



# Half-year report 2016

 **BINCKBANK**  
FOR INVESTORS

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# BinckBank on track with its new Redesign Binck strategy

### Strategic repositioning is on schedule

- The launch of the savings brokerage service in the Savings segment is progressing well and is scheduled to be launched in the fourth quarter of 2016.
- The development of the new international Binck asset management proposition we have announced is on schedule and is planned for roll-out in the fourth quarter of 2016.
- New initiatives have been launched with our partner ProBeleggen in the Netherlands and ZoneBourse in France to offer low-threshold access to the experience of investment professionals.
- In the Netherlands, 'All in 1 investing' ('Alles in 1 beleggen') has been launched under the Binck Fundcoach label. This gives investors the option of a new form of easy to understand investment solutions on an execution-only basis. The introduction of the 'All-in-1 investing' concept represents an addition to BinckBank's service provision in the Investment segment. In July, 'Binck Fundcoach Alles in 1 beleggen' was named as a 'best buy' by the Dutch Consumers Association.
- On 15 July 2016 BinckBank acquired a portfolio of Dutch residential mortgages worth € 340 million of Obvion. The acquisition fits the goal to realise a more diversified flow of revenues.

### Key points in first half of 2016

- Adjusted net result 16H1 € 16.2 million (15H1: € 29.9 million).
- Adjusted net earnings per share 16H1 € 0.23 (15H1: € 0.43).
- Interim dividend for 16H1 of € 0.04 per share (15H1: € 0.14 per share).
- BinckBank continues to control its expenses, despite the additional costs involved in the implementation of the new strategy and the development of new services.
- The AFM has imposed two fines on BinckBank. One fine imposed 16 March 2016 of € 500,000 for late transaction reporting and one fine imposed 1 July 2016 of € 750,000 in relation to alleged unclear and misleading advertising by Alex Asset Management. A provision to cover these amounts had already been formed in 2015. BinckBank will submit an objection to the AFM against the fine imposed on Alex Asset Management.
- BinckBank services recognised with various awards:
  - On 23 May, BinckBank Netherlands was cited 'Best broker overall' in the IEX Netprofiler broker survey in 2016.
  - The Think Total Market UCITS ETF Neutraal was cited by DFT as 'Financial product of the month' in May.
  - In Italy, BinckBank was named as 'Bank of the year in online trading' at the Le Fonti Awards on 23 June.

### Capital policy

- BinckBank started a share buy-back programme on 19 February 2016. In the period until July 2017, BinckBank will repurchase shares for a total amount of € 25 million. As at 30 June 2016, BinckBank had repurchased shares in an amount of € 18.2 million, meaning that the repurchase programme is now 73% complete.

## Key figures half-year comparison

### Consolidated

(figures in EUR 1,000's, unless otherwise stated)

	16Q2	16Q1	Δ Q1	16H1	15H1	Δ
<b>Customer figures</b>						
Number of transactions	1,854,173	2,124,167	-13%	3,978,340	5,020,663	-21%
Assets under administration	20,731,406	20,221,627	3%	20,731,406	20,608,739	1%
Assets under management	1,492,428	1,592,151	-6%	1,492,428	1,838,323	-19%
<b>Adjusted income statement</b>						
Net interest income	5,849	6,403	-9%	12,252	12,853	-5%
Net fee and commission income	26,905	27,786	-3%	54,691	70,137	-22%
Other income from operating activities	2,717	2,560	6%	5,277	6,604	-20%
<b>Total income from operating activities</b>	<b>35,471</b>	<b>36,749</b>	<b>-3%</b>	<b>72,220</b>	<b>89,594</b>	<b>-19%</b>
Total adjusted operational expenses*	27,779	28,372	-2%	56,152	56,702	-1%
<b>Adjusted result from operating activities</b>	<b>7,692</b>	<b>8,377</b>	<b>-8%</b>	<b>16,068</b>	<b>32,892</b>	<b>-51%</b>
Adjusted tax*	406	270		676	(2,923)	
Share in results of associates	(359)	(85)		(444)	(199)	
<b>Adjusted net result</b>	<b>7,739</b>	<b>8,562</b>	<b>-10%</b>	<b>16,301</b>	<b>29,770</b>	<b>-45%</b>
Result attributable to non-controlling interests	(2)	(53)		(55)	146	
<b>Adjusted net result attributable to shareholders BinckBank</b>	<b>7,737</b>	<b>8,509</b>	<b>-9%</b>	<b>16,246</b>	<b>29,916</b>	<b>-46%</b>
<b>Adjusted net earnings per share</b>	<b>0.11</b>	<b>0.12</b>		<b>0.23</b>	<b>0.43</b>	
<b>Cost / income ratio</b>	<b>78%</b>	<b>77%</b>		<b>78%</b>	<b>63%</b>	
<b>Capital adequacy</b>						
Common equity Tier 1	240,099	233,431	3%	240,099	239,897	0%
Capital ratio	36.3%	36.7%		36.3%	37.0%	
Leverage ratio	6.8%	6.4%		6.8%	5.9%	

\* A change in presentation is explained on page 5.

# Change in presentation of key figures

BinckBank has changed its presentation of its key figures whereby the IFRS amortisation and the tax saving on the difference between the amortisation of the intangible assets and goodwill paid on the acquisition of Alex for tax purposes and for commercial purposes is adjusted in the relevant items in the statement of income. The adjusted statement of income therefore presents better information on the bank's financial performance. The change will also improve comparability going forward, since the intangible assets acquired with Alex will be fully amortised at year-end 2017 and starting from that point there will be no more adjusting items on the net result attributable to shareholders of BinckBank.

## Key figures

(figures in EUR 1,000's, unless otherwise stated)	16Q2			16H1		
	Former presentation	Adjustment	Adjusted result*	Former presentation	Adjustment	Adjusted result*
<b>Income statement</b>						
Net interest income	5,849	-	5,849	12,252	-	12,252
Net fee and commission income	26,905	-	26,905	54,691	-	54,691
Other income from operating activities	2,717	-	2,717	5,277	-	5,277
<b>Total income from operating activities</b>	<b>35,471</b>	<b>-</b>	<b>35,471</b>	<b>72,220</b>	<b>-</b>	<b>72,220</b>
Total adjusted operational expenses	33,158	(5,379)	27,779	66,909	(10,758)	56,151
<b>(Adjusted) result from operating activities</b>	<b>2,313</b>	<b>5,379</b>	<b>7,692</b>	<b>5,311</b>	<b>10,758</b>	<b>16,069</b>
Adjusted tax	(696)	1,102	406	(1,528)	2,204	676
Share in results of associates	(359)	-	(359)	(444)	-	(444)
<b>(Adjusted) net result</b>	<b>1,258</b>	<b>6,481</b>	<b>7,739</b>	<b>3,339</b>	<b>12,962</b>	<b>16,301</b>
Result attributable to non-controlling interests	(2)	-	(2)	(55)	-	(55)
<b>(Adjusted) net result attributable to shareholders BinckBank</b>	<b>1,256</b>	<b>6,481</b>	<b>7,737</b>	<b>3,284</b>	<b>12,962</b>	<b>16,246</b>
IFRS amortisation	5,379	(5,379)	-	10,758	(10,758)	-
Fiscal goodwill amortisation	1,102	(1,102)	-	2,204	(2,204)	-
<b>Adjusted net result</b>	<b>7,737</b>	<b>-</b>	<b>7,737</b>	<b>16,246</b>	<b>-</b>	<b>16,246</b>
<b>Adjusted earnings per share (€)</b>	<b>0.11</b>	<b>-</b>	<b>0.11</b>	<b>0.23</b>	<b>-</b>	<b>0.23</b>

\* New presentation

### Chairman's message



#### **Vincent Germyns, chairman of the executive board of BinckBank**

"Our results in the second quarter were in line with market developments, in the areas of both trading and investing. Market sentiment was markedly less positive than last year, which led to a quiet second quarter and lower volumes around the world.

