Annual Report 2012

BINCKBANK
FOR INVESTORS

Contents

AMBITIOUS, ENTERPRISING AND CUSTOMER-ORIENTED. THIS IS WHAT BINCK STANDS FOR.

BinckBank Overview

Profile BinckBank

BinckBank N.V. (hereinafter, 'BinckBank'), incorporated in 2000, is an online bank for investors. BinckBank's core business is providing a comprehensive, user-friendly website that allows private investors to invest easily and quickly anywhere in the world at competitive rates. BinckBank is ranked in the top five online brokers in Europe, and has repeatedly received awards as the best online broker in the Netherlands, Belgium and France. BinckBank is listed on NYSE Euronext Amsterdam, and has formed part of the Amsterdam Midkap Index (AMX) since 1 March 2006. At year-end 2012, BinckBank's market capitalisation stood at € 463 million and the average daily turnover in BinckBank shares in 2012 was 229,041.

BinckBank's ambition is to be the largest online bank for investors in Europe. It is already the market leader in the Netherlands and Belgium, and has a strong position in France. BinckBank Italy officially launched its services in April 2012.

The Retail business unit serves private investors under the brands Alex and Binck. Under the Alex brand, we focus on Dutch private investors looking to achieve more with their capital. In addition to an extensive investment website, Alex offers savings, asset management and educational courses for investors. Under the Binck brand, BinckBank focuses on active private independent investors in the Netherlands, Belgium, France and Italy with order execution at competitive rates in combination with extensive facilities, including a professional investment website with real-time streaming prices, news, depth of order book, research, recommendations and tools for technical and other analysis.

In addition to serving private investors, BinckBank serves approximately 100 professional parties. The Professional Services business unit serves independent investment managers, banks, insurance companies and pension administrators in the field of Business Process Outsourcing (''BPO'') and software development in both the Netherlands and Belgium. As a partner, it provides solutions in relation to market investing, fund investing and savings. Professional Services has been the market leader in the Netherlands as a custody bank for investment managers since 2012. It is also the market leader in the Netherlands in BPO and the supply of licenced software to banks. Binck Professional Services and 100%-owned Syntel joined forces on 23 January 2013 and from now on will serve the market under the brand Able.

BinckBank has offices in the Netherlands, Belgium, France and Italy and also has a sales office in Spain. Since 31 December 2012 BinckBank's associates include Able B.V. (software supplier, 100%-owned), ThinkCapital (issuer of ETFs, 60% holding), BeFrank (collective pension accumulation, 50% holding) and TOM (multilateral trading platform & smart order router, 34.2% holding).

Key figures

x € 1.000	FY12	FY11	FY10	FY09	FY08
Customer figures					
Customer accounts	**647,046**	**531,465**	**433,538**	**373,574**	**272,826**
Beleggingsrekeningen	*443,342*	*418,426*	*333,702*	*288,698*	*212,005*
Beleggersgirorekeningen	*87,640*	*2,759*	*1,340*	*472*	-
Vermogensbeheerrekeningen	*22,473*	*19,007*	*14,543*	*10,891*	*7,548*
Spaarrekeningen	*93,591*	*91,273*	*83,953*	*73,513*	*53,273*
Number of transactions	**8,488,569**	**9,709,795**	**8,854,215**	**9,617,181**	**7,151,244**
Beleggingsrekeningen	*7,926,557*	*9,630,122*	*8,800,013*	*9,608,830*	*7,151,244*
Beleggersgirorekeningen	*562,012*	*79,673*	*54,202*	*8,351*	-
Assets under administration	**22,654,201**	**13,724,175**	**14,124,667**	**10,942,742**	**6,065,852**
Beleggingsrekeningen	*14,708,571*	*12,399,748*	*12,694,824*	*9,693,466*	*5,077,497*
Beleggersgirorekeningen	*6,508,612*	*115,509*	*101,612*	*38,991*	-
Vermogensbeheerrekeningen	*1,012,617*	*689,987*	*610,034*	*336,103*	*127,115*
Spaarrekeningen	*424,401*	*518,931*	*718,197*	*874,182*	*861,240*
Income statement					
Net interest income	32,024	38,907	43,587	43,825	40,640
Net fee and commission income	113,663	128,447	126,970	129,240	101,181
Other income	11,980	13,322	13,599	9,661	6,162
Result from financial instruments	47	3,167	620	4,353	1,230
Impairment of financial assets	(2)	(268)	70	(857)	(205)
Total income from operating activities	**157,712**	**183,575**	**184,846**	**186,222**	**149,008**
Employee expenses	50,057	50,861	45,480	43,185	38,443
Depreciation and amortisation	35,231	35,463	34,798	35,939	31,789
Other operating expenses	37,139	43,800	44,223	43,388	37,316
Total operating expenses	**122,427**	**130,124**	**124,501**	**122,512**	**107,548**
Result from operating activities	**35,285**	**53,451**	**60,345**	**63,710**	**41,460**
Tax	(8,325)	(13,513)	(14,837)	(15,083)	(8,941)
Share in results of associates and joint ventures	(3,580)	(5,848)	(1,363)	(1,466)	520
Result after tax (discontinued operations)	-	-	-		***106***
Net result	**23,380**	**34,090**	**44,145**	**47,161**	**33,145**
Result attributable to non-controlling interests	720	120	95	-	
Net result attributable to shareholders BinckBank	**24,100**	**34,210**	**44,240**	**47,161**	**33,145**
IFRS amortisation	28,196	28,196	28,196	28,196	28,196
Fiscal goodwill amortisation	2,737	2,737	2,792	2,792	2,792
Adjusted net earnings	**55,033**	**65,143**	**75,228**	**78,149**	**64,133**
Average number of shares outstanding during the year	72,801,291	74,142,108	74,080,265	74,897,706	76,870,870
Adjusted earnings per share (€)	**0,76**	**0,88**	**1,02**	**1,04**	**0,83**
Cost / income ratio excluding IFRS amortisation	60%	56%	52%	51%	53%
Balance sheet & capital adequacy					
Balance sheet total	2,997,774	3,351,455	3,216,768	2,930,010	2,578,394
Equity	455,221	469,523	468,913	480,359	477,641
Total available capital (Tier I)	160,342	160,695	131,257	95,569	77,295
BIS ratio	31.1%	31.1%	23.9%	18.4%	17.2%
Solvency ratio	25.2%	23.1%	15.7%	13.0%	13.6%
Cost / income ratio					
Cost / income ratio	78%	71%	67%	66%	72%
Cost / income ratio excluding IFRS amortisation	60%	56%	52%	51%	53%

2012

2012

FEBRUARY
US options added

MARCH
- Second phase migration of SNS bank
- Revision of investment policy

APRIL
- New fee structure for Alex
- Opening of office in Milan
- Binck wins NCCA Award for Best Customer Service

MAY
- Beta release of Binck360 incl. Portfolio Based Margin
- BeFrank receives the PBM Award for 'Best communication by a commercial provider 2012'
- First accounts opened for Italian investors

AUGUST
- Introduction of financial transaction tax in France
- Increase of stock-exchange tax in Belgium from 0.22% to 0.25%

SEPTEMBER
In France Binck receives 'best value for money' label for small orders from Le Revenu

OCTOBER
- New fee structure for Binck
- Binck France wins two awards
- TOM live with all shares option series in AEX and AMX

NOVEMBER
- Binck and Alex ranked 1 and 2 respectively as 'Best Online Broker in the Netherlands' by IEX Netprofiler
- ThinkCapital wins the VEB Investment Fund Award for the Think AEX Tracker
- Binck Professional Services and eXimius are concluding an agreement to offer a collective portfolio management service.

DECEMBER
- NASDAQ OMX is concluding an agreement with TOM to take a shareholding of 25%.
- AuM at Alex Asset Management exceeds € 1 billion
- Executive board member Nick Bortot leaves BinckBank

2013

Chairman's message

Dear readers,

2012 was a year in which the debt crisis caused economic uncertainty, which negatively affected market activity. BinckBank's earnings declined in 2012, on the back of lower interest rates, falling trading volumes and price reductions at Alex and Binck. Although income fell in 2012, BinckBank succeeded in controlling its costs during the year, achieving a reduction of 6%. BinckBank realised an adjusted net profit of € 55.0 million, approximately € 10 million less than in the previous year. BinckBank is proposing to set its final dividend at € 0.28 per share, bringing the total dividend for the 2012 financial year to € 0.45 per share.

The market conditions during the year can certainly be described as challenging. The year began well with several busy months, after which volumes declined to lower levels. BinckBank focuses on online brokerage, from which the largest part of its result in the Netherlands is realised. BinckBank has a strong position in its home market with its brands Alex and Binck. There has been price pressure in recent years due to new online brokers entering the market. BinckBank has confirmed its leading position, but not without having to reduce its prices for both the Alex and the Binck brands. Combined with lower market volumes and historically low interest rates in the money and capital markets, this led to a significantly lower result in 2012.

BinckBank is fully aware of this development, and in recent years has invested in activities that will make our company less exposed to fluctuations in trading volumes in the securities markets. The formation and expansion of Professional Services, TOM, Think Capital and BeFrank have all been in anticipation of this. We reassessed the company's strategy in 2012, and concluded that besides the above-mentioned initiatives, we should prioritise the further expansion of Asset Management. The activities that BinckBank is developing alongside its volatile brokerage business should over time provide a balance with more stable income.

The low level of interest rates was another item of attention during the year. Driven partly by the ample liquidity as a result of various measures by the ECB in the market, interest rates fell to historically low levels. BinckBank pursues a conservative policy with respect to the level of risk it takes with customer funds. More or less all the funds entrusted by our customers are invested in short-term German bonds. While this provides the desired level of security, the return it generates is low. Investments offering a better return would be appropriate in our case, as long as our conservative policy and good diversification of risk continue to take precedence. We accordingly adjusted our investment policy in March, so that part of the portfolio could be invested in financials with the lowest risk category.

Further development of the brokerage business was achieved with the launch in Italy. We opened the first accounts in May 2012, and opened our doors to the wider public in September. We are satisfied with the results achieved, which are in line with our ambition of settling more transactions on our platform, thereby keeping costs low. This will be essential in an industry that may well experience some price drop in Europe in the next few years. Given our progress in Belgium and France, Binck has so far been successful in building decent market positions in new countries within a relatively short timeframe. We made up further ground on the competition in Belgium and France, so that BinckBank is now the market leader in Belgium and has a top three position in France. Rolling our service out to other countries is not currently a priority; we first want to consolidate our success in Italy before making any further moves. This does not mean we will not consider opportunities should they arise. If we see a suitable possibility for synergies through an acquisition, we will study it with interest.

