	1,336	-	-	-	-	**1,336**	1,336
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	**-**	-
10	Exposures in default	-	-	-	-	-	-	-	42	-	-	-	**42**	42
12	Covered bonds	-	-	556,036	-	-	-	-	-	-	-	-	**556,036**	-
13	Claims on institutions and corporates with a short-term credit assessment	10,742	-	-	116,442	-	1,357	-	861	145	-	-	**129,547**	10,742
15	Equity exposures	-	-	-	-	-	-	-	4,043	-	2,716	-	**6,759**	6,759
16	Other exposures	10,716	-	-	-	-	-	-	60,760	-	-	-	**71,476**	71,476
17	**Total**	**1,028,936**	**63,654**	**556,036**	**470,145**	**-**	**316,846**	**1,336**	**65,731**	**180**	**3,494**	**-**	**2,506,358**	**308,395**

3.3 Capital requirement for market risk

BinckBank only executes transactions in commission of clients and does not have an own trading book in financial instruments. A limited exposure in foreign currency is although possible as a consequence of transactions of clients. BinckBank has no capital requirement for position risk, foreign exchange risk and commodities risk at year-end 2016 (2015: € 0).

3.4 Capital requirement for settlement risk

In the context of settlement of securities transactions of clients BinckBank has large outstanding positions with several banks and clearing institutions. During the settlement of these transactions disturbances could occur when parties involved in the chain of settlement don't meet their obligations in time. Under certain conditions a capital requirement for settlement risk could arise for BinckBank in the case of securities transactions that have not been settled after the agreed delivery dates.

The capital requirement for settlement risk at year-end 2016 stood at € 10,000 (2015: € 6,000).

3.5 Capital requirement for operational risk

The risks arising from operational activities are classified as operational risk. Losses due to operational risk are unavoidable. Operational risk is generally the result of:

- Deficiencies in the daily processing and settlement of transactions with clients or other parties;
- Deficiencies in the procedures and measures designed to ensure prompt detection of errors;
- Quantitative and qualitative deficiencies or limitations in human resources;
- Deficient decision-making due to inadequate management information;
- Non-compliance with internal control procedures.

BinckBank is insured with third parties for many forms of foreseeable losses as a result of operational risk. BinckBank has a capital reserve for operational risk as prescribed by law as a buffer for uninsured (unforeseeable) losses.

BinckBank calculates the capital requirement for operational risk according to the Standardised Approach (TSA), whereby the activities of BinckBank are subdivided into the following eight standardised business lines: corporate finance (CF), trading and sales (TS), retail brokerage (RBr), commercial banking (CB), retail banking (RB), payment and settlement (PS), agency services (AS) and asset management (AM). BinckBank has only activities regarding the business lines retail brokerage (RBr), retail banking (RB), agency services (AS) and asset management (AM).

The capital requirement for each business line equals the beta coefficient multiplied by the gross operating income. The beta coefficients differ between the business lines and are 12%, 15% or 18%. The total capital requirement for operational risk is calculated as the 3-year average of the sum of the capital requirements for each of the business lines.

As at 31 December 2016	Operational income			Risk weight	Capital requirement
(figures in EUR 1,000, unless otherwise stated)	2014	2015	2016		
Business line:					
Retail brokerage (RBr)	98,933	107,254	89,996	12%	11,847
Retail banking (RB)	28,479	25,702	26,133	12%	3,213
Agency services (AS)	7,082	7,928	7,951	15%	1,148
Asset management (AM)	20,407	19,204	12,987	12%	2,104
Total	**154,901**	**160,088**	**137,067**		**18,312**

As at 31 December 2015	Operational income			Risk weight	Capital requirement
(figures in EUR 1,000, unless otherwise stated)	2013	2014	2015		
Business line:					
Retail brokerage (RBr)	101,788	98,933	107,254	12%	12,319
Retail banking (RB)	27,634	28,479	25,702	12%	3,273
Agency services (AS)	8,764	7,082	7,928	15%	1,189
Asset management (AM)	29,385	20,407	19,204	12%	2,760
Total	**167,571**	**154,901**	**160,088**		**19,540**

4. Capital buffers

In its capital management BinckBank takes into account the following additional capital buffers which will become applicable during the phasing in period 2016 – 2019.

Countercyclical capital buffer

The countercyclical capital buffer takes account of the credit cycle and risks of excessive credit growth in the country concerned. The countercyclical capital buffer is at least 0% and no more than 2.5% of the relevant risk weighted exposure amounts and shareholders' equity (Common Equity Tier 1 capital) must be used to create the countercyclical capital buffer. The supervisory requirements regarding this buffer are applicable as of 1 January 2016.