We made good progress with our 'Redesign Binck' transitional strategy that we started at the beginning of the year. With historically low or even negative interest rates, declining social security and whether the pension system in the long term is sustainable, the environmental conditions have changed significantly. This leads to specific needs in terms of wealth for financial consumers. Our job is there to develop appropriate solutions.

We have in the past six months the quality of our digital trading platform on several fronts further strengthened. We are also developing new products to optimally serve the growing market of passive investing. We further improved the quality of our digital trading platform in various respects in the past six months. We are also engaged in developing new products to enable us to optimally serve the growing market for passive investing.

2016 and 2017 are important transitional years for BinckBank. Within our European footprint, we want to serve a wider and growing group of private customers. We are aiming at the customer groups looking for the best alternative for a reliable, transparent, simple and low-cost way of independently accumulating capital for the future. We will do this by using smart technology, big data analysis and an optimal customer experience. Within a fully digitally driven customer environment, Binck will take the navigator role. We will help customers to choose the solutions that are best for them. We will accordingly extend our range of products and services within our strategic 9-grid framework in 2016 and 2017. The autumn will see the launch of our savings broker service and the international roll-out of a new Binck asset management proposition. These initiatives are a seamless fit with our navigator role: develop your assets, trust your own judgement and rely on Binck. Customer satisfaction is a key factor for us and therefore monitored continuously. End of the second quarter the score was 7.1. Coming period we will take initiatives to further increase our customer satisfaction in order to top our desired level of ambition.

We are very disappointed that BinckBank has had two fines imposed on it by the AFM. The fine imposed on us for late transaction reporting on 16 March has been paid and the matter is closed. We already made a number of changes to our business processes in 2015 that will prevent any repetition of this. BinckBank is contesting the decision of the AFM with respect to supposedly unclear and misleading advertising for Alex Asset Management. We have filed an objection and look forward to the objection procedure with confidence.





Under our dividend policy, BinckBank aims for a pay-out ratio of 50% of its adjusted net result. The interim dividend is, however, capped at the profit in the current financial year and at € 0.04 per share. The calculation of the capital ratio already takes account of a 50% pay-out ratio and accordingly BinckBank has recognised a deductible item on the Tier 1 core capital of € 8.1 million".

### Progress of Redesign Binck

The past period saw significant progress in the optimisation of our European technology platform. As a group, BinckBank operates completely from one and the same backbone, enabling the international time-to-market for new and amended products to be shortened. Most of our websites have moved to a uniform platform with an improved user experience for the various devices, such as the mobile channel. Good progress has also been made with the improvement of our online intake process, making it easier and quicker for new customers to open an account. The digital intake process will also be adjusted so that this optimally supports our navigator role.

In the light of the Redesign phase of our strategy, BinckBank has spent much time on developing new services and products in the past six months. In this context, BinckBank has enhanced its existing products in the fields of trading and investing with products from our partners ProBeleggen and ZoneBourse. The partnership with ProBeleggen links our customers to specific investment professionals to inspire and activate them. This kind of small-scale initiative expresses BinckBank's future vision of 'Trade it with colour', in anticipation of products to be added in 2017.

#### 9-Grid Redesign Binck

	Do-it-myself	Help-me-do-it	Do-it-for-me
Trading <i>Trade it with colour</i>			
Investing <i>Track it easy</i>			
Saving <i>Save it smarter</i>			



The development of new products in the 9-grid is on schedule. The development of the Savings Broker product is progressing well and according to plan. The Binck Savings Broker offers customers a platform whereby they can divide their savings across one or several partner banks within the euro area in a secure manner. BinckBank carefully selects these banks from the range of Western European banks. Customers will thus be able to increase their return by choosing between different interest rates and at the same time limit their risk by diversifying across several banks that are subject to different national deposit guarantee systems within Europe. The first technical pilot for the Savings Broker has now been successfully completed. The launch of the Savings Broker service is planned for the autumn of 2016. BinckBank will thereby take its first practical step in the expansion of its range of services.

We will also launch a new Binck asset management proposition internationally in the autumn of 2016. BinckBank sees a trend in the market away from active investing to passive investing and asset management, which is confirmation for us that we are on the right track with the implementation of our new strategy. This expansion of our products and services will moreover diversify our income stream, which should mean that BinckBank generates more stable income in the future.

BinckBank started to invest in the funding of Dutch residential mortgages in 2016, acting as the financier in a collective structure in which the marketing, sales, administration and duty of care are the responsibility of a service provider licensed by the AFM. This investment in Dutch residential mortgages forms part of the adjustment to our investment policy in 2015. It is also an expression of our formulated strategic objective of greater diversification in our income stream and thereby becoming less dependent on transaction-related income. As with the launch of any new product, it will take some time before the distribution channels operate at full capacity and the financing is actually placed. At the end of June, mortgage finance of € 12.3 million was provided and there are current applications and signed mortgage quotations amounting to € 81 million. BinckBank has been looking at ways to speed up the building of its mortgage portfolio, and in this context acquired a portfolio of Dutch residential mortgages worth approximately € 340 million from a well-known Dutch mortgage provider on 15 July 2016. This acquisition means that BinckBank is on track to achieve its target of funding Dutch residential mortgages amounting to € 500 million in 2016. Currently 34 percent of BinckBank's revenue comes from recurring income, asset management fees and interest.



### Developments in the countries

The effect on market sentiment of the poor start by the markets in the first quarter led to an exceptionally quiet second quarter, apart from the volatility in the weeks around the Brexit vote. The cautious stance by investors in the first half of 2016 was visible in all the markets in which we operate.

In the Netherlands, transaction volume was down 19% (16H1: 2.9 million; 15H1: 3.6 million). Our customers in the online brokerage segment were also risk-averse, with the associated decline in transaction volume. BinckBank developed the necessary initiatives to inspire our investors in the first six months, including a partnership with ProBeleggen in the Netherlands offering customers easily accessible information on the strategies used by various investment professionals. Our second Binck Investors Day, at which we and our partners welcomed around 1,000 active customers, focused on the future and investing for the long term. BinckBank launched a targeted campaign among existing Fundcoach customers for the new 'All-in-1 portfolios'.

BinckBank received several awards for its services in the Netherlands in the second quarter. We were cited as 'Best broker overall' in the IEX Netprofiler broker survey for 2016 on 23 May. BinckBank was chosen as best broker by both retail investors and the expert panel. Security, customer-friendliness and education were the decisive qualities. In addition, the Think Total Market UCITS ETF Neutraal was cited by DFT as product of the month in May. Finally, a survey by the Dutch Consumers Association chose the Binck All-in-1 Portfolios as its best buy.

On 17 March 2016, the AFM imposed a fine of € 500,000 on BinckBank for failing to report transactions in financial instruments to the AFM in time that were executed between 2 March 2010 and 28 October 2014 in the over-the-counter market (OTC) in Luxembourg and between 3 February 2011 and 1 October 2014 on XBRD (a derivatives exchange in Brussels) and XMON (a derivatives exchange in Paris). A provision sufficient to cover this was already formed in 2015, and measures were introduced in our business processes to prevent any repetition.

Alex Asset Management felt the effects of the negative market sentiment in the first half of 2016. Like its various benchmarks, Alex Asset Management was unable to achieve positive returns and there was a downward trend in the sample portfolios. At the time of the Brexit vote, the model for the more defensive sample portfolios was approximately 50% invested in equities, meaning that the price declines for our customers in this period were limited. The 'Have Alex invest your money' campaign was unsuccessful in the current market conditions and there was outflow as a result of the poor market sentiment in 16H1. This resulted in a general decline of assets under management in 16H1 of 12% to € 1.5 billion.

On 1 July 2016 the Authority for the Financial Markets (AFM) notified BinckBank of its decision to impose a fine of € 750,000 for the advertisements on behalf of Alex Asset Management. The AFM took the view that in the period from 8 September 2012 to 26 August 2014 advertising for Alex Asset Management contained unclear and/or misleading information. BinckBank is contesting this decision. The fine imposed by the AFM could have the effect of encouraging further customer claims.