We are closely following political developments with regard to regulation changes in Europe and the Netherlands, as these can significantly affect our business and therefore our results. The financial transaction tax and the stock-exchange tax have or will be introduced and increased in France, Belgium and Italy. We observed some negative effects of this on our sales in the fourth quarter.

There are also discussions ongoing at European level regarding the abolition of so-called distribution fees for the sale of investment funds. It has already been agreed in the Netherlands that this will take effect from 1 January 2014. Obviously, with these two developments in mind, we have been considering alternative offerings and fee structures, partly in order to limit the negative effects on our profitability.

The bank tax introduced in the Netherlands on 1 October 2012 has no effect on BinckBank since BinckBank's total balance sheet is well below the established efficiency threshold of at least € 20 billion.

BinckBank has devoted great effort to (re)developing new or existing products and services that are fully tailored to meet the needs and wishes of its customers. BinckBank launched Binck360 in the third quarter, a web-based platform designed especially for active investors. With this platform investors can trade rapidly using facilities including one-click-trading and they can also trade directly from charts.

Developments on mobile devices are unstoppable and are showing rapid growth. Customers log in regularly to check their portfolios or to enter orders. Nearly 30% of all morning sessions are conducted using a mobile device and the number of transactions through this channel represents more than 7% of the total. Another important step was expanding the best execution service for option orders. All option series of stocks in the AEX and AMX indices have been tradable on the TOM platform since November 2012. TOM is the first platform to offer this in Europe.

The development of a multi-channel, multi-language and multi-fiscal system such as we use in the private customer market requires significant investment, so it is important that this investment can be used in as many countries as possible. The central design of our system enables us to roll out new products and services quickly in several countries. Partly for this reason, we decided this year to continue to develop software for our Topline platform for the private customer business and for the Europort platform for the professional business in combination with more specific tailor-made solutions on a separate basis. One consequence of this is that we will migrate our Retail activities in Belgium and France, which are currently settled on the Europort platform, to the Topline platform.

From 23 January 2013 the Professional Services business unit and the software company Syntel will operate as one brand in the market, known as Able. Able is a service and software company that will concentrate fully on investments and savings. As a specialist, Able offers three products – market investing, fund investing and bank savings. The products will be offered in various concepts, either as a standard software licence model, Software as a Service ('SaaS service') or with full outsourcing (BPO).

Alex Asset Management achieved a positive result in 2012. To counter the increasing pressure on its volatile online brokerage income, BinckBank focused on expanding its asset management business in 2012. Alex Asset Management made excellent progress, achieving good returns for our customers in 2012 and growth in assets under management of 47%, from € 690 million to just over € 1.0 billion at year-end 2012. In our view, the growth of Alex Asset Management reflects social developments: the retirement age is being raised at a time when spending is being reduced and individuals are being encouraged to save for their retirement themselves and to repay their mortgages. In addition, there is increasing uncertainty in the employment market so that staying in employment is not taken for granted as it was in the past, which also is encouraging people to build up reserves. With the low interest rate paid on private bank accounts that is not enough to compensate for inflation and pay the investment yield tax, more and more private individuals are prepared to have some of their assets managed. We will increase our investment in Alex Asset Management in the coming period in order to be able to benefit optimally from the changes in this market.

Like many other financial businesses, BinckBank has to continue to meet the radical changes and increasing complexity of legislation and regulation in the financial sector. Partly as a result of this, BinckBank has to strengthen departments such as Compliance and Internal audit, which will increase its operating expenses. On the other hand, our processes will be structured as efficiently as possible so as to control our operating expenses again.

The Dutch government nationalised SNS Reaal on the basis of the Intervention Act on 1 February 2013. A one-time resolution levy into the treasury will be imposed on banks amounting to a total of € 1 billion. This levy will not be deductible for the purpose of corporation tax. The contribution of the various banks will be related to the total sum of the deposits guaranteed under the deposit guarantee scheme held with them on 1 February 2013. The exact amount of the contribution of BinckBank N.V. is not currently known. Based on the available data as used for the last contribution to the deposit guarantee scheme, it could be approximately € 4.5 -5.0 million.

We will continue on the course we have chosen in the coming year, by offering an excellent product with high-quality service in both the private customer and professional markets. We are positive regarding the opportunities the market is presenting to us. Factors pressuring our profitability could include, in addition to the volatility of our income flow and the low level of interest rates, any further taxation or levies and/or changing laws and regulations that may be imposed. That's why BinckBank is working intensively on developing alternative sources of income.

Nick Bortot left BinckBank on 31 December 2012 to pursue other challenges, after working at BinckBank for 12 years. We are grateful to him for his efforts and his achievements. There has been a change in the distribution of duties within the executive board as a result of Nick's departure. His duties have been taken over by the chairman.

I would like to close this message by thanking all our customers, shareholders and staff for the commitment and the confidence they have shown in BinckBank.

Amsterdam, 7 March 2013

Koen Beentjes
Chairman of the BinckBank executive board

Vision, mission, ambition and strategic objectives

Vision

Ten years ago, it was still unusual to buy and sell anything over the internet, whereas today it is an everyday occurrence. Offering an online brokerage account at low cost is no longer a way to differentiate as an online broker. The expectations of private investors continue to grow, especially since the fees charged by the online providers have become more similar over the last ten years. Our conviction is that tomorrow's online broker will only be able to differentiate itself by offering low cost high-quality services and products that are transparent, simple and user-friendly. Where possible, BinckBank involves its customers in developing new products. BinckBank's DNA is an important element in achieving the customer satisfaction that we strive for. BinckBank employees are service-oriented with a focus on the customer, they work with passion and pleasure, and they strive to be the best in everything that they do. This will lead to products and services being introduced that truly meet customer demand and maintain a high level of customer satisfaction.

Among professional parties, we see increasing demand for a reliable custodian bank with low fees.
Partly as a result of the credit crisis, an increasing number of banks and insurance companies are moving towards outsourcing their securities businesses, because this is not part of their core business and the operation and administrative processing of securities transactions is expensive and labour-intensive. It is moreover becoming increasingly difficult and complicated for professional parties to continue to meet the requirements of continually changing legislation and regulation in the financial sector. Professional Services is positioned to take advantage of this by taking over these operations by means of a BPO contract at competitive rates.

Mission

Putting the customer first; this has been BinckBank's mission since the beginning. BinckBank strives to amaze its customers by outperforming their expectations. We continue to strive to outperform expectations in terms of products, prices and service should be transcended. For instance, we aim to provide the same technical investment tools to private investors as are available to professional investors. Both types of investor should be able to benefit from all the tools and facilities that BinckBank has to offer.

In the professional market, BinckBank offers its partners an advanced platform and the use of its excellent infrastructure, and assists them in complying with ever more complicated legislation and regulation.

BinckBank strives to achieve perfection and a high level of customer satisfaction and thereby create maximum value for its customers, shareholders and other stakeholders with its excellent service.

Ambition

Since its incorporation, BinckBank's ambition has been to become the largest online bank for investors in Europe. This means that we aspire to become the largest online bank in terms of number of brokerage accounts and transactions, profit and geographical scope.

BinckBank is currently one of the five largest online brokers in Europe. Looking back over the last ten years, we can say that BinckBank has grown into a large European player. With offices in Belgium, France, Italy and a sales office in Spain, BinckBank is a broker that has established itself at European level.

If BinckBank succeeds in settling more transactions for its customers, including outside its national borders, transaction costs can be kept low and BinckBank can continue to offer competitive rates to its customers.

Strategic objectives for BinckBank

BinckBank has nine strategic objectives

1. Mainten of reputation and confidence

BinckBank relies on the confidence of its private and professional customers. The absolute size of its equity, the fact that the internet is its only distribution channel, its market listing and large number of customers makes BinckBank open to questions relating to issues of confidence. Maintaining confidence and a good reputation are therefore essential. Since its incorporation, BinckBank has placed the customer's interest first and has achieved a high level of customer satisfaction.

Situation at the end of 2012

BinckBank has a low risk appetite with regard to jeopardizing of its reputation as a reliable and transparent service provider. Over the whole of 2012, our customers gave us a score of 7.5 in the customer satisfaction surveys that we conduct on a quarterly basis. The score in 2011 was 7.6 (on a scale from 1 to 10). In 2013 BinckBank will devote attention to raising the level of customer satisfaction. The ambition is to achieve an average score of 8 in our customer satisfaction surveys. BinckBank was affected by the publicity surrounding the incident that occurred in the Risk Management department in 2012.

2. Expansion of online brokerage (Retail)

BinckBank's net fee and commission income is mainly driven by its online brokerage operations (income from transactions) of the Retail business unit. In order to generate further growth in its fee and commission income, BinckBank intends to expand its online brokerage activities by increasing the number of its customers and the number of transactions within its current geographical footprint (the Netherlands, Belgium, France and Italy). It intends to do this through the introduction of new products and services. In view of the poor macro-economic conditions, BinckBank has no plans to increase its geographical footprint by means of autonomous growth in the near future. Opportunities for acquisition arising in existing markets or in markets in which BinckBank does not yet operate, will be studied very carefully.

Situation at the end of 2012

BinckBank achieved reasonable ample in 2012 in the number of accounts at Retail Nederland (+ 12,002 brokerage accounts, +4%), Retail Belgium (+ 5,774 brokerage accounts, +11%), France (+ 5,853 brokerage accounts, +15%) and Italy (+ 1,253 brokerage accounts). The number of transactions by private customers declined by 20% from 8.9 million in 2011 to 7.1 million in 2012, with 4.9 million transactions by our Dutch customers, 0.8 million by our Belgian customers, 1.4 million by our French customers and 26,000 by our Italian customers.

3. Expansion outside the online brokerage chain: savings & investment management activities (Savings & Investment Management)

One of BinckBank's objectives is to further expand the services it provides to include savings and investment management activities, whereby the business model will focus on the management and administration of assets. This should lead to a more stable income flow in the longer term.

Situation at the end of 2012

In 2012, BinckBank took a strategic decision to allocate more people and resources to expanding its savings and investment management activities. A new director has been appointed and a feasibility study has been conducted for the introduction of new savings and investment management products with related distribution and service models.

Alex Asset Management made excellent progress, increasing its assets under management by 47% in 2012 from € 690 million to € 1.0 billion. The number of accounts increased by 18% to 22,473 (2011: 19,007). The net inflow of new money came to € 213 million.

4. Continue growth of Professional Services (Able)

Professional Services offers the following services:

- Services to independent investment managers (broker desk);
- BPO services to banks, insurance companies and pension administrators; and
- Software licences for banks.