As at 31 December 2016		Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer			
		General credit exposures	Trading book exposure	Securitisation exposure	Own funds requirements
		Exposure value for Standardised Approach	Sum of long and short position of trading book	Exposure value for Standardised Approach	Total
(figures in EUR 1,000, unless otherwise stated)		010	030	050	100
010	Breakdown by country:				
	Belgium	16,277	-	-	**20**
	Canada	66,936	-	-	**-**
	Denmark	15,425	-	-	**-**
	Finland	37,393	-	-	**-**
	France	148,106	-	-	**197**
	Germany	788,622	-	-	**2,482**
	Italy	35,087	-	-	**510**
	Luxembourg	10,142	-	-	**162**
	Netherlands	1,716,223	-	-	**21,306**
	Norway	10,276	-	-	**-**
	Spain	294	-	-	**14**
	Sweden	134,798	-	-	**-**
	Switzerland	92,714	-	-	**19**
	United Kingdom	36,736	-	-	**-**
	United States	89,191	-	-	**212**
	Other countries	23,848	-	-	**-**
020	**Total**	**3,222,069**	**-**	**-**	**24,923**

As at 31 December 2015	Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer			
	General credit exposures	Trading book exposure	Securitisation exposure	Own funds requirements
	Exposure value for Standardised Approach	Sum of long and short position of trading book	Exposure value for Standardised Approach	Total
(figures in EUR 1,000, unless otherwise stated)	010	030	050	100
010 Breakdown by country:				
Austria	10,415	-	-	-
Belgium	64,482	-	-	**46**
Canada	101,508	-	-	-
Finland	35,905	-	-	-
France	103,360	-	-	**66**
Germany	1,164,867	-	-	**4,448**
Italy	39,576	-	-	**147**
Luxembourg	9,247	-	-	**148**
Netherlands	495,858	-	-	**6,730**
Norway	10,524	-	-	-
Spain	92	-	-	**4**
Sweden	121,769	-	-	-
Switzerland	58,514	-	-	**28**
United Kingdom	78,658	-	-	-
United States	194,109	-	-	**648**
Other countries	17,473	-	-	-
020 Total	**2,506,358**	**-**	**-**	**12,265**

Capital conservation buffer

The capital conservation buffer has been introduced to make sure that banks build up additional capital buffers above the minimum capital requirements outside periods of stress. This enables them to withstand future periods of stress.

The supervisory requirements regarding this buffer are applicable as of 1 January 2016. The capital requirements will be increased in phases on a yearly basis from 0.625% of the risk weighted exposure amount as of 2016 to 2.5% as of 2019.

5. Counterparty credit risk

Pillar 1 method for calculating counterparty credit risk

BinckBank does not use OTC-derivatives to hedge risks and also is not a counterparty for OTC derivative contracts with third parties. However, BinckBank does have a derived exposure to exchange traded derivatives (ETDs) as a result of customer transactions.

As a result of changes to the Securities Giro Act (SGA) since 1 April 2016, the exchange traded derivatives (ETDs) for the account and risk of clients fall completely under the protection of the SGA and, under certain conditions, are segregated from the assets of the institution. BinckBank has indicated that it will be assuming the role of intermediary. BinckBank therefore has reassessed the recognition criteria under IFRS for the item 'derivative positions for the account and risk of clients'. BinckBank has concluded that, given the nature of these positions, under IFRS they will no longer be included in the balance sheet after 1 April 2016. As these derivative positions are segregated from the assets of BinckBank there is no longer any counterparty credit risk on these positions.

In 2015 BinckBank used the 'Mark-to-Market Method' for calculating the exposure at default of these derivatives in compliance with the regulations. This method is based on the positive market value of the derivatives plus an add-on based on the contract type, the residual maturity and the notional amount of the underlying - to cover the current and potential future counterparty credit risk of these contracts.

Limiting exposure to counterparty credit risk

To cover the risks of the exchange traded derivatives (ETDs) of its customers, BinckBank requires customers to deposit collateral consisting of cash or publicly traded securities. The value of the collateral received is calculated using the 'Financial Collateral Comprehensive Method'. BinckBank makes use of central clearing of derivative transactions through clearing members in order to transfer the counterparty credit risk to the central counterparty (CCP) and to reduce this risk. To reduce the counterparty credit risk ISDA Master Agreements are in place with these institutions. These agreements contain among other things provisions that, in the event of a default of the counterparty, all derivative transactions within the netting set defined in the ISDA can be terminated and only a netted asset or liability to the counterparty remains. The use of central clearing also has a downward effect on the calculation of the risk weighted exposure amount. These derivative positions are recognised in the exposure category 'Exposures to institutions' and have a risk weight of 2% or 4%.The following table indicates how the counterparty credit risk is reduced using credit risk mitigation techniques.