BinckBank received 34 new claims with respect to Alex Asset Management in the first half of 2016. As at 30 June 2016, BinckBank had received a total of 184 claims from customers stating that they had suffered losses on their investments as a result of the Alex Asset Management product amounting in total to € 4.6 million. A number of 159 of the claims have been submitted to Kifid (€ 3.9 million). Another 25 claims are still in the correspondence phase. Kifid has stated that it expects to issue initial rulings in these cases in the third quarter of 2016.

As a result of BinckBank's strategic focus on its retail business, a careful start was made on the phasing out of the Business Process Outsourcing platform. There was active work on phasing out the BPO contracts in the first half of 2016.

The continuing low level of BinckBank's share price is a potential indication of an impairment of the capitalised goodwill. This goodwill relates to the entire cash generating unit (CGU) Retail Netherlands. The goodwill paid indeed concerns the synergy benefits achieved within the CGU as a whole. This concerns all the products and brands carried by Retail Netherlands (Binck, Alex and Fundcoach). An impairment is measured by assessing the recoverable amount of the CGU to which the goodwill relates. If the recoverable amount is lower than the carrying amount, an impairment is recognised. The recoverable value is the present value of an internally calculated projection of the expected cash flows. The impairment test conducted in 2015 resulted in a recoverable value that was 99.6% higher than the carrying amount. While the internal projection of the recoverable value calculated in 2016 is slightly lower compared to the calculation in 2015, it is still comfortably higher than the carrying amount and there is therefore no reason for recognition of an impairment of the goodwill relating to the CGU Retail Netherlands. BinckBank will have its regular impairment test carried out by an external party in the Autumn of 2016.

Partly due to the unfavourable tax regulations governing private investments, total transaction volume in Belgium declined by 33% to 346,000 in the first half of 2016. This is in sharp contrast to the record volumes seen in the first half of 2015, when there was exceptionally bullish sentiment among investors which led to a significantly higher transaction volume (15H1: 518,000). There was a reduction in the charges for unlisted investment funds in the second quarter, enabling customers to invest in funds at even lower cost. BinckBank is closely monitoring the situation in relation to the transaction and speculation tax in Belgium. It would appear that a change to the tax rules may be on the cards, particularly now that it turns out that the tax has actually cost the Belgian treasury money. The Minister of Finance in Belgium has announced in the media that the measures will be re-evaluated for this reason.

The successfully completed migration was well received by our customers in France in the first quarter. Transaction volumes also declined in the French markets in the past quarters, and this was the reason for the 27% decline in total customer transactions executed by BinckBank to 493,000 (15H1: 673,000). A new platform for customers has been developed in cooperation with ZoneBourse and ThomsonReuters allowing model portfolios to be constructed on the basis of profiling and criteria. BinckBank France made this available to its customers at the beginning of the second quarter. This is intended for execution only customers in the Trading & Investing segment and offers customers more inspiration for taking better-considered investment decisions.

Thanks to the high level of activity by our customers, transaction volume in Italy remained more or less unchanged in the first half of 2016 as in the first record half year of 2015 at 250,000. In Italy, BinckBank was named as 'Bank of the year in online trading' at the Le Fonti Awards. For BinckBank Italy, we will work on a number of services designed specifically for the Italian market in 2016, such as XTA, the Italian version of Binck360. We will also work on the initiative to make non-listed investment funds that are already available in other countries available to our customers in the Italian market.

Our investors are increasingly using the mobile channel to follow market developments and execute transactions. BinckBank is continuing to invest in the mobile channel and renewed its investment apps for both Alex and Binck in the past quarter. The increase in the app store rating to nearly 4 stars suggests that the improvements have been welcomed. Furthermore, the Binck app was successfully launched in France in the second quarter and we are seeing increased usage in the Netherlands, Belgium and Italy. We continue to meet our customers' needs with intuitive and high quality apps.

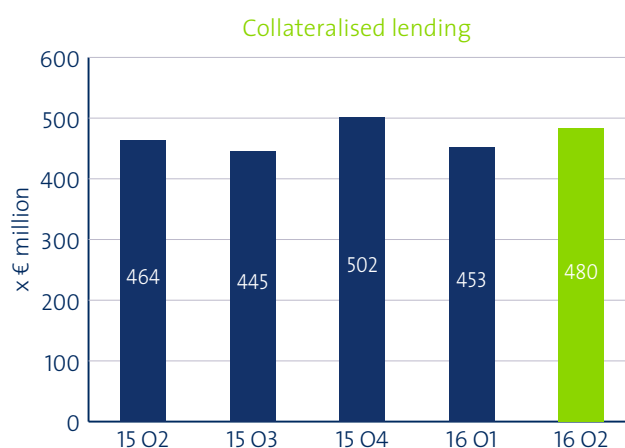
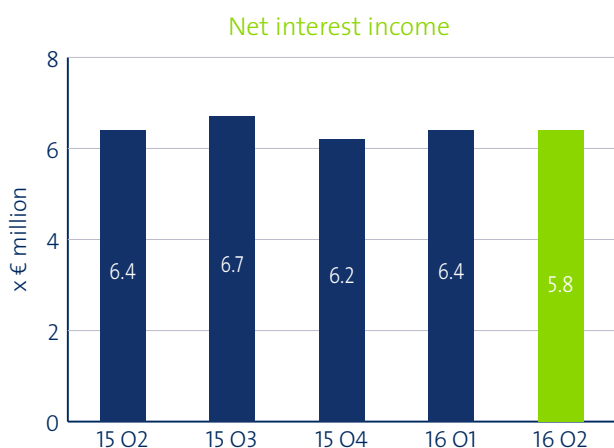
## Notes to the consolidated result 16H1

### Adjusted net result

The adjusted net result in the first half of 2016 came to € 16.2 million, giving an adjusted result of € 0.23 per share. This is a decline of 46% compared to the strong first half of 2015 (15H1: € 29.9 million, € 0.43 per share). The decline in the adjusted net result is mainly due to lower fee and commission income as a result of the decline in transaction volume. The operating expenses in the first half of 2016 fell in comparison to the first half of 2015, despite the higher costs for regulated supervision.

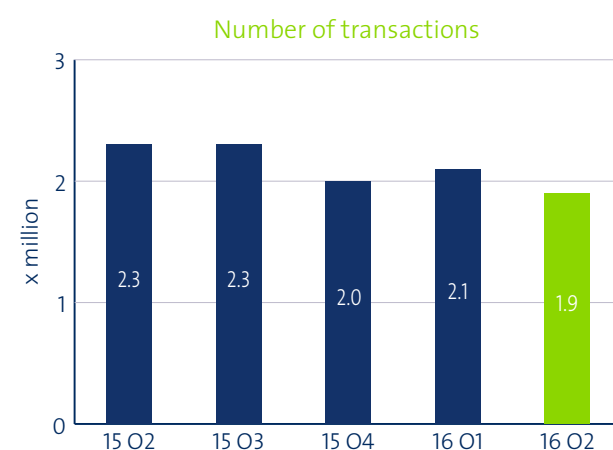
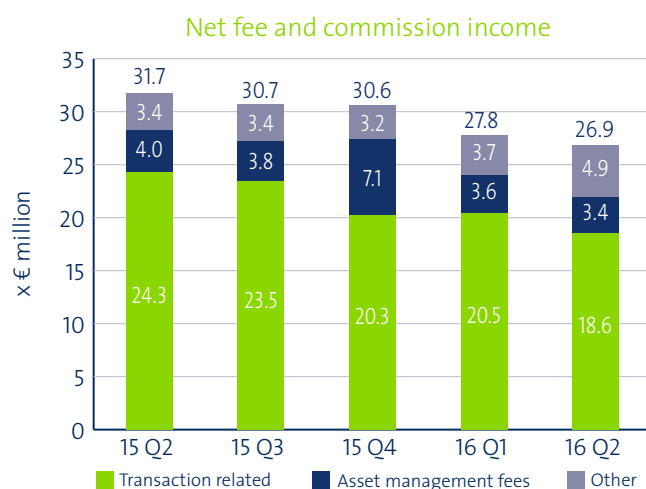
### Net interest income

Net interest income in the first half of 2016 came to € 12.3 million, which is 5% down on the comparable period in 2015 (15H1: € 12.9 million), mainly due to a further decline in interest income from the investment portfolio. Net interest income from collateralised lending in the first half of 2016 was in line with the comparable period in 2015. Interest expenses to institutions and customers declined on balance in comparison to the same period in 2015, because the low or even negative interest rates applied by the central banks also led to lower interest payments on customer deposits.