In addition to expanding its investment management activities, BinckBank is focusing on the further development of its services to the professional market. BinckBank's objective is to expand there activities further in the Netherlands and Belgium. Professional Services has been offering Business Process Outsourcing (BPO) services since 2006. Under a BPO contract, Professional Services takes full responsibility for the execution of securities orders, administration and securities-related payments. A BPO contract is usually concluded for a term of 5 to 7 years and carries a minimum annual fee. This generates recurring and therefore more stable income for BinckBank.

Situation at the end of 2012

Professional Services primarily focused on the implementation of the BPO contracts concluded in 2011 during 2012. Assets under administration rose from € 5.1 billion to € 12.9 billion. Professional Services currently serves around 100 independent investment managers and has six BPO partners. Professional Services engaged in negotiations with various potential parties in 2012, although this has not so far led to the conclusion of a new contract. The target for the year 2012 of two new BPO contracts was therefore not realised. As a result of the acquisition of Friesland Bank by Rabobank, the BPO mandate is terminated. Since the summer of 2012, Binck Professional Services and Syntel have been operating jointly in the market in preparation for their commercial, combined operation under the brand Able in early 2013. The service will be further expanded under the Able brand in 2013.

5. Optimising operational efficiency and continuity of services

BinckBank's strategic objective is to use its existing infrastructure efficiently by settling as many transactions as possible at lowest possible transaction cost in order to be able to continue offering competitive rates to its customers. Scale benefits as a result of high transaction volume are necessary in order to be able to remain competitive in the long term. It is thus important that BinckBank achieves as high a transaction volume as possible.

Transaction volume can be increased in various ways:

- growth of the number of accounts in existing markets;
- the introduction of new products and services that generate more transactions;
- giving professional parties access to BinckBank's infrastructure (BPO services and independent investment managers); and
- connecting new countries to the existing infrastructure.

It should be noted in this context that significant growth in transaction volume greatly depends on sentiment among retail investors.

Situation at the end of 2012

<u>Centralised back office and infrastructure</u>

BinckBank has its centralised back office and ICT-infrastructure in Amsterdam where all transactions are settled, including those executed in Belgium, France and Italy. This central organisation for the settlement of securities transactions and the administration of securities positions is highly efficient, and allows us to achieve low costs per transaction. Various projects in 2012 focused on improving the quality and efficiency of the infrastructure and the back office. Several employees were trained in 'Lean Methodology' and this methodology was used to improve the efficiency of various back office processes. Progress was also made in 2012 on the development of the Retail base platform (Topline). This platform enabled Italy to be accessed in 2012 and the time-to-market for the introduction of new products and services to be reduced. As a result of the increasing economics of scale, the costs of the platform can be spread over an ever greater number of countries. BinckBank Belgium will migrate to the European Retail base platform in 2013.

<u>Foreign branches with low fixed costs</u>

BinckBank uses local branches for its foreign operations. These branches have low fixed costs, since the activities they perform are more or less limited to front office (sales and customer service) and legal and compliance employees. The local branches focus entirely on their customers in the language of the country in question.

It is essential that these activities are placed close to the customer, since this enables them to provide the best possible customer service and to tailor the products and services offered to meet the wishes and needs of the private investors in the various markets. The other activities, which mainly concern ICT and back office, are organised centrally in the Netherlands.

Constant focus on cost control
At BinckBank we are convinced that operational excellence is the key to controlling costs. Continually working on structural improvements to our business methods and processes makes it possible for us to control our costs. BinckBank has been obliged to strengthen various departments within its organisation as a result of changing and increasingly complex legislation and regulation in the financial sector, which increases its operating expenses. On the other hand, our processes are structured as efficiently as possible so as to control and reduce our operating expenses. BinckBank devoted extensive attention to controlling costs in 2012. BinckBank will continue to invest in the growth and quality of its business, two aspects that are essential in order to maintain a position as a major European player in the online brokerage market.

Expertise
BinckBank employees have accumulated extensive expertise in the settlement and administration of securities transactions over the last few years, which greatly benefits the efficiency and continuity of our service.

6. Conservative financial policy
BinckBank follows a conservative financial policy and is moreover conservative with regard to investing the funds entrusted to it by its customers. The aim of capital management at BinckBank is to maintain a sound solvency and liquidity position, seeking constantly to strike the right balance between the equity capital it holds, the return it can realise and the risks to which it is exposed.

Situation at the end of 2012
As at 31 December 2012, the capital and liquidity position of BinckBank was sound. BinckBank's total equity at the end of 2012 stood at € 455.2 million. The total available Tier 1 capital in 2012 of € 160.3 million remained more or less the same as in 2011 (FY11: € 160.7 million). The BIS ratio was unchanged from 2011 at 31.1% and the solvency ratio rose further from 23.1% to 25.2%.

Both ratios are comfortably higher than the required levels set by the regulators.

7. Attractive return for shareholders
BinckBank strives to achieve an attractive Total Shareholder Return (TSR) (price appreciation + dividend) for its shareholders.

Situation at the end of 2012
The proposed dividend per share for 2012 is € 0.45 (FY11: € 0.44), which means a dividend yield of 7.2% (FY11: 5.3%) with a year-end share price of € 6.22 (FY11: € 8.33). BinckBank shares opened 2012 at a price of € 8.34, and closed the year at € 6.22. The share price of BinckBank was under considerable pressure in 2012 due to doubts by investors regarding the sustainability of our business model. Operating income was pressured by lower interest rates in the money and capital markets, increased competition, particularly in our home market in the Netherlands, and declining trading volumes on the back of uncertainty regarding the economy among private investors. There was also uncertainty among investors as to the effect of the (potential) introduction of the financial transaction tax on BinckBank's share price.

8. Compliance with changing legislation and regulation
BinckBank operates in regulated and supervised markets in which all stakeholders have to receive the correct service. BinckBank must continually comply with the rapidly changing legislation and regulation in the financial sector (compliance), which has the effect of increasing costs.

Situation at the end of 2012
BinckBank continuously has internal projects running to ensure that it can continue to comply with changing legislation and regulation. In 2012 the French regulator ACP conducted an audit of the French office as part of its anti-money laundering and counteraction of terrorism financing efforts. The audit produced various items for improvement and recommendations regarding documentation and the correct procedures of the internal organisation, processes, and internal audits conducted in relation to customer identification, transaction monitoring, risk classification and liquidity monitoring.

9. Corporate social responsibility

By means of corporate social responsibility (CSR), BinckBank strives to retain and encourage sustainable confidence in its activities. The fundamental principle in our CSR policy is to place the customer's interest first. The CSR policy is integrated in BinckBank's services and is taken into consideration in the decision-making process with regard to product innovation.

Situation at the end of 2012

Consistent with its CSR policy, BinckBank devoted attention last year to promoting investment in sustainable development to its customers, by offering investment funds in sustainable development and giving these funds a prominent place on the website. With the Alex Academy, BinckBank offers mostly free education to support investors so that they have a better basis on which to make their decisions.

BinckBank made an active contribution during the Socially Responsible Investing Week in October 2012. During this week the VBDO (Association of Investors in Sustainable Development) organised various activities designed to raise awareness of the possibilities for socially responsible investing. From now on, investors with Alex can receive the detailed analysis and reporting from Financial Services Amsterdam regarding the social responsibility of most of the AEX companies and some companies in the Midkap Index free of charge. Until now, this information has been part of the premium package for which customers have been paying € 45 per quarter. Now this information will be provided free of charge. This is part of the promotion of the socially responsible development theme.

Alex Asset Management also made significant progress in 2012 in formulating an exclusion policy. In collaboration with Sustainalytics, Alex Asset Management has screened the universe of the 600 stocks in which the model invests. By means of this screening, Alex Asset Management intends to avoid investing in companies that contravene the principles of the UN Global Compact. The Global Compact guidelines are internationally recognised and widely endorsed as a framework for companies in the areas of human rights, labour, the environment and the fight against corruption. The result of the screening by Sustainalytics for Alex Asset Management was very positive. All the companies that Alex Asset Management includes in its potential investment universe comply with the Global Compact guidelines in the analysis.

Lastly, BinckBank has made its CSR activities more transparent by giving detailed account of these activities in its annual report (see pages 55 to 59).

Medium-term targets

In early 2012, BinckBank reviewed its long-term targets in view of the limited period remaining for the previous targets for 2013 that were formulated in 2009. By formulating new targets for year-end 2015, BinckBank is maintaining its focus on the longer term. The realisation of the previous targets is evaluated and an explanation of the new targets is given below.

Evaluation of realisation of previous targets for 2013

The target for year-end 2013 in the Netherlands was to achieve 330,000 brokerage accounts. At the rate at which accounts have been opened in recent years, BinckBank will have around 290,000 brokerage accounts at year-end 2013. It is therefore very likely that this target will not be achieved. For Belgium, the target was 90,000 brokerage accounts. The investment landscape has changed radically in Belgium since the banking crisis. After the problems at Fortis and Dexia, which led to substantial losses by many Belgian investors, the enthusiasm for investing has significantly waned. Sentiment among private investors was also not helped by the two-step increase in the stock-exchange tax (tax on financial transactions) from 0.17% to 0.25%. In all probability, at the current rate BinckBank Belgium will have around 65,000 brokerage accounts by year-end 2013. Despite this being 25,000 less than the target, BinckBank became the market leader in Belgium in 2012. The target figure in France was 80,000 brokerage accounts. BinckBank has been highly successful in France. However, the financial transaction tax could still have a negative effect here. While so far BinckBank has attracted rather fewer account holders than it needs to hit the target, activity is at a sufficient level.

The number of Retail brokerage accounts is still growing strongly, at an average of more than 40,000 a year over the past three years. Despite this growth, BinckBank believes that the number of transactions is more representative of the business model and BinckBank's performance. It is transaction volume that determines the result, not the number of brokerage accounts. The savings market has significantly changed since the crisis. As a result of the stricter Basel III requirements with respect to liquidity and the fact that banks have become more reluctant to lend to each other, many banks have decided to attract more funding from the retail market by offering higher rates of interest on savings. BinckBank does not wish to emulate these higher rates on savings for financial and technical risk reasons. This means that the target for savings will not be met, and will be abandoned.

The number of BPO contracts concluded by Professional Services is behind schedule, as no new BPO contracts have been signed in 2012. Professional Services has nevertheless made good progress in the area of innovation. Partly because of these developments, we believe that the target of fourteen BPO contracts by year-end 2015 will be achieved. The assets under administration are well above target, mainly due to the strong growth realised by Professional Services.