(figures in EUR 1,000, unless otherwise stated)	**2016**	**2015**
Current exposure (gross)	-	551,953
Decrease due to netting agreements / collateral	-	(488,299)
Current exposure (net)	**-**	**63,654**

6. Liquidity risk

Liquidity risk is the risk that BinckBank will not be able to meet its payment obligations when these obligations are due, at a reasonable price and in a timely manner.

To protect BinckBank and its customers against liquidity risks BinckBank maintains a liquidity buffer, which is based on the liquidity needs of the bank. The ALCO is responsible for maintaining sufficient liquidity in compliance with internal and statutory provisions and with the inclusion of a buffer of unencumbered, high liquid assets.

Composition of liquidity buffer

(figures in EUR 1,000, unless otherwise stated)	2016	2015
Cash, banks and central bank balances	883,268	205,527
Government bonds	385,157	594,030
Government-guaranteed bonds	138,794	170,285
Supra-national bonds	23,767	17,425
Covered bonds	304,886	550,691
Other	638,295	648,175
Total	**2,374,167**	**2,186,133**
% eligible	90%	91%
% €	90%	91%
% USD	10%	9%
LCR	922%	2579%
NSFR	>100%	>100%

As part of management of the liquidity buffer BinckBank also supervises its encumbered assets. Encumbered assets represent the assets on the balance sheet which are pledged or used as collateral for liabilities of BinckBank. The tables below present the encumbered and unencumbered assets.

As at 31 December 2016 (figures in EUR 1,000, unless otherwise stated)	Encumbered assets	Unencumbered assets	Total
Loans on demand	157	939,965	940,121
Loans and advances other than loans on demand	29,038	962,462	991,499
Equity instruments	9,499	-	9,499
Debt securities	457,870	1,056,550	1,514,420
Other assets	-	341,562	341,562
Total assets	**496,563**	**3,300,538**	**3,797,101**

As at 31 December 2015 (figures in EUR 1,000, unless otherwise stated)	Encumbered assets	Unencumbered assets	Total
Loans on demand	8,802	308,742	317,543
Loans and advances other than loans on demand	27,162	506,083	533,245
Equity instruments	15,405	-	15,405
Debt securities	231,939	1,748,667	1,980,605
Other assets	-	586,785	586,785
Total assets	**283,307**	**3,150,276**	**3,433,583**

Received collateral
BinckBank offers customers loans, i.e. advances, against collateral in various forms. The collateral received is used by BinckBank to mitigate credit risk and can consist of cash, bank guarantees and/or securities. The advances only can be used to cover margin requirements or to purchase securities.

BinckBank is not allowed to sell or to pledge the received collateral other than in the case that a customer fails to meet its obligations.

7. Equities outside the trading book

Under IFRS BinckBank has recognised equity instruments on the balance sheet in the category 'Financial assets designated at fair value through profit or loss'. These equity instruments are held to cover the price risk on account of SRD-transactions and are therefore recognised in the exposure class 'Retail' for credit risk.
In the prudential consolidation the equity interests of BinckBank outside the trading book are recognised in the exposure class 'Equity exposures' at net asset value. These are the unconsolidated equity interests of subsidiaries and associates.

8. Interest rate risk outside the trading book

BinckBank does not have a trading book, however is still exposed to movements in interest rates due to the loans placed in the market and the large investment portfolio in Dutch residential mortgages and debt securities. Longer fixed-interest rate periods and longer maturities of mortgages and debt securities increase the exposure of the investment portfolio to movements in market interest rates. This means a higher market price risk due to interest rate movements. On the other hand, interest income is fixed for a longer period, which leads to a lower business risk. Longer fixed-interest rate periods in the investment portfolio have a reverse effect on interest rate risk and business risk.

Interest rate risk outside the trading book is measured, monitored and managed by among other things the gap profile, the outlier criterion, the sensitivity of the interest result (Earnings-at-Risk (EaR)) and the market value sensitivity. Interest rate risk management takes into account the total of interest bearing assets and liabilities. BinckBank manages the effect of interest rate movements on its results and own funds by means of tolerance levels and monthly interest rate risk reporting to the ALCO.

We refer to the annual report and the financial statements for a further qualitative and quantitative disclosure on interest rate risk outside the trading book.

9. Remuneration policy

A summary of the activities of the remuneration committee and a summary of the remuneration report are included in the annual report in the report of the supervisory board. The rules of the remuneration committee and the full remuneration report can be found on the corporate website of BinckBank (www.binck.com).