### Net fee and commission income

Net fee and commission income in the first half of 2016 came to € 54.7 million, 22% lower than in the comparable period in 2015 (15H1: € 70.1 million), chiefly due to lower transaction volume as a result of the deteriorated sentiment among investors and increased uncertainty in the financial markets. This led to a 21% decline in transaction volume.

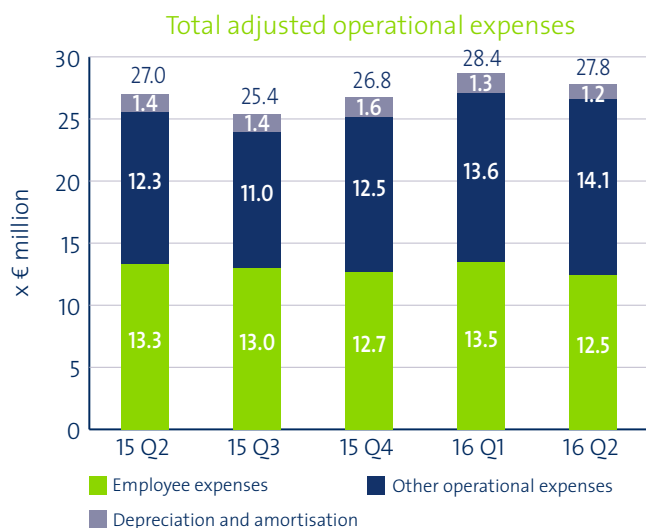


## Other income

Other income chiefly concerns the income from the operations of Able, the results from the Binck turbos, changes in the value of financial assets and liabilities and income that does not fall into other categories.

## Total adjusted operating expenses

Total adjusted operating expenses in the first half of 2016 came to € 56.2 million, 1% lower than in the comparable period in 2015 (15H1: € 56.7 million), mainly due to a 5% decline in employee expenses due mostly to lower variable remuneration to employees. Other adjusted operating expenses rose by 4% this half year compared to the comparable period in the previous year from € 26.6 million to € 27.6 million. The increase was mainly due to additional costs for the resolution fund (€ 0.2 million) and the DGS (€ 0.7 million).



## Financial position and risk management

### Calculation of available capital and capital ratio

At the end of the first half of 2016, the capital and liquidity position of BinckBank was sound. BinckBank's total equity stood at € 405.8 million. BinckBank initiated a share buy-back programme on 19 February 2016 whereby it will repurchase BinckBank shares to a total value of € 25 million in the period until July 2017. In accordance with the Capital Requirements Regulation, the full amount of the proposed share buy-back will be deducted from the total equity. To the extent that these shares are not actually repurchased, this is presented in the above overview as an additional deductible item. Compared to year-end 2015, the Tier 1 core capital has declined by € 13.5 million to € 240.1 million. In the first half of 2016, the capital ratio declined in comparison to 15Q4 and stands at 36.3% (15Q4: 40.2%).

### Calculation of available capital and capital ratio

(figures in EUR 1,000's, unless otherwise stated)

	16Q2	16Q1	15Q4
Issued share capital	7,100	7,100	7,100
Share premium reserve	361,379	361,379	361,379
Treasury shares	(22,691)	(10,352)	(4,979)
Fair value reserve	1,845	1,841	1,526
Retained earnings (including result current financial year)	56,840	73,258	71,158
Non-controlling interests	1,351	1,349	1,296
<b>Total equity</b>	<b>405,824</b>	<b>434,575</b>	<b>437,480</b>
Less: goodwill	(144,882)	(144,882)	(144,882)
Plus: deferred tax liabilities related to goodwill	30,462	29,557	28,651
Less: other intangible fixed assets	(34,050)	(39,721)	(45,417)
Less: prudent valuation adjustment	(955)	(1,082)	(1,167)
Less: Non-controlling interests	(1,351)	(1,349)	(1,296)
Less: Remaining share buy back obligations	(6,827)	(19,626)	-
Less: dividend reserve, in accordance with normal dividend policy	(8,122)	(22,004)	(17,750)
Less: undivided results corrected for normal dividend policy	-	(2,037)	(2,037)
<b>Common equity Tier 1 (CET1) (A)</b>	<b>240,099</b>	<b>233,431</b>	<b>253,582</b>
<b>Risk weighted exposure amount</b>	<b>661,805</b>	<b>636,915</b>	<b>630,665</b>
<b>CET1 capital ratio (=A/B)</b>	<b>36.3%</b>	<b>36.7%</b>	<b>40.2%</b>
<b>Exposure measure (C)</b>	<b>3,515,197</b>	<b>3,644,020</b>	<b>3,559,540</b>
<b>Leverage ratio (=A/C)</b>	<b>6.8%</b>	<b>6.4%</b>	<b>7.1%</b>

BinckBank has no additional Tier 1 or Tier 2 capital and therefore its total capital ratio is the same as the Tier 1 core capital ratio.

The table above shows the calculation of equity, Tier 1 capital and the capital ratio based on the Capital Requirements Regulation, or CRR, with full application of prudential adjustments.

Compared to the position at 31 December 2015, the total risk-weighted items increased from € 630.7 million to € 661.8 million, mainly due to a changed combination of exposures to credit institutions in the investment portfolio and the weight related to this.

On the basis of the CDR principles, the CRR leverage ratio calculated as at 30 June amounted to 6.8% (15Q4: 7.1%). The movement in the leverage ratio compared to 15Q4 was mainly due to the decline in Tier 1 core capital as a result of the initiation of the share buy-back programme.

### **Additional capital buffers**

With effect from 1 January 2016, banks have to hold a number of additional capital buffers in addition to the capital requirement for credit risk. The following buffers are relevant to BinckBank:

#### **Countercyclical capital buffer**

The countercyclical capital buffer takes account of the credit cycle and the risks of excessive credit growth in the country in question. The countercyclical capital buffer is at least 0% and at most 2.5% of the relevant risk-weighted assets and has to be formed from equity (Tier 1 core capital). The institution-specific countercyclical buffer calculated for BinckBank is currently nil, mainly because the country-specific countercyclical buffer requirements are mostly still set by the competent authorities at nil.

#### **Capital conservation buffer**

The capital conservation is designed to ensure that banks build up adequate capital buffers above the minimum capital requirements outside periods of stress. The capital requirements will be increased annually in phases from 0.625% of the risk items with effect from 2016 to 2.5% with effect from 2019. The requirement for the capital conservation buffer is € 4.0 million.

### **Risks and uncertainties**

BinckBank has reassessed the adequacy of its capital and liquidity position at the end of June 2016 and its conclusion is that its total available capital and available liquidity position are adequate to cover the risks associated with the conduct of its business. For a detailed account of our risk and capital management, see the BinckBank annual report for 2015 published on 14 March 2016.

# Outlook 2016

### Strategy update

The strategic transformation of BinckBank embarked upon in June 2015 with the appointment of Mr Vincent Germyns as the new Chief Executive Officer (CEO) consists of three phases. The first phase, Rethink Binck, concerns the identification of opportunities for growth over the next 5-7 years. This phase was completed at the end of 2015. In 2016 and 2017 the focus will be on the second phase, Redesign Binck. Redesign Binck will involve the development of new products and services designed to meet opportunities identified in the market. The third phase is Relaunch Binck. In this last phase (from 2018), the new products and services should make a positive contribution to launching the new phase of growth that we are aiming for.

### Financial forecast for 2016

BinckBank's result depends heavily on the activity of our customers in the markets. Market volatility and direction are decisive factors. Since these cannot be predicted, BinckBank does not issue any detailed forecasts.