Nieuwe doelstellingen 2015

	Goals for year-end 2015	Realisation year-end 2012	Realisation year-end 2012 in %	Realisation year-end 2011	Realisation year-end 2011 in %
Retail brokerage accounts	13,5 milioen	7,1 milioen	53%	8,9 miljoen	66%
Assets under administration Retail brokerage	€ 10 miljard	€ 8,4 miljard	84%	€ 7,4 miljard	74%
Italy	Break even	In progress	In progress	-	-
Savings & Investment management assets under management	€ 1,5 miljard	€ 1,0 miljard	67%	€ 690 miljoen	46%
BPO contracts	14	6	43%	6	43%

Number of Retail brokerage transactions: 13.5 million per year

The target is designed for further growth of the company and is in line with the objective of routing as many transactions as possible via the Retail base platform (Topline) and the Europort-platform in order to keep transaction costs as low as possible so that BinckBank can continue to offer competitive rates to its customers. The increase of the target of 50% compared to 2011 (8.9 million transactions) requires an active policy within the current European geographical footprint; the Netherlands, Belgium, France and Italy.

Assets under administration Retail brokerage: € 10 billion

This target will also encourage further growth of BinckBank, mainly outside the Netherlands. Assets under administration can be seen as an indicator of potential transaction volume.

Break-even in Italy by year-end 2015

This target is set for approximately three years after the commercial launch date at the end of September 2012 and is in line with the business plan and the time needed to achieve break-even operation at our previously opened foreign offices in Belgium and France.

Assets under management at Alex Asset Management: € 1.5 billion

The doubling of the size (2011: € 690 million) of the business in four years will require successful execution of the plans that have been made, in which product development will be an essential factor.

Professional Services to conclude two BPO contracts per year

These projects normally involve a lengthy lead time and we consider it to be a high priority that Professional Services continues to build this part of the business. The number of BPO contracts continues to be an important issue for BinckBank, since this leads to returning and therefore more stable income for BinckBank.

Earnings model and SWOT analysis

BinckBank earns its income from its interest-rate business and its transaction (processing/broking) business. The earnings models for the interest-rate business and the commission business are shown in the tables below, with details of developments for each underlying driver during the 2012 financial year.

positive   neutral   negative

		Income and expense drivers	2012	Remarks	%
Net interest income	**Interest income**	**Interest on cash:**			2-8
		Volume of funds		Cash balance increased due to redemptions in the investment portfolio	
		Money market interest rate		Money market interest at a historical low, close to 0%	
		Interest from investment portfolio:			50-65
		Size of portfolio		Portfolio size has declined due to redemption of bonds which could not be reinvested due to a lack of investment opportunities within the risk appetite set by the executive board	
		Capital market interest rate		Capital market interest rates extremely low, especially in Germany where BinckBank has most of its investments	
		Interest from collateralised loans:			30-40
		Size of portfolio			
		• Value of underlying financial instruments		Value of underlying instruments has increased, mainly due to the market rally at the end of 2012	
		• Funding percentages/ haircuts		No significant changes in policy regarding funding percentages	
		• Customer risk appetite/investor sentiment		Investor sentiment has been negative for most of the year	
		Debit interest rate		No significant changes in debit interest rate in 2012	
				Totaal rentebaten	100
	Interest expense	Volume of funds entrusted		Volume of funds entrusted more or less unchanged in 2012	100
		Credit interest on cash in securities accounts		As policy, no credit interest paid on securities accounts	
		Credit interest on cash in savings accounts		Credit interest on savings reduced during the year due to declining income from investment portfolio	
				Total interest expense	100

Net fee and commission income	**Commission income**	**Commission income from securities transactions:**			75-85
		Volume of securities transactions		Decline in securities transactions in 2012 due to negative market sentiment	
		Average income per transaction		BinckBank reduced its rates for the Alex and Binck brands in 2012 due to increased competition, especially in the Netherlands. This led to lower income per transaction.	
		Fees from BPO services		No new BPO mandates concluded in 2012, however sales increased due to implementation of BPO contracts concluded in 2011	3-4

Net fee and commission income	Commission income	**Distribution fees:**		Receipt of distribution fees will be prohibited with effect from 1 January 2014	4-6
		Custody fees:		The custody fees were abolished for many customers in 2012 as an element of the revision of the rates for Alex and Binck	3-5
		Asset management fees:			3-8
		Volume of AuM		Strong increase in AuM	
		Percentage fee		Percentage fee unchanged	
		Performance fee		Good performance achieved for our customers, from which BinckBank also benefited	
				Total commission income	100
	Commission expense	Market fees NYSE Euronext		NYSE Euronext fees unchanged in 2012	65-100
		Fees for best execution platform TOM		TOM fees were unchanged in 2012. BinckBank settled more transactions on the TOM platform in 2012, resulting in lower market fees for BinckBank	
				Total commission expense	100

Strengths, weaknesses, opportunities and threats (SWOT)

BinckBank uses a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) to identify the main features of the organisation and the environment in which it operates. This analysis forms the basis of BinckBank's strategy. Strengths and weaknesses refer to internal factors, while opportunities and threats concern developments, events and external influences to which BinckBank is exposed. The main internal and external factors are summarised in the figure below.

Strengths

- Market leader in the Netherlands and strong positions in Belgium and France
- Sound financial position and low risk appetite
- Centralised back office and infrastructure
- Extensive expertise and experience in securities processing

Weaknesses

- Dependence on a relatively small customer base
- Dependence on volatile transaction income
- High fixed cost base (infrastructure)

Oppertunities

- Private investors are making better-informed decisions regarding their financial situation
- Geographical expansion in Europe
- Trend among professional parties to outsource non-core activities
- Changing legislation and regulation (PPI, MiFID)

Threats

- Negative macro-economic developments and low interest rates in the money and capital markets
- Negative investor sentiment (falling trading volumes)
- Increasing competition and price pressure
- Changing legislation and regulation (FTT and abolition of distribution fees)
- Public perception of the financial sector

BINCKBANK IN A EUROPEAN CONTEXT

NETHERLANDS

Population:	17 million
Number of Retail transactions:	10-12 million
Online brokers:	Alex, BinckBank, Lynx,Today's, Saxo Bank
Most traded products:	Stocks, options and other derivatives
BinckBank's market share:	49%
BinckBank started:	1998

BELGIUM

Population:	11 million
Number of Retail transactions:	5 million
Online brokers:	BinckBank , Keytrade, Bolero, Fortuneo en Lynx
Most traded products:	Stocks, options and warrants
BinckBank's market share:	Market leader
BinckBank started:	2006

FRANCE

Population:	65 million
Number of Retail transactions:	30 million
Online brokers:	BinckBank, Bourse Direct, Boursorama, Fortuneo, Cortal Consors, Saxo Banque
Most traded products:	Stocks (cash and SRD), certificates
BinckBank's market share:	16%*
BinckBank started:	2008

ITALY

Population:	61 million
Number of Retail transactions:	40 million
Online brokers:	BinckBank, Fineco, IW Bank, Directa, Webank, Sella, Nuovi Investimenti
Most traded products:	Stocks and derivatives
BinckBank's market share:	< 1%
BinckBank started:	Medio 2012

* among online brokers

Information for shareholders

BinckBank shares are listed on NYSE Euronext Amsterdam and since 1 March 2006 have formed part of the Amsterdam Midkap Index (AMX), with a weight of 1.55% in this index on 31 December 2012.

ISIN code: NL0000335578
Reuters: BINCK AS
Bloomberg: BINCK NA

Options on BinckBank shares have been traded since 21 March 2006. The average number of shares traded daily in 2012 was 229,041 (2011: 252,815). BinckBank shares are followed by nine parties, whose recommendations to institutional and private investors regarding BinckBank shares are shown below.

Coverage of BinckBank shares

Company	Analyst	Recommendation	Price target
ABN AMRO	Jan Willem Weidema	Hold	€ 7.00
ING	Albert Ploegh	Buy	€ 8.50
KBC	Dirk Peeters	Accumulate	€ 9.00
Kempen & co	Floris Oliemans	Hold	€ 7.00
Kepler Capital management	Benoit Pétrarque	Hold	€ 7.00
Petercam	Matthias de Wit	Buy	€ 9.20
Rabo securities	Cor Kluis	Buy	€ 9.50
SNS securities	Lemer Salah	Accumulate	€ 7.20
Theodoor Gilissen	Tom Muller	Recommend	€ 9.50

on March 7th 2013

Key figures for BinckBank shares

	2012	2011	2010	2009
Earnings per share	€ 0.33	€ 0.46	€ 0.60	€ 0.63
Adjusted earnings per share	€ 0.76	€ 0.88	€ 1.02	€ 1.04
Dividend per share*	€ 0.45	€ 0.44	€ 0.51	€ 0.52
Dividend yield in % (based on year-end closing quote)	7.2%	5.3%	4.4%	4.1%
Net asset value	€ 6.11	€ 6.31	€ 6.30	€ 6.31
Year-end share price BinckBank N.V.	€ 6.22	€ 8.33	€ 11.60	€ 12.54
AMX index	534	468	639	519
P/E ratio	8.18	9.47	11.37	12.06

* 2012 figures are subject to approval of the General Meeting of Shareholders and the statement of no objection (“vvgb”) from the Dutch Central Bank.

Share capital

	2012	2011	2010	2009
Authorised ordinary shares	100,000,000	100,000,000	100,000,000	100,000,000
Issued shares previous year-end	74,500,000	74,500,000	76,068,928	77,093,508
Number of shares issued during the year	-	-	-	-
Number of shares cancelled during the year	-	-	1,568,928	1,024,580
Issued shares year-end	74,500,000	74,500,000	74,500,000	76,068,928
Treasury shares	2,736,491	122,097	-	2,070,509
Number of priority shares	50	50	50	50
Average number of shares outstanding during the year	72,801,291	74,142,108	74,080,625	74,897,706
Market capitalisation year-end	€ 463,017,500	€ 620,585,000	€ 864,200,000	€ 953,904,357

BinckBank shares in 2012

The AMX Index started the year at 468 points and finished at 534 points. Like the majority of other listed stocks, BinckBank shares were affected by the turmoil in the European financial markets, and as an online broker BinckBank experienced the effects of falling trading volumes and volatility on the leading European stock exchanges. The BinckBank share price at the beginning of 2012 was € 8.34, and it closed the year at € 6.22.