# Statement pursuant to Section 5:25 (d) of the Financial Supervision Act, or 'Wft'

The executive board hereby states that, as far as it is aware:

- 1) the half-year report for 2016 on pages 3 to 15 gives a true and fair view of the state of affairs on the balance sheet date, the course of business during the financial half year of BinckBank N.V. and its affiliated companies whose data are included in its half-year financial statements and the expected course of business, whereby, insofar as there are no significant reasons to the contrary, special attention is paid to the investments and the circumstances on which the development of revenue and profitability depend; and
- 2) the half-year financial statements for 2016 on pages 18 to 31 give a true and fair view of the assets, liabilities, financial position and result of BinckBank N.V. and the companies included collectively in the consolidation.

Amsterdam, 25 July 2016

Vincent Germyns (chairman of the executive board)

Evert J.M. Kooistra (executive director and CFRO)

Steven Clausing (executive director and COO)



# Interim Financial Statements as at 30 June 2016

# I. Condensed consolidated statement of financial position

(figures in EUR 1,000's, unless otherwise stated)

30 June 2016

31 December 2015

## Assets

Cash and balances at central banks	763,793	178,365
Banks	179,644	178,244
Financial assets held for trading	12,541	12,297
Financial assets designated at fair value through profit and loss	11,532	15,405
Financial assets available-for-sale	954,944	1,167,121
Financial assets held-to maturity	852,109	813,484
Loans and receivables	491,658	502,006
Associates	1,602	1,227
Intangible assets	179,157	190,560
Property, plant and equipment	33,224	34,830
Current tax	10,816	7,945
Deferred tax receivable	1,075	1,121
Other assets	116,059	28,103
Prepayments and accrued income	37,846	45,122
Derivative positions held on behalf of clients	-	260,505
<b>Total assets</b>	<b>3,646,000</b>	<b>3,436,335</b>

## Liabilities

Banks	2,437	23,582
Financial liabilities held for trading	13,061	12,286
Financial liabilities designated at fair value through profit and loss	385	46
Funds entrusted	2,988,328	2,589,714
Provisions	7,234	7,884
Current tax liabilities	92	19
Deferred tax liabilities	30,108	27,874
Other liabilities	188,973	66,080
Accruals and deferred income	9,558	10,865
Derivative positions held on behalf of clients	-	260,505
<b>Total liabilities</b>	<b>3,240,176</b>	<b>2,998,855</b>

Equity attributable to:

Owners of the parent	404,473	436,184
Non-controlling interests	1,351	1,296
<b>Total equity</b>	<b>405,824</b>	<b>437,480</b>
<b>Total equity and liabilities</b>	<b>3,646,000</b>	<b>3,436,335</b>

## II. Condensed consolidated income statement

(figures in EUR 1,000's, unless otherwise stated)

	16Q2	15Q2	16H1	15H1
<b>Income</b>				
Interest income	6,663	7,266	13,731	14,609
Interest expense	(814)	(837)	(1,479)	(1,756)
Net interest income	5,849	6,429	12,252	12,853
Fee and commission income	31,814	37,817	64,869	83,903
Fee and commission expense	(4,909)	(6,119)	(10,178)	(13,766)
Net fee and commission income	26,905	31,698	54,691	70,137
Other income	2,346	2,591	4,565	5,456
Result from financial instruments	407	582	744	1,085
Impairment of financial instruments	(36)	86	(32)	63
<b>Total income from operating activities</b>	<b>35,471</b>	<b>41,386</b>	<b>72,220</b>	<b>89,594</b>
<b>Expenses</b>				
Employee expenses	12,518	13,289	25,986	27,321
Depreciation and amortisation	6,576	6,769	13,284	13,491
Other operating expenses	14,064	12,277	27,639	26,648
<b>Total operating expenses</b>	<b>33,158</b>	<b>32,335</b>	<b>66,909</b>	<b>67,460</b>
<b>Result from operating activities</b>	<b>2,313</b>	<b>9,051</b>	<b>5,311</b>	<b>22,134</b>
Share in results of associates	(359)	(12)	(444)	(199)
<b>Result before tax</b>	<b>1,954</b>	<b>9,039</b>	<b>4,867</b>	<b>21,935</b>
Tax	(696)	(2,093)	(1,528)	(5,127)
<b>Net result</b>	<b>1,258</b>	<b>6,946</b>	<b>3,339</b>	<b>16,808</b>
Net result attributable to:				
Owners of the parent	1,256	7,003	3,284	16,954
Non-controlling interests	2	(57)	55	(146)
<b>Net result</b>	<b>1,258</b>	<b>6,946</b>	<b>3,339</b>	<b>16,808</b>
Basic and diluted earnings per share (in EUR)	0.02	0.10	0.05	0.24

### III. Condensed consolidated statement of comprehensive income

(figures in EUR 1,000's, unless otherwise stated)	16Q2	15Q2	16H1	15H1
Net result from income statement	1,258	6,946	3,339	16,808
<b>Other comprehensive income recognised on realisation through profit and loss</b>				
Net gain/(loss) on available-for-sale financial assets	4	(3,376)	407	(2,936)
Income tax relating to components of other comprehensive income	-	726	(88)	632
<b>Other comprehensive income, net of tax</b>	<b>4</b>	<b>(2,650)</b>	<b>319</b>	<b>(2,304)</b>
<b>Total comprehensive income, net of tax</b>	<b>1,262</b>	<b>4,296</b>	<b>3,658</b>	<b>14,504</b>
BinckBank N.V. has no other comprehensive income that will not be recognised on realisation through profit and loss.				
Result attributable to:				
Owners of the parent	1,260	4,353	3,603	14,650
Non-controlling interests	2	(57)	55	(146)
<b>Total realised and unrealised results, net of tax</b>	<b>1,262</b>	<b>4,296</b>	<b>3,658</b>	<b>14,504</b>

### IV. Condensed consolidated cash flow statement

(figures in EUR 1,000's, unless otherwise stated)	16Q2	15Q2
Cash flow from operating activities	464,924	670,875
Cash flow from investment activities	157,829	(199,700)
Cash flow from financing activities	(35,372)	(21,787)
<b>Net cash flow</b>	<b>587,381</b>	<b>449,388</b>
Opening balance of cash and cash equivalents	352,532	225,117
Net cash flow	587,381	449,388
Effect of exchange rate changes on cash and cash equivalents	(553)	3,211
<b>Closing balance of cash and cash equivalents</b>	<b>939,360</b>	<b>677,716</b>

The cash and cash equivalents presented in the condensed consolidated cash flow statement are included in the consolidated statement of financial position under the following headings at the amounts stated below:

Cash and balances with central banks	763,793	460,835
Banks	179,644	220,204
Banks - non cash equivalents	(4,077)	(3,323)
<b>Total cash and cash equivalents</b>	<b>939,360</b>	<b>677,716</b>

## V. Condensed consolidated statement of changes in equity

(figures in EUR 1,000's, unless otherwise stated)	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Non- controlling interests	Total equity
<b>1 January 2016</b>	<b>7,100</b>	<b>361,379</b>	<b>(4,979)</b>	<b>1,526</b>	<b>71,158</b>	<b>1,296</b>	<b>437,480</b>
Net-result of the year	-	-	-	-	3,284	55	3,339
Other comprehensive income	-	-	-	319	-	-	319
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319</b>	<b>3,284</b>	<b>55</b>	<b>3,658</b>
Payment of final dividend FY15	-	-	-	-	(17,199)	-	(17,199)
Grant of rights to shares	-	-	-	-	58	-	58
Shares sold to manage- ment and employees	-	-	461	-	(461)	-	-
Shares repurchased	-	-	(18,173)	-	-	-	(18,173)
<b>30 June 2016</b>	<b>7,100</b>	<b>361,379</b>	<b>(22,691)</b>	<b>1,845</b>	<b>56,840</b>	<b>1,351</b>	<b>405,824</b>

(figures in EUR 1,000's, unless otherwise stated)	Issued share capital	Share premium reserve	Treasury shares	Revaluation reserve	Other reserves	Non- controlling interests	Total equity
<b>1 January 2015</b>	<b>7,100</b>	<b>361,379</b>	<b>(5,570)</b>	<b>3,777</b>	<b>73,341</b>	<b>220</b>	<b>440,247</b>
Net-result of the year	-	-	-	-	16,954	(146)	16,808
Other comprehensive income	-	-	-	(2,304)	-	-	(2,304)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,304)</b>	<b>16,954</b>	<b>(146)</b>	<b>14,504</b>
Payment of final dividend FY14	-	-	-	-	(21,787)	-	(21,787)
Grant of rights to shares	-	-	-	-	230	-	230
Shares sold to manage- ment and employees	-	-	589	-	(589)	-	-
<b>30 June 2015</b>	<b>7,100</b>	<b>361,379</b>	<b>(4,981)</b>	<b>1,473</b>	<b>68,149</b>	<b>74</b>	<b>433,194</b>

## VI. Selected notes

### 1. General information

BinckBank N.V., incorporated and established in the Netherlands, is a public limited liability company subject to Dutch law. The shares of BinckBank N.V. are publicly traded. BinckBank is officially domiciled at Barbara Strozilaan 310, 1083 HN Amsterdam. BinckBank N.V. provides conventional and internet broking services in securities and derivative transactions for private and professional investors. In addition to its brokerage services, BinckBank N.V. offers asset management services. In this document, the name 'BinckBank' is used to refer to BinckBank N.V. and its various subsidiaries.

The consolidated financial statements of BinckBank for the 2015 financial year are available on request from the Investor Relations department on +31 (0)20 522 0372 or via [www.binck.com](http://www.binck.com).

The condensed consolidated figures for the year ending on 30 June 2016 have been prepared by the BinckBank executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 25 July 2016.

### 2. Principles for financial reporting

#### Presentation of half-year results 2016

BinckBank applies the International Financial Reporting Standards as adopted by the European Union, known as 'IFRS-EU'. The condensed consolidated half-year results are prepared in accordance with IAS 34 Interim Financial Reporting as accepted within the EU. In accordance with this standard, the half-year figures do not contain all the information required for full financial statements and should therefore be read in combination with the consolidated 2015 financial statements. The condensed consolidated figures are in euros and all figures are rounded to the nearest thousand (EUR x 1,000), unless otherwise stated.

The presentation of the condensed overviews may have changed with respect to previous periods in order to provide better insight or to better represent the presentation of the current period. Any changes or reclassifications have not had any effect on the result.

#### Principles for valuation

The condensed consolidated half-year report is prepared in accordance with the principles applied in the consolidated annual financial statements on 31 December 2015, with the exception of new activities and the application of new standards and interpretations as described below.



## Implications of new, amended and improved standards

New or amended standards take effect on the date as stated in the standards ratified by the EU, whereby earlier application is permitted in some cases.

### New or amended standard effective from the current financial year

IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	This amendment sets additional guidelines for the application of acceptable methods of depreciation and amortisation. BinckBank has assessed the amendments and concluded that the methods of depreciation and amortisation it uses are acceptable and that the amendment has no effect on its financial position and results.
IAS 27 – Consolidated and separate financial statements	This amendment permits application of the equity method for the measurement of the investment in associates and joint ventures. The change has no effect on BinckBank's financial position and results.
Annual improvement cycle 2012-2014	This concerns a collection of minor amendments to a number of IFRS based on the annual improvements cycle 2012-2014. BinckBank has evaluated and applied the amendments and concluded that this improvement cycle has no effect on its financial position and results.
IAS 1 – Revision on basis of the 'disclosure' initiative	Based on the 'disclosure initiative' it has been decided to revise IAS 1 in order to remove observed limitations in the assessment by preparers of financial reporting. The main changes concern clarification of use of the term 'materiality', the aggregation of information and examples for the composition of the notes. BinckBank applied this amendment in the preparation of its disclosures. Since the disclosure requirements are more limited for interim reporting than for the financial statements, this amendment has no effect on this half-year report.

The following standards, amendments of standards and interpretations that have not yet taken effect, or have not yet been ratified by the European Union, will not be applied by BinckBank ahead of time:

### New or amended standard effective from financial years beginning on or after 01 January 2017

IAS 12 – Income taxes	This amendment provides further clarification with respect to the determination and recognition of temporary deferred tax assets arising from unrealised losses on debt instruments held at fair value. The impact of the amendments on BinckBank's financial position and result is expected to be limited.
IAS 7 – Statement of cash flows	As a result of the disclosure initiative additions to the statement of cash flows are proposed that will require more detail of changes in the liabilities from financing activities. Since this concerns a change to the presentation of the summary cash flow statement, this does not affect the financial position or results of BinckBank.

## New or amended standard effective from financial years beginning on or after 01 January 2018

IFRS 15 – Revenue from contracts with customers	IFRS 15 contains the new guideline for the recognition of revenue from contracts with customers, with the intention of defining the revenue model and describing it in a standard. The guidelines for revenue recognition are currently spread over various standards, and will disappear once IFRS 15 takes effect. The full study of the effect of this new standard has to be completed.
IFRS 9 Financial instruments, classification and measurement (and related sections of IFRS 7)	This regulation is a revision of IAS 39 Financial instruments. BinckBank expects this standard to affect the classification and valuation of its financial assets and liabilities. The full study of the effect of this new standard has to be completed.

## New or amended standard effective from financial years beginning on or after 01 January 2019

IFRS 16 – Leases	This new standard describes the treatment of financial and operating lease contracts. Under the new standard, an asset has to be recognised in the statement of financial position for both types of lease. A financial obligation also has to be recognised if the payments are spread across multiple periods. The full study of the effect of this new standard still has to be completed.
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## New or amended standards for which the effective date is not yet known

IFRS 10 and IAS 28: Amendment to standards to remove conflicting requirements	This change concerns the timing and share of the realisation of the result in a transaction with an associate or joint venture. This change has no effect on the financial position and results of BinckBank. In connection with an investigation of the equity method, the IASB has suspended the effective date indefinitely.
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The following standards, amendments of standards and interpretations do not apply to BinckBank due to the nature of the standard or the amendment:

- IFRS 14 – Regulatory deferral accounts
- IFRS 11 – Joint arrangements (revised)
- IAS 16 and IAS 41 – Change to Agriculture: Bearer Plants
- IFRS 10, IFRS 12 and IAS 28 – Investment entities: application of consolidation exemption

### 3. Notes to the consolidated half-year figures 2016

#### Financial assets available for sale and financial assets held to maturity

As at 30 June 2016 the bond portfolio available for sale amounted to € 954.9 million and the portfolio held to maturity amounted to € 852.1 million. A sum of € 412.4 million nominal value was redeemed in the investment portfolio in the period ending on 30 June 2016. Reinvestment in the portfolios amounted to € 256.3 million.

BinckBank has evaluated its investment portfolio as at the reporting date and concluded that there are no objective indications of impairment. The market value of the portfolio of investments held to maturity as at 30 June 2016 was € 855.9 million, which is higher than the amortised cost of € 852.1 million.

#### Loans and receivables

BinckBank started its gradual investment in Dutch residential portfolios at the beginning of 2016. Residential mortgages are classified as loans and receivables on the face of the balance sheet at amortised cost. At the end of the first half-year, a sum of € 12.3 million was invested at an average weighted interest rate of 2.26%. The market value of the portfolio of mortgage rights acquired as at 30 June 2016 is in line with the carrying amount.

#### Intangible assets

Intangible assets (including goodwill) are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount, less applicable annual amortisation, may be impaired.

During the half year ending on 30 June 2016 the intangible assets including goodwill were assessed for impairment on the basis of the identified indicators. There was no indication of an impairment of the intangible assets.

#### Property, plant and equipment

In the half year ending on 30 June 2016 BinckBank acquired property, plant and equipment with a value of € 256,000 (15H1: € 337,000). The original investment in property includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In the half year ending on 30 June 2016, an amount of € 128,000 in relation to amortisation of the leasehold is included in amortisation and depreciation (15H1: € 128,000).