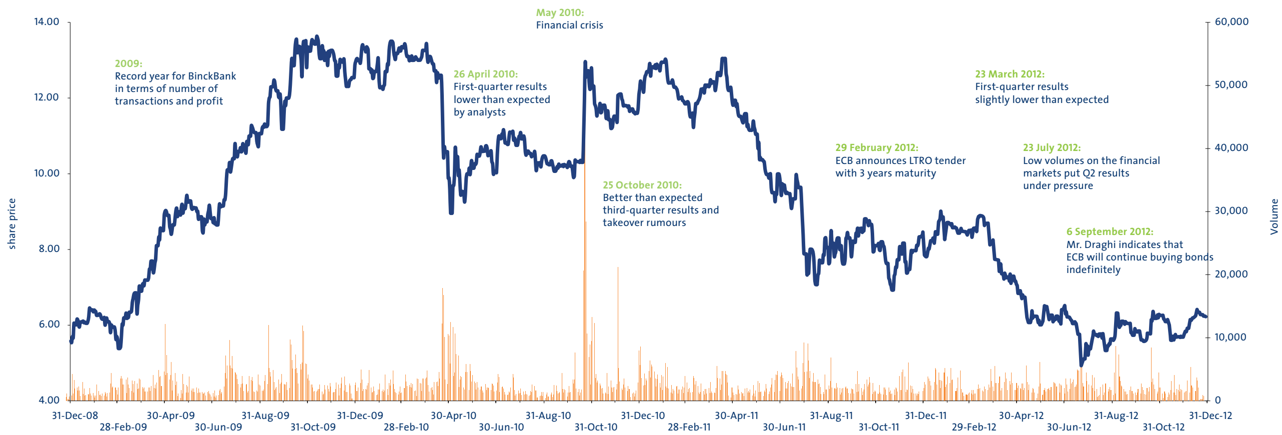
BinckBank vs AMX

Share price & volumes

	2012	2011	2010	2009
Opening price	€ 8.34	€ 11.70	€ 12.51	€ 5.54
Highest price	€ 8.91	€ 13.16	€ 13.66	€ 14.00
Lowest price	€ 4.97	€ 6.80	€ 8.91	€ 5.35
Closing price	€ 6.22	€ 8.33	€ 11.60	€ 12.54
Share turnover	58,634,431	64,973,343	86,610,504	69,509,627
Turnover – high	857,520	924,395	4,844,483	1,215,751
Turnover – low	23,978	53,902	44,598	32,437
Average daily turnover	229,041	252,815	335,700	271,522

The European debt crisis continued to overshadow the stock markets in 2012. Many European financial stocks were sold on the back of uncertainty regarding the valuation of real estate and other portfolios and the sustainability of the eurozone. This continuing uncertainty contributed to lower trading volumes in the European markets in the first half of the year, and this affected BinckBank's result. The negative sentiment only turned after a statement by the President of the European Central Bank ('ECB') that the ECB would take all actions necessary to protect the euro. Despite the fact that BinckBank has no direct or indirect real estate investments and has an extremely sound capital and liquidity position, the share price was dragged down by the market conditions. Measures introduced by politicians and regulators, such as the FTT, the bank tax, and doubts among investors regarding the sustainability of BinckBank's earnings model negatively affected BinckBank's share price. The BinckBank share price at year-end 2012 was € 6.22.

BinckBank share movements and volumes



Share buy-back programme

BinckBank reinstated its share buy-back programme on 16 December 2011 with the intention of reducing its capital. BinckBank expects to purchase a total of up to € 28.2 million in shares during a period of 18 months, subject to the (projected) solvency ratio remaining above 20%. The solvency ratio did not fall below the 20% level in 2012. Between 1 January and 31 December 2012 2,736,491 shares were purchased at an average price of € 6.58 and for a total value of € 18.0 million.

Dividend policy

BinckBank's articles of association state that – if and to the extent the profit permits – a sum of six percent of the nominal value of the priority shares will be paid on these shares (50 x € 0.10 x 6%). This sum will not be distributed to the shareholders, it will be added to the reserves of the company. The Stichting Prioriteit then determines the extent to which the remaining profit will be transferred to reserves. The profit remaining after this addition to the reserves is at the disposal of the General Meeting of Shareholders. This means that the General Meeting may decide with reference to this remaining profit between distribution or addition to the reserves, or a combination of the two. Distribution may, in accordance with the relevant provisions in the articles of association of BinckBank, be made in ordinary shares instead of in cash. In order for profit to be made available to the General Meeting, the company's solvency position must in the opinion of the Stichting Prioriteit be adequate for this purpose. If taking account of this provision a profit can be put at the disposal of the General Meeting, the Stichting Prioriteit will strive to effect a distribution of 50% of the adjusted net profit.

Dividend proposal 2012

It will be proposed to the shareholders that a total cash dividend of € 0.45 per share should be paid for the 2012 financial year, subject to deduction of 15% dividend tax. An interim cash dividend of € 0.17 per share was already distributed on 30 July 2012, so the final cash dividend proposed will be € 0.28 per share. Subject to approval by the Dutch Central Bank and the shareholders on 22 April 2013, the share will be quoted ex-dividend on 24 April 2013. Payment of the final dividend will be made on 29 April 2013.

The proposed payment is € 0.07 per share above the previously announced dividend policy, which is for payment of 50% of the adjusted net profit. BinckBank is proposing this additional distribution of dividend in order to avoid having to deduct dividend tax in connection with the share buy-back programme. Since the proposed dividend payment for 2012 is higher than the net profit for the 2012 financial year, BinckBank is obliged pursuant to Section 3:96 Wft to apply for a statement of no objection from the Dutch Central Bank and it must moreover obtain the approval of the General Meeting of Shareholders.

Sustainability of the dividend policy in 2013

The current dividend policy is based on the adjusted net profit. BinckBank distributes 50% of its adjusted net profit as dividend. The adjustment to the net profit in 2012 consists of the amortisation of intangible assets of € 28.2 million and the difference between the commercial depreciation and the fiscal depreciation of € 2.7 million. The total adjustment for 2012 is € 30.9 million.

Adjusted net profit is not an official accountancy measure, and is only used in the determination of the amount of the dividend. If the adjusted net profit is less than € 61.8 million (twice € 30.9 million), the dividend payments under the current policy can be higher than the net profit and therefore will entail a withdrawal from the reserves.

The adjusted net profit for 2012 comes to € 55.0 million, the normal dividend for 2012 would therefore be € 27.5 million (50%). If the normal dividend that BinckBank pays for 2012 is compared to the net profit in 2012 (€ 24.1 million), then BinckBank is actually paying 114% (27.5/24.1) of its net profit as dividend. This entails a withdrawal of € 3.4 million from the free reserves, in the first instance from the other reserves and, to the extent this would not be sufficient, subsequently from the share premium reserve. Regarding the 2012 reporting year, BinckBank is for the first time faced with a situation in which the dividend proposed in accordance with the dividend policy is higher than the level of the net profit. The question this raises is how sustainable will payment of dividend under the current dividend policy be in 2013.

In 2013, the adjustment to the net profit arising from the amortisation of intangible assets will be € 21.5 million and the difference between the commercial depreciation and depreciation for tax purposes will be € 4.4 million, making a total of € 25.9 million. If the adjusted net profit for 2013 is lower than € 51.8 million (twice € 25.9 million) the proposed dividend under the current dividend policy will be higher than the net profit and once again there will have to be a withdrawal from the free reserves in order to effect payment. To answer the question of whether under the current dividend policy and with an adjusted net profit of less than € 51.8 million in 2013 a dividend can be paid, one needs to check whether the amount of the other reserves and the share premium reserve would permit payment and whether the banking capital ratios (the BIS and solvency ratios) would not fall below acceptable levels, and whether the profitability of the earnings model (future profitability) still leaves sufficient room for a dividend payment.

The size of the other reserves and the share premium reserves as at 31 December 2012 (€ 64.3 million and € 373.4 million respectively) is adequate to allow a payment of dividend that is higher than the net profit in 2013. As at 31 December 2012, the BIS ratio and the solvency ratio stood at 31.1% and 25.2% respectively and are well above the minimum regulatory requirement of a BIS ratio of 8% and the internal minimum capital standard of a solvency ratio of 12%. A withdrawal from the free reserves in 2013 as a result of a dividend payment higher than the net profit for 2013 does not therefore have to constitute a direct threat to the adequacy of BinckBank's available Tier I capital (depending on the effect of the stress tests). BinckBank expects this buffer, together with the other reserve and the share premium reserves, to be sufficient to continue its dividend payment in 2013. If profitability in 2013 is not sufficient to pay a dividend in accordance with its dividend policy, in order to make a withdrawal from its reserves BinckBank would be obliged to obtain a statement of no objection from De Nederlandsche Bank pursuant to Section 3:96 Wft, and dividend payments in accordance with policy may in that case become an item of discussion.

BinckBank continually evaluates its dividend policy in the light of BinckBank's financial performance in combination with developments in its capital position, investment plans, acquisition policy, liquidity and solvency ratios. In the event of permanent negative developments in BinckBank's profitability and/or its liquidity and solvency ratios, the executive board may decide to moderate its dividend policy.

Shareholdings

Pursuant to the Dutch Financial Supervision Act (Wft), the company is aware of five shareholders with an interest of more than 5% as at 31 December 2012. These are:

- Delta Lloyd N.V. (> 10%)
- Boron Investments N.V. (> 5%)
- Navitas B.V. (> 5%)
- Delta Deelnemingenfonds N.V. (> 5%)
- OppenheimerFunds Inc. (> 5%)

The shareholdings of the (former) members of the executive board of BinckBank at the end of 2012 were as follows:

- Koen Beentjes: 37,787 shares
- Evert Kooistra: 35,548 shares
- Pieter Aartsen: 45,750 shares
- Nick Bortot: 60,191 shares

Investor Relations

BinckBank maintains an open information policy for investors and others with a financial or other interest in the company, in order to keep all its stakeholders as fully and promptly informed as possible regarding policy and developments at the company. BinckBank actively seeks a dialogue with its investors. This annual report is one of the means whereby it does this. All other relevant information, such as half-yearly reports, quarterly statements, risk reports and background information, is available at www.binck.com.

Members of the executive board and the manager Investor Relations held around 100 meetings during 2012 with (potential) investors from Europe and the United States. Following the publication of the first and third quarter results and the annual results, BinckBank organises a conference call for analysts and shareholders in which the CEO and the CFO give an explanation of BinckBank's results. Other interested parties can follow the conference call via the BinckBank website. The material presented will be published together with the press release on www.binck.com. Since the end of the first quarter of 2011, all the results and key figures have been available in a spreadsheet and a transcript of the conference call is produced. BinckBank invites analysts to attend an analysts' meeting after publication of its half-yearly report. BinckBank moreover gives journalists the opportunity each quarter to receive an explanation of the results by telephone.