#### Other assets and other liabilities

The other assets and other liabilities concern mainly significant items that relate to customer transactions to be settled. This item depends on customer transaction volumes around the end of the period, and may therefore fluctuate.

#### Derivatives positions held on behalf of clients

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 are, subject to conditions, segregated from the assets of the institution. 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.

#### Funds entrusted

In 16H1, the funds entrusted increased € 0.4 billion to an amount of €3.0 billion. The increase of the funds entrusted is the result of client activities and is expected to be short term. Therefore BinckBank holds the related funds partly as current assets like cash and short term loans.

## Provisions

BinckBank is involved in disputes with contractual parties and customers. Some of these disputes lead to legal proceedings. BinckBank assesses these items on a case-by-case basis and forms a provision if there is a reasonable chance of an expected outflow of assets for legal costs and/or financial settlement of the case in question.

On 17 March 2016 the Authority for the Financial Markets imposed a fine on BinckBank of € 500,000 for failing to report transactions in financial instruments to the AFM in good time. BinckBank had already formed a provision for the amount of the fine in 2015.

## Share buy-back programme

In the first quarter of 2016, BinckBank has assessed the adequacy of its capital and liquidity position and the business outlook in the context of CRR/CRD and the guidelines from the ECB. This assessment led to a decision to initiate a share buy-back programme. The aim of the share buy-back programme is to return capital to shareholders in addition to dividend distributions. The dividend policy, whereby BinckBank strives to distribute 50% of its adjusted net profit, remains unchanged. BinckBank will repurchase shares with a total value of € 25 million in the period until July 2017. Between 19 February 2016 and 30 June 2016, BinckBank has repurchased shares with a value of € 18.2 million. The program is therefore completed for 73%.

## Tax

Tax is calculated at the estimated average rate of tax for the entire year 2016. The average tax rate, taking account of holding exemptions and other tax facilities, is 31.4 % (15H1: 23.5%). The increase in the effective tax rate is mainly due to the relative effect of tax allowances with respect to current tax on the annual result before tax.

(figures in EUR 1,000's, unless otherwise stated)	16H1	15H1
Current tax	1,114	4,759
Deferred taxes	414	368
<b>Tax according to the income statement</b>	<b>1,528</b>	<b>5,127</b>
Tax on other comprehensive income	88	(632)
<b>Total taxes</b>	<b>1,616</b>	<b>4,495</b>

## Fair value of financial instruments

For the determination of the fair value of the financial instruments, see the financial statements for 2015. No changes to the application for fair value have taken place in the first half year of 2016. There were also no reclassifications of financial assets between the various valuation levels. The valuation levels of financial instruments measured at fair value are as follows:

(figures in EUR 1,000's, unless otherwise stated)	Level 1	Level 2	Level 3	Total
<b>30 Juni 2016</b>				
Financial assets - held for trading	12,483	58	-	12,541
Financial assets - designated at fair value through profit and loss	11,532	-	-	11,532
Financial assets - available for sale	-	954,944	-	954,944
<b>Total assets</b>	<b>24,015</b>	<b>955,002</b>	<b>-</b>	<b>979,017</b>
Financial liabilities - held for trading	12,500	561	-	13,061
Financial liabilities - designated at fair value through profit and loss	385	-	-	385
<b>Total liabilities</b>	<b>12,885</b>	<b>561</b>	<b>-</b>	<b>13,446</b>
<b>31 December 2015</b>				
Financial assets - held for trading	12,138	159	-	12,297
Financial assets - designated at fair value through profit and loss	15,405	-	-	15,405
Financial assets - available for sale	-	1,167,121	-	1,167,121
<b>Total assets</b>	<b>27,543</b>	<b>1,167,280</b>	<b>-</b>	<b>1,194,823</b>
Financial liabilities - held for trading	12,144	142	-	12,286
Financial liabilities - designated at fair value through profit and loss	46	-	-	46
<b>Total liabilities</b>	<b>12,190</b>	<b>142</b>	<b>-</b>	<b>12,332</b>

## Commitments and contingent liabilities

The commitments and contingent liabilities listed below are current issues that may change from the situation as described in the financial statements for 2015 over time and accordingly further explanation is provided. There are no further matters of interest to report regarding commitments and contingent liabilities appearing in the 2015 financial statements.

### Legal proceedings

BinckBank is involved in various legal proceedings. Although it is not possible to predict the outcome of current or impending lawsuits, the executive board believes – on the basis of information currently available and after taking legal counsel – that the outcomes are unlikely to have material adverse effects on BinckBank's financial position or profitability, apart from matters which have already led to the formation of a provision.

### Alex Asset Management

Up to 30 June 2016, BinckBank has received a number of complaints from customers stating that they have suffered losses on their investments through the Alex Asset Management product. The 'Vermogensmonitor' mediation service, which has announced that it is prepared to initiate proceedings against BinckBank in relation to Alex Asset Management on behalf of customers, has also announced that it will cooperate with the Dutch Investors' Association (the VEB) in a collective action against Alex Asset Management. The Financial Ombudsman (Kifid) has selected a number of cases for consideration, and is expected to issue its rulings in the coming half-year. As in previous periods, there is still a realistic threat that legal proceedings will be brought by customers of Alex Asset Management that are not provided for.

## Lawsuit Euronext

The District Court of The Hague ruled in the case Euronext N.V. and Euronext Amsterdam N.V. ("Euronext") filed against TOM Holding N.V., TOM Broker B.V., TOM B.V. and BinckBank N.V. (BinckBank). The Court awarded a number of claims of Euronext. BinckBank had to discontinue a number of behaviors and furthermore sentenced to pay compensation for damage suffered by Euronext. BinckBank has also been summoned to pay damages suffered by Euronext, of which the amount is to be determined in a damage assessment procedure. BinckBank has appealed against the verdict. Also, the board believes - based on information currently available and after consulting legal advisors - that the amount of this damage can not be determined reliably at this time.

## Deposit guarantee scheme

The deposit guarantee scheme is intended to guarantee certain deposits by accountholders if a bank cannot meet its obligations. The scheme provides security for deposits of up to €100,000 and applies per accountholder per bank, regardless of the number of accounts held. In case of a joint account operated by two persons, the maximum applies per person. More or less all savings accounts, current accounts and term deposits are covered. Equities and bonds are not covered. If a credit institution finds itself in difficulties and does not have sufficient funds to pay all or part of the guaranteed amounts to its account holders, De Nederlandsche Bank will make up the difference to the aforementioned maximum.

As from 26 November 2015, the funding of the deposit guarantee scheme was changed from an ex-post basis to an ex-ante basis. As from the first quarter of 2016, the banks have to contribute a sum to a fund for the deposit guarantee scheme. If the resources of the deposit guarantee fund are not sufficient for compensation, the remainder will be recovered from the banks on a pro rata basis. BinckBank contributed a sum of € 0.7 million to the scheme in the first six months of 2016.

## Related parties

The group of related parties consists of consolidated companies, associates, and the executive board and supervisory board of BinckBank. The following related parties were identified as at 30 June 2016: TOM Holding N.V. and its affiliated entities, the executive board and the supervisory board of BinckBank.

## Capital contributions

In 16H1 an additional capital contribution of € 819,000 was paid into the associate TOM Holding N.V.

## Transactions with related parties

BinckBank charged a sum of € 93,000 for premises, office automation and administrative services in the period ending on 30 June 2016 (15H1: € 120,000) to related parties and the claim on these related parties amounts to € 3,000 (15H1: € 3,000). In the half year ending on 30 June 2016 a sum of € 1,508,000 (15H1: € 2,212,000) was charged to BinckBank by related parties for services rendered and the liability to related parties amounts to € 289,000 (15H1: € 431,000).

## Executive board and supervisory board of BinckBank

No transactions with the executive board or the supervisory board took place in the half year ending on 30 June 2016 other than those pursuant to the relevant employment contracts or terms of engagement respectively.