Investor Relations

Nelekke Nederlof

Telephone:	+31 20 522 0372
Mobile:	+31 6 201 98 337
E-mail:	nnederlof@binck.nl
Twitter:	twitter.com/BinckBank

Financial calendar 2013

MARCH 2013

11
- Annual results 2012
- Annual report 2012

APRIL 2013

22
- Annual General Meeting of Shareholders 2012
- First quarter results 2013

24 Ex-date dividend

26 Record date dividend

29 Payment date dividend

JULY 2013

- Half-year results 2013
- Half-year report 2013

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Ex-interim dividend **24**

Record date interim dividend **26**

Payment interim dividend **30**

OCTOBER 2013

Third quarter results 2013 **21**

Capital adequacy and risk report **28**

*Dates subject to change

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Report of the executive board

General information

Change in management responsibility

Nick Bortot, the member of the executive board, responsible for the Retail business unit left BinckBank on 31 December 2012. His duties have been reassigned within the current board. Mr Koen Beentjes has assumed responsibility for the Retail business unit and has transferred his responsibility for the Investor Relations and Legal & Compliance the Netherlands to the financial director Evert Kooistra (CFO). In order to safeguard the independence of the Compliance department, an escalation line has been put in place to Koen Beentjes in his position as the executive board chairman. The duties of Pieter Aartsen (Professional Services) remain unchanged.

Abolition of distribution fees

BinckBank has undertaken to adopt the proposals of the AFM regarding the abolition of distribution fees in 2012. BinckBank will no longer receive distribution fees with effect from 1 January 2014. The maximum negative effect on income from operating activities is expected to be € 7-8 million.

Risk Management department

BinckBank confirmed on 15 November 2012 that five employees in its Risk Management department had been dismissed as a result of an irretrievable breach of trust ensuing from the discovery of certain investment transactions by the employees concerned. The transactions were effected with the employees' own money and for their own account and risk. At no time was there any risk for BinckBank's customers and there was no use of the bank's own funds.

Redesign of ICT

BinckBank has two principal business units: Retail and Professional Services. Both these business units serve customer groups with their own needs and requirements. These requirements differ with respect to matters such as accessibility, information, quotes, stock exchanges, speed and geography. This means that design and construction increasingly has to cater for different needs and wishes. After a strategic reorientation of the ICT systems used by BinckBank effected in 2012, the executive board of BinckBank has decided that the further development of the ICT systems (software) for the Retail and Professional Services business units should be separated. This will allow economies of scale to be used as effectively as possible while both Retail and Professional Services will be able to achieve a good pace of development. The organisational structure of the ICT department has been adjusted accordingly.

The development departments are currently structured with dedicated teams for ICT Retail and ICT Professional Services. Both business units use the central department of ICT management & operation. The ICT Retail department is responsible for matters such as product development, software development for the Retail base platform (Topline), functional management and design and usability of the websites. The ICT Professional Services department is responsible for matters such as information analysis, software development, application management and quality control on the Professional Services platform. The ICT management & operation department is responsible for the technical ICT infrastructure (hardware, operating systems, middleware, storage, data centre, data management), procurement, business continuity management and office automation for both platforms of Retail and Professional Services.

The benefits of the new design of the ICT organisation will include a more efficient organisational structure with fewer departments (fewer layers) and shorter lines of communication. The specialists can be better deployed (improved efficiency) and an adequate structure for the software development process will thus be realised. The loss of synergy between Retail and Professional Services is expected to be less than the benefits of a more efficient deployment. One potential disadvantage is that there will no longer be one person with responsibility for all ICT departments. ICT Retail and ICT Professional Services are individually responsible for part of the control. This could lead to conflicts between quality and time to market. This can however be effectively mitigated through internal and external segregation of duties and additional control measures.

(x € 1,000)	FY12	FY11	Δ
Customer figures			
Customer accounts	**647,046**	**531,465**	**22%**
Beleggingsrekeningen	*443,342*	*418,426*	*6%*
Beleggersgirorekeningen	*87,640*	*2,759*	*3077%*
Vermogensbeheerrekeningen	*22,473*	*19,007*	*18%*
Spaarrekeningen	*93,591*	*91,273*	*3%*
Number of transactions	**8,488,569**	**9,709,795**	**-13%**
Beleggingsrekeningen	*7,926,557*	*9,630,122*	*-18%*
Beleggersgirorekeningen	*562,012*	*79,673*	*605%*
Assets under administration	**22,654,201**	**13,724,175**	**65%**
Beleggingsrekeningen	*14,708,571*	*12,399,748*	*19%*
Beleggersgirorekeningen	*6,508,612*	*115,509*	*5535%*
Vermogensbeheerrekeningen	*1,012,617*	*689,987*	*47%*
Spaarrekeningen	*424,401*	*518,931*	*-18%*
Income statement			
Net interest income	32,024	38,907	-18%
Net fee and commission income	113,663	128,447	-12%
Other income	11,980	13,322	-10%
Result from financial instruments	47	3,167	-99%
Impairment of financial assets	(2)	(268)	-99%
Total income from operating activities	**157,712**	**183,575**	**-14%**
Employee expenses	50,057	50,861	-2%
Depreciation and amortisation	35,231	35,463	-1%
Other operating expenses	37,139	43,800	-15%
Total operating expenses	**122,427**	**130,124**	**-6%**
Result from operating activities	**35,285**	**53,451**	**-34%**
Tax	(8,325)	(13,513)	-38%
Share in results of associates and joint ventures	(3,580)	(5,848)	-39%
Net result	**23,380**	**34,090**	**-31%**
Result attributable to non-controlling interests	720	120	500%
Net result attributable to shareholders BinckBank	**24,100**	**34,210**	**-30%**
IFRS amortisation	28,196	28,196	0%
Fiscal goodwill amortisation	2,737	2,737	0%
Adjusted net result	**55,033**	**65,143**	**-16%**
Average number of shares outstanding during the year	72,801,291	74,142,108	
Adjusted net earnings per share (€)	**0.76**	**0.88**	
Cost / income ratio excluding IFRS amortisation	60%	56%	
Balance sheet & capital adequacy			
Balance sheet total	2,997,774	3,351,455	-11%
Equity	455,221	469,523	-3%
Total available capital	160,342	160,695	
BIS ratio	31.1%	31.1%	
Solvency ratio	25.2%	23.1%	

Adjusted net profit in 2012

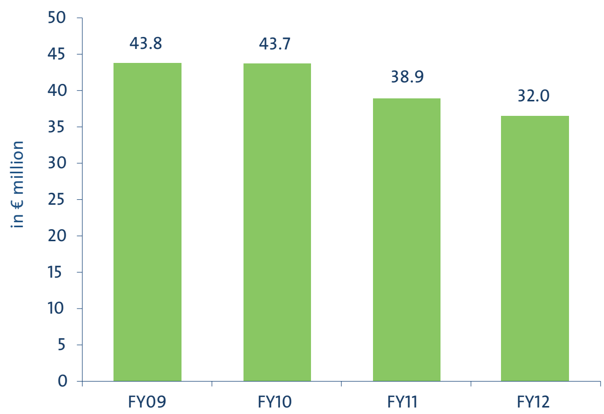
The adjusted net profit in 2012 came to € 55.0 million. This corresponds to an adjusted net profit per share of € 0.76. Compared to the previous year, the adjusted net profit was down 16% (FY11: € 65.1 million). The adjusted net profit is the net result to be allocated to BinckBank shareholders adjusted for IFRS depreciation and amortisation and the tax saving on the difference between the commercial amortisation and fiscal amortisation of the intangible assets acquired and goodwill paid as a result of the acquisition of Alex.

Net interest income

Net interest income fell by 18% from € 38.9 million in 2011 to € 32.0 million in 2012. For a large part of 2012 money and capital market interest rates were at historical lows, meaning that BinckBank had to be satisfied with substantially lower returns on its investments.

Collateralised lending (at year-end)

Net interest income

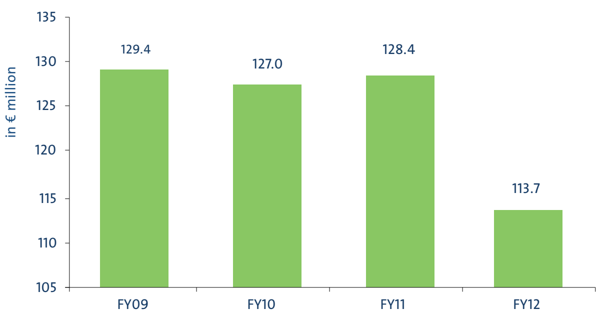


Net fee and commission income

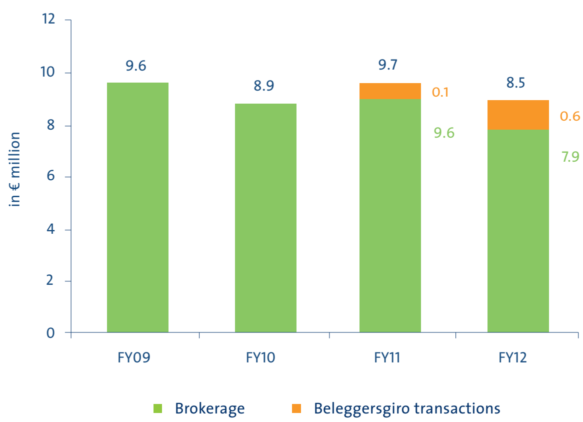
Net fee and commission income fell by 12% from € 128.4 million in 2011 to € 113.7 million in 2012. The main reason for the decline was a decrease in the number of transactions of 13% in 2012 compared to 2011 (FY11: 9.7 million) to 8.5 million transactions.

Alex Asset Management charges a performance fee if a positive return is achieved on clients portfolios and their year-end value is higher than that at previous year-ends. Alex Asset Management received a performance fee of € 4.1 million in 2012.

Net fee and commission income



Number of transactions



Other income

Other income amounted to € 12.0 million in 2012. This is a decline of 10% compared to 2011, when other income amounted to € 13.3 million. Other income consists mainly of sales by the subsidiary company Able B.V., subscriptions and seminars.

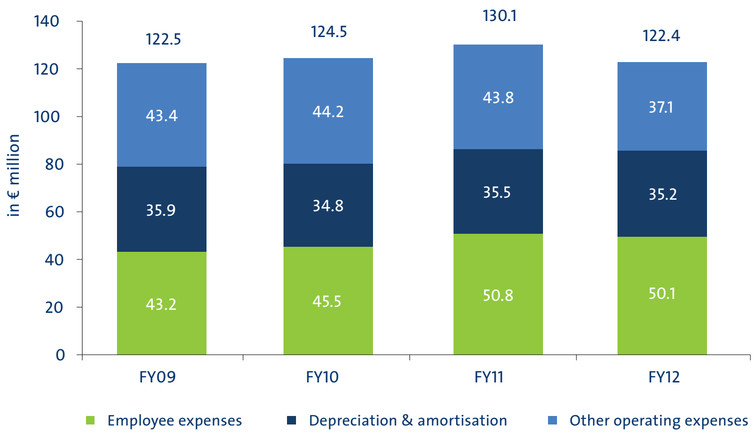
Result from financial instruments

The positive result of € 47,000 mainly relates to the revaluation of the receivable in relation to the deposit guarantee scheme with respect to DSB Bank.

Total operating expenses

Operating expenses fell in 2012 by 6% compared to 2011 (FY11: € 130.1 million) to € 122.4 million. Employee expenses in 2012 came to € 50.1 million. This is a decline of 2% compared to 2011 (FY11: € 50.9 million), mainly due to lower variable performance fees for the executive board and other employees. Depreciation and amortisation expenses remained more or less unchanged, while other operating expenses fell 15% from € 43.8 million to € 37.1 million. Marketing expenditure was reduced by € 1.5 million in 2012 in response to the less favourable market conditions. Moreover, payments to ICT consultants were € 1.4 million less as a result of specific projects completed in 2011. Lastly, BinckBank managed to reach an agreement with the Dutch Tax Authorities regarding an additional VAT reclaim for the years 2008-2012 (pro rata VAT). This enabled BinckBank to realise a non-recurring VAT return in 2012 amounting to € 2.1 million.

Total operating expenses



Business unit Retail

The Retail business unit provides online investment services to private investors in the Netherlands, Belgium, France and Italy. In the Netherlands, services are provided under the brands Alex and Binck. In Belgium, France and Italy, under the Binck brand only.

Retail services

The Retail business unit offers private investors various different services in the areas of online brokerage and asset accumulation (Savings & Investment Management). Our largest customer group consists of independent investors who use Alex and Binck to execute securities transactions. In addition, Alex offers a discretionary portfolio management service and an online savings product.

BinckBank's success lies in providing a combination of a practical, user-friendly, fast and extensive online trading application at competitive rates and a good service. We also offer services that further add value, such as mobile trading applications and the Squawkbox. The Squawkbox is a chat box enabling customers to share their experiences and ideas with each other and with professional moderators. This is part of our effort to achieve a high level of customer satisfaction. We ask our customers to give their opinion of our service four times a year. In 2012, BinckBank received a score of 7.5 (2011: 7.6) in our customer satisfaction surveys (on a scale from 1 to 10). The opinions of our customers are extremely important to us, and we use this information to improve our services and to outdo their expectations in terms of quality. We also involve our customers in the development of new products in order to match them as closely as possible to our customers' wishes. For instance, the new trading application Binck360 has been further developed using input from our customers. This will mean we can retain our customers for longer, that they will place a larger proportion of their assets with BinckBank and that they will recommend us to other investors.

Key developments in 2012

Like many other companies in the financial sector, our online brokerage business had a challenging year in 2012. Competition in the Netherlands became more intense, new legislation and regulations were introduced in Belgium and France that may well make investing less attractive and negative investor sentiment led to low trading volumes on the exchanges. Despite these unfavourable market conditions, BinckBank made significant progress in expanding its market share in Europe and strengthening its position in its home market in the Netherlands. BinckBank also increased its focus on expanding its investment management activities in order to counterbalance the pressure on the online brokerage business.

Progress on construction of the Retail base platform (Topline)

The construction of the European Retail base platform continued in 2012. The new platform is now available to customers of both Binck Retail Nederland and BinckBank Italy. BinckBank Belgium will migrate in 2013. The new platform will enable BinckBank to enter new markets more quickly and easily in future, and allow new products to be launched in several countries simultaneously. This will benefit our ability to innovate and reduce our maintenance and development costs.

Binck360

Binck360 was launched in both the Netherlands and Italy for active investors last year. This platform has been developed together with investors and traders in a short but intensive beta period. The first version was issued in the autumn of 2012.

Binck360 uses the newest internet technologies, allowing customers to access the platform from any computer with an internet connection, regardless of their location; the customers do not have to install anything and the platform is always up to date and secure because it does not need Java or Flash. Binck360 can also be operated easily using touch devices so that investors can use it with a tablet or in combination with a touch screen.

In the first version, a lot of attention was paid to intuitive possibilities for placing orders efficiently, for example directly from a chart. Binck will intensify the further development of the platform together with the users and migrate to a version 2.0.

BinckBank in the Netherlands

In the Netherlands, BinckBank is the market leader with its brands Alex and Binck. Our own research shows that measured by the number of transactions, BinckBank's market share is approximately 49%. BinckBank estimates the normal annual transaction volume in the Dutch market as a whole to be between 10 and 12 million retail transactions, however we assume that the figure for last year has been significantly lower than this. Besides BinckBank, the players in the online brokerage market include the major banks and a few relatively small discount brokers. In addition to trading in stocks, there is extensive trading in the Netherlands in options and other derivative products such as Sprinters, Turbos and Speeders.

Product innovations

In the Netherlands, we introduced various innovations at Alex and Binck. The focus of our new innovations this year was on active and highly active investors. This group of investors is extremely demanding with regard to the quality of our service. American options were added to our service in 2012. In addition to the existing method of calculating margin, there is now our Portfolio Based Margin ('PBM'). PBM is complementary to the already existing Strategy Based Margin system ('SBM'). The aim of the PBM system is to introduce a different system of margin calculation that more accurately reflects the risk in customer portfolios. Under PBM, all a customer's positions are calculated, which for many customers results in a reduced margin requirement. The Binck customer site has been renewed, increasing the user-friendliness of the site and giving it a fresh contemporary look. Binck customers also now have access to the markets in Scandinavia.

The popularity of mobile devices grew strongly in 2012. Both Binck and Alex customers can now trade using their mobile phones. The iPhone, iPad and Android apps have been launched, together with a general mobile website for other smart phones. Nearly 30% of all morning sessions are conducted using a mobile device and the number of transactions through this channel represents more than 7% of the total.

The customer website that was completely renewed in 2011 has been further developed in 2012, leading to significant improvements in speed, user-friendliness and trading possibilities. Binck's website was chosen as best website by Netprofiler in 2012.

Adjustment to fee structure at Alex and Binck

The existing fee structures for both Alex and Binck have been completely renewed and made more attractive to our prospects and customers. The trading behaviour of customers was the central consideration in the development of the new fee structures. For Alex, two new types of subscription have been introduced in addition to the standard price list with effect from 2 April 2012. Customers pay a fixed monthly fee and thereby pay a lower commission for transactions in stocks or derivatives. The custody fee has been abolished for both subscriptions.

Under the Binck brand, with effect from 1 October 2012 customers can choose from two new fee structures: Binck Basic and Binck Active. Binck Basic is designed for less active investors who prefer not to pay any fixed fees such as custody fees. Binck Active is an attractive option for active investors. The commission rates for options, futures and derivatives are highly competitive. Binck Active investors do pay a service fee calculated on the value of their assets under management. In addition to refining the rates for active investors, as of 1 October 2012 we also abolished custody fees under Binck Basic.

Marketing activities

Through effective deployment of the marketing budget, we managed to draw attention to our many product improvements and the introduction of the new fee structures. Our recent television commercials emphasise that everyone can be a successful investor with the products and services of Binck. The emphasis of the marketing activities in the latter months of 2012 was on the new fee structures, which offer investors significant savings on their fixed costs. The targets for Binck in the Netherlands in 2013 are acquisition, activation and retention. The first priority is to attract new customers. The second is to activate existing customers, and the third priority is to focus on retaining customers.

Distribution fees

The AFM and the larger investment banks, including BinckBank, have agreed that they will no longer receive distribution fees from 1 January 2014. 2013 is a transitional year. During this year, BinckBank will strive to introduce the prohibition gradually. BinckBank is studying the possibilities of adjusting its services accordingly.

Prizes and awards

BinckBank and its affiliated companies were regular winners of awards during 2012. BinckBank's continuing ambition is to offer investors the best in the market. Prizes awarded by experts from independent bodies means recognition for our efforts. In customer service, BinckBank won the NCCA award for best customer service in 2012. The motto of BinckBank's customer service has always been: 'to amaze our customers'. BinckBank once again won several prizes for its products in 2012. In the Netherlands, BinckBank was named as best broker in the survey of IEX Netprofiler. BinckBank France won 'Meilleur broker 2012' (''best broker 2012'') from Forum de l'Investissement and 'Meilleur courtier pour les petits ordres' (''best small order broker'') from the weekly Le Revenu, one of the leading investment periodicals in France. ThinkCapital also won an important prize. The VEB (Dutch Investors' Association) named the Think AEX tracker as best investment product. ThinkCapital had already won silver in 2010 in this category, but this time it was gold.

Market leader in Belgium and good performance in France

Sales were also under pressure in Belgium and France as a result of the negative market sentiment. The less favourable investment climate in Belgium was due to political instability as well as the general European malaise. A new government was finally appointed after a lengthy period at the end of 2011, but the continuing effort to balance the budget was a major source of concern to investors. The stock-exchange tax was raised in two phases, from 0.17% to 0.22% in January 2012 and to 0.25% in August 2012. There was also discussion regarding the introduction of a value-added tax, however this has no so far been implemented.

The French version of the financial transaction tax was introduced in France on 1 August 2012. Because of the FTT we have observed a negative effect on our revenues in the fourt quarter. We expect that investor trading behaviour will change. Rather than buy stocks directly, investors are preferring to use the SRD facility, which is partly exempt from the FTT, and to Small and Midcaps.

With our strong market positioning, we have attained some important milestones in both Belgium and France. Measured by transaction volume, Binck has taken over as market leader in Belgium from the Belgian internet broker Keytrade. We have managed to overtake the former market leader with an optimal combination of price, platform and service. An achievement we are proud of.

BinckBank also moved up a notch in the rankings in France, overtaking Fortuneo this year after having overtaken Cortal Consors last year. Measured by transaction volume, we are now number three among the online brokers after market leader Boursedirect and former market leader Boursorama just four years after our launch in France.

Reaching these milestones is due to the constant evolution of our platform, our attractive rates and an unusually service-oriented customer approach. In Belgium, BinckBank has confirmed its long-term commitment to this theme by signing the Customer-friendly Charter. New mobile websites were launched in both Belgium and France in 2012, and various innovative functions were added to the sites as well.

Launch of BinckBank in Italy

BinckBank started to construct its European Retail base platform in 2010. This is a multi-lingual, multi-skin and multi-fiscal ICT platform to which several front-ends can be attached.

Italy was the first European market BinckBank entered using the base platform. After the launch at the Online Trading Expo in Rimini in May 2012, we began a marketing campaign directed at active investors in the third quarter of 2012. We have limited our marketing budget for Italy for the time being due to the relatively difficult market conditions. Nevertheless, accretion of customers has been positive. We are well positioned to attract active investors. We have already reached 1,000 customers. The average portfolio size is more than € 60,000 and these first customers are doing an average of seven trades a month.