## Segment reporting

A segment is a clearly distinguishable division of BinckBank that provides services to a particular economic market (or market segment) and has a different risk and return profile to that of other segments. In organisational terms, BinckBank's operations are primarily divided according to the countries in which BinckBank operates. The executive board determines the performance targets for these segments, and authorises and monitors the budgets prepared for these business segments. The management of the business segment is responsible for setting policy for that segment, in accordance with the strategy and performance targets formulated by the executive board.

The business segments consist of:

- Netherlands
- Belgium
- France
- Italy
- Group operations

The segment reporting below is prepared in accordance with the principles applied for the financial statements for 2015.

## Segmentation overview

	01-01-2016 through 30-06-2016					
(figures in EUR 1,000's, unless otherwise stated)	Netherlands	Belgium	France	Italy	Group operations	Total
<b>Income statement</b>						
Interest income	10,435	639	880	588	1,189	13,731
Interest expense	(255)	(23)	(14)	-	(1,187)	(1,479)
Net interest income	10,180	616	866	588	2	12,252
Fee and commission income	51,384	5,847	4,066	1,886	1,686	64,869
Fee and commission expense	(7,105)	(1,041)	(831)	(1,046)	(155)	(10,178)
Net fee and commission income	44,279	4,806	3,235	840	1,531	54,691
Other income	1,013	-	7	-	3,545	4,565
Result from financial instruments	640	104	-	-	-	744
Impairment of financial assets	9	4	(46)	1	-	(32)
<b>Total income from operating activities</b>	<b>56,121</b>	<b>5,530</b>	<b>4,062</b>	<b>1,429</b>	<b>5,078</b>	<b>72,220</b>
Employee expenses	4,505	1,264	1,396	689	18,132	25,986
Depreciation and amortisation	10,877	12	5	31	2,359	13,284
Other operating expenses	9,241	2,079	2,263	1,193	12,863	27,639
<b>Total operating expenses</b>	<b>24,623</b>	<b>3,355</b>	<b>3,664</b>	<b>1,913</b>	<b>33,354</b>	<b>66,909</b>
<b>Result from operating activities</b>	<b>31,498</b>	<b>2,175</b>	<b>398</b>	<b>(484)</b>	<b>(28,276)</b>	<b>5,311</b>
Internal cost allocation	(24,085)	(3,204)	(2,767)	(2,064)	32,120	-
<b>Result from operating activities after internal cost allocation</b>	<b>7,413</b>	<b>(1,029)</b>	<b>(2,369)</b>	<b>(2,548)</b>	<b>3,844</b>	<b>5,311</b>
Share in results of associates						(444)
<b>Result before tax</b>						<b>4,867</b>
Tax						(1,528)
<b>Net result</b>						<b>3,339</b>



## Segmentation overview (continued)

01-01-2015 through 30-06-2015

(figures in EUR 1,000's,  
unless otherwise stated)

	Netherlands	Belgium	France	Italy	Group operations	Total
<b>Income statement</b>						
Interest income	10.822	731	1.427	584	1.045	14.609
Interest expense	(604)	(26)	(25)	(58)	(1.043)	(1.756)
Net interest income	10.218	705	1.402	526	2	12.853
Fee and commission income	66.262	8.876	5.671	2.000	1.094	83.903
Fee and commission expense	(9.529)	(1.759)	(1.239)	(1.167)	(72)	(13.766)
Net fee and commission income	56.733	7.117	4.432	833	1.022	70.137
Other income	1.111	2	12	-	4.331	5.456
Result from financial instruments	1.085	-	-	-	-	1.085
Impairment of financial assets	55	(1)	6	3	-	63
<b>Total income from operating activities</b>	<b>69.202</b>	<b>7.823</b>	<b>5.852</b>	<b>1.362</b>	<b>5.355</b>	<b>89.594</b>
Employee expenses	4.944	1.293	1.294	675	19.115	27.321
Depreciation and amortisation	10.918	-	2	39	2.532	13.491
Other operating expenses	7.388	2.210	1.908	1.189	13.953	26.648
<b>Total operating expenses</b>	<b>23.250</b>	<b>3.503</b>	<b>3.204</b>	<b>1.903</b>	<b>35.600</b>	<b>67.460</b>
<b>Result from operating activities</b>	<b>45.952</b>	<b>4.320</b>	<b>2.648</b>	<b>(541)</b>	<b>(30.245)</b>	<b>22.134</b>
Internal cost allocation	(22.890)	(2.515)	(2.710)	(1.700)	29.815	-
<b>Result from operating activities after internal cost allocation</b>	<b>23.062</b>	<b>1.805</b>	<b>(62)</b>	<b>(2.241)</b>	<b>(430)</b>	<b>22.134</b>
Share in results of associates						(199)
<b>Result before tax</b>						<b>21.935</b>
Tax						(5.127)
<b>Net result</b>						<b>16.808</b>

## VII Dividends proposed and payable

(figures in EUR 1,000's, unless otherwise stated)

	16H1	15H1
Paid dividend during the year		
Dividends on ordinary shares:		
Final dividend 2015: € 0.25 (2015: € 0.31)	17,199-	21.787
Proposed interim dividend 2015 approved by the 'Stichting Prioriteit' on 23 July 2015		
Dividend on ordinary shares		
Interim-dividend 2016: € 0.04 / 2015: € 0.14	2,840	9.839

## VIII Events after balance sheet date

### Imposition of fine by the AFM for advertising for Alex Asset Management

On 1 July 2016 the Authority for the Financial Markets (AFM) notified BinckBank of its decision to impose a fine of € 750,000 for the advertisements on behalf of Alex Asset Management. The AFM took the view that in the period from 8 September 2012 to 26 August 2014 advertising for Alex Asset Management contained unclear and/or misleading information. BinckBank will appeal against this fine.

### BinckBank purchases a portfolio of Dutch residential mortgages

As of 15th of July BinckBank has acquired a portfolio of Dutch residential mortgages worth € 340 million from Obvion. With this purchase BinckBank is on track with its objective to finance a total of € 500 million of Dutch residential mortgages in 2016.

No other events occurred have occurred after the closing date that involve material changes.

## Other information

# Review report

To: the shareholders, the executive board and the supervisory board of BinckBank N.V.

### Introduction

We have reviewed the accompanying condensed consolidated interim financial information, as included in section 'Interim financial statements for 2016' which form part of the 'Half-year report 2016' of BinckBank N.V., Amsterdam. The condensed consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2016, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity for the period of six months ended 30 June 2016, and the selected notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information, as included in section 'Interim financial statements for 2016', in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information, as included in section 'Interim financial statements for 2016' as at June 30, 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 25 July 2016

Deloitte Accountants B.V.

Was signed on the original: drs. R.J.M. Maarschalk RA

## Other information

# Important dates BinckBank N.V.

### Webcast

Today, 25 July 2016, an audio webcast will be held at 10:00 a.m. CET. The presentation is available at [www.binck.com](http://www.binck.com) under Investor Relations/Financial Results. The transcript of the audio webcast will be available on [www.binck.com](http://www.binck.com) under Investor Relations/Financial Results from 27 July 2016.

### Important dates 2016\*

• Publication half-year report 2016	25 July 2016
• Ex-interim dividend	27 July 2016
• Record date interim dividend	28 July 2016
• Payment of interim dividend	1 August 2016
• Publication third quarter results 2016	24 October 2016
• Publication Annual results 2016	6 February 2017

\* Dates subject to change

### About BinckBank N.V.:

BinckBank NV (BinckBank) is an online bank for investors with a market-leading position in the Netherlands and Belgium, and the third-largest such bank in France. As an online broker, BinckBank offers its clients fast and low-cost access to all major financial markets worldwide. Moreover, as an asset management bank, BinckBank provides support to its customers in the management of their assets through online asset management services and online savings accounts. In addition to private investors, BinckBank has a leading position in the provision of services to independent asset managers in the Netherlands. The company has offices in the Netherlands, Belgium, France, Italy and Spain.

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A photograph of the BinckBank N.V. building at night. The building is a modern, multi-story office building with a dark facade and many windows. The windows are illuminated from within, creating a warm glow. The building is set against a dark blue sky. In the foreground, there are several cars parked on a street, and a street lamp is visible. The overall scene is a nighttime urban setting.

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