In terms of transaction volume, Italy is one of the largest markets for private customers with around 40 million transactions executed each year. Like Dutch investors, the Italians invest in derivatives, especially futures.

In addition to Italy, Alex and Binck in the Netherlands also use the European Retail base platform. This means that every new service or new product created for Dutch customers can also be automatically launched in Italy and vice versa. We expect to migrate BinckBank Belgium to the European base platform in 2013, enabling our Belgian customers to benefit from all the existing and new functions the platform offers as well.

Consolidation in the brokerage sector

European consolidation in the online brokerage sector has been discussed for years. Until now, this has not taken place. Although the crisis has forced many financial institutions to sell certain business units, their online brokerage operations seldom come up for sale. Most of the European online brokers are still making a profit despite the crisis and the capital requirement for online brokers is limited. In recent years several online brokers have been converted into online banks, and they have become a means for their parent companies to attract savings. Due to low volumes, the profits of Binck's European competitors are falling sharply. This could make consolidation more likely. Actual takeover opportunites have not yet materialised.

BinckBank versus peers in Europa

	BinckBank	Bourso-rama	ComDirect	Swissquote	Avanza	Nordnet	Keytrade	IW Bank	Fineco
Home market	Netherlands	France	Germany	Switzerland	Sweden	Sweden	Belgium	Italy	Italy
Other markets	Belgium, France, Italy	UK, Spain, Germany	NA	Dubai, Malta	NA	Norway, Denmark and Finland	Luxembourg and Switzerland	France, Spain, Germany, Austria, Blegium, Luxembourg, and UK	NA
Market capitalisation	€ 463	€ 486	€ 1056,2	€ 390,3	€ 520,7	€ 316,8			
Number of accounts	382.646	436.257	783.616	187.077	214.800	405.500	150.870	112.140	643.000
Income from operating activities	€ 157,7	€ 218,7	€ 332,1	€ 105,5	€ 76,7	€ 125,8	€ 44,7	€ 68,2	€ 299,9
Operating expenses	€ 122,4	€ 149,0	€ 232,1	€ 72,7	€ 39,0	€ 80,3	€ 30,5	€ 59,4	€ 173,4
(Adjusted) net profit	€ 55,0	€ 42,4	€ 111,8	€ 25,8	€ 38,2	€ 31,4	€ 9,0	€ 2,8	€ 123,7
(Adjusted) net profit per share	€ 0,8	€ 0,5	€ 0,8	€ 1,8	€ 1,2	€ 0,2	NA	NA	NA
Cost/income ratio	60%	68%	70%	70%	51%	64%	64%	81%	58%

Data as at 31 December 2011

Savings & Investment Management (SIM)

In 2012, a start was made on repositioning the Alex brand. Alex targets the group known as 'mass affluent', with a complete package of savings, investment and financial planning products. It offers a one-stop shop for customers' liquid and investable assets. The essence of the Alex proposition is that achieving financial goals should be accessible: Alex strives to make financial goals accessible and achievable with uncomplicated, honest and transparent services. We have included the motto 'money matters' in all our new external communication since September 2012.

Earlier this year, a decision was made to further expand the asset management business. This is in line with BinckBank's strategy. Several investments have been made in the existing products, processes, organisation, systems and the Alex brand. New management was appointed in 2012 to realise the vision and growth plans for the Savings & Investment Management business. More products and innovations in the fields of savings and asset management can be expected in 2013.

The positioning of Alex requires an efficient and performance-oriented internet and telephone-centred distribution and service model. Use will be made of social media and communication technologies to build and maintain relationships with our customers in innovative ways. For example, in 2012 Alex Asset Management started holding highly successful web seminars for customers and leads. A web seminar allows us to actually enter into a dialogue with customers, and features various subjects and themes. Examples are the management of customer portfolios and themes such as pension accrual. With around 400 customers participating in each online session and an immediately measurable effect on customer satisfaction, this form of communication can be described as very successful.

Alex Asset Management currently offers two products: discretionary portfolio management (''DPM'') and Alex Advies, a service that has not been actively promoted in recent years, but with which Alex still has around 1,200 very loyal customers. In future Alex will devote more attention to the further expansion and relaunching of an advice product in addition to its DPM service. This is because demand for advice remains strong, especially in the Dutch market.

Alex Asset Management showed an excellent development in 2012, increasing its assets under management from € 690 million to slightly over € 1 billion at the end of December. The number of accounts increased by 18% to 22,473 (2011: 19,007). The net inflow of new money came to € 213 million (€ 165 million in 2011). The inflow of funds was strong and the outflow was very limited, thanks to our highly successful new marketing and sales initiatives, continuing good performance by the asset management product and customer satisfaction. The product also delivered a strong performance for our customers.

At the end of 2012, we expanded the investment universe of Alex Asset Management with the introduction of investments in ETFs on European government bonds and global corporate investment grade bonds. This makes the Alex Asset Management product more attractive to all customers due to the higher projected returns and in particular to customers with larger amounts of assets invested who do not wish to incur a credit risk on BinckBank if Alex temporarily withdraws from the stock market. The investment universe will be further expanded in 2013.

Results business unit Retail in 2012

x € 1,000	FY12	FY11	Δ
Customer figures			
Customer accounts	**498,710**	**468,044**	**7%**
Brokerage accounts	*382,646*	*357,764*	*7%*
The Netherlands	*279,189*	*267,187*	*4%*
Belgium	*58,114*	*52,340*	*11%*
France	*44,090*	*38,237*	*15%*
Italy	*1,253*	*-*	*100%*
Asset management accounts	*22,473*	*19,007*	*18%*
Savings accounts	*93,591*	*91,273*	*3%*
Number of transactions	**7,149,267**	**8,936,459**	**-20%**
The Netherlands	*4,940,443*	*6,328,926*	*-22%*
Belgium	*806,762*	*996,804*	*-19%*
France	*1,375,781*	*1,610,729*	*-15%*
Italy	*26,281*	*-*	*100%*
Assets under administration	**9,791,131**	**8,646,209**	**13%**
Brokerage accounts	*8,354,113*	*7,437,291*	*12%*
The Netherlands	*6,366,651*	*5,828,143*	*9%*
Belgium	*1,397,047*	*1,173,039*	*19%*
France	*512,117*	*436,109*	*17%*
Italy	*78,298*	*-*	*100%*
Asset management accounts	*1,012,617*	*689,987*	*47%*
Savings accounts	*424,401*	*518,931*	*-18%*
Income statement			
Net interest income	27,701	33,856	-18%
Net fee and commission income	97,245	113,526	-14%
Net fee and commission income (transaction related)	73,012	95,809	-24%
The Netherlands	*59,195*	*80,596*	*-27%*
Belgium	*6,708*	*8,999*	*-25%*
France	*6,972*	*6,214*	*12%*
Italy	*137*	*-*	*100%*
Net fee and commission income (other)	24,233	17,717	37%
Other income	1,659	2,566	-35%
Result from financial instruments	-	-	
Impairment of financial assets	(1)	(268)	-100%
Total income from operating activities	**126,604**	**149,680**	**-15%**
Employee expenses	32,436	34,283	-5%
Depreciation and amortisation	33,824	34,172	-1%
Other operating expenses	32,775	37,064	-12%
Total operating expenses	**99,035**	**105,519**	**-6%**
Result from operating activities	**27,569**	**44,161**	**-38%**

The number of accounts at the Retail business unit increased by 7% to 498,710, and the number of transactions fell by 20% from 8.9 million in 2011 to 7.1 million in 2012.

The Netherlands

The total number of brokerage accounts in the Netherlands increased by 4% to 279,189 in 2012. The total assets under administration for Binck Nederland at year-end 2012 were € 6.4 billion, and the number of transactions executed by our customers in the Netherlands last year was 22% lower than in 2011, amounting to 4.9 million.

At the beginning of 2012, Alex Asset Management had € 690 million in assets under management. At the end of December, AuM had risen to € 1 billion. The net inflow in 2012 amounted to € 213 million. Alex Asset Management received a performance fee of € 4.1 million in 2012.

Belgium

The number of brokerage accounts In Belgium rose by 11% to 58,114. The number of transactions declined by 19% to 0.8 million and assets under administration at year-end 2012 were € 1.4 billion.

France

The number of brokerage accounts in France rose 15% to 44,090. The number of transactions declined by 15% from 1.6 million in 2011 to 1.4 million in 2012. Assets under administration increased last year by 17%, to € 512 million.

Italy

The commercial launch in Italy took place in September. A total of 1,253 brokerage accounts were opened in 2012, and 26,281 transactions were executed. The total assets under administration at year-end 2012 stood at € 78 million.

Professional Services business unit

The Professional Services business unit

BinckBank started providing services to professional parties, alongside its service to private investors, in 2003. As a partner for professional parties, Professional Services provides solutions in which support market investing, fund investing and savings. Professional Services operates in various market segments, and provides services to investment managers, banks, insurance companies and pension administrators with its Business Process Outsourcing (BPO) service and software development in both the Netherlands and Belgium. Professional Services serves a total of more than 100 independent investment managers, for whom it acts as a broker and a custody bank, and became the market leader in this segment in the Netherlands in 2012. With its six BPO mandates, Professional Services is also the market leader in BPO services in the Netherlands.

Syntel: 30 years of leading software for securities services

Syntel B.V. (Syntel), incorporated in 1979 and a 100% subsidiary of BinckBank since 2006, is an innovative software company and market leader in its field in the Netherlands. Syntel develops and supplies software under the name of Europort enabling financial institutions to process and administer every imaginable type of securities transaction. Europort is fast, scalable and offers customers efficiency benefits that can lead to significantly reduced costs. In recent years Europort has been developed in the areas of generic fund investing (beleggersgiro accounts) and (bank) savings. Syntel provides software under licence to eight banks in the Netherlands.

Bundling of all business 2 business activities

In 2012, BinckBank decided to restructure its Professional Services operations in a new Business to Business company with the objective of working towards a stronger position in Europe in future. In practical terms, this means that the activities of software supplier Syntel and the (BPO) activities of Binck Professional Services will gradually be combined, starting in 2013. From inception, Syntel and Binck Professional Services will service the market under the new collective name of Able.

Who are we? We are Able

Able serves only licensed financial institutions and that focus has given it a leading position in the Netherlands. The high degree of customer satisfaction is due to its responsiveness to market trends, innovative solutions and the value it adds to partners' propositions. This is achieved by an enthusiastic, committed workforce of over 200 professionals who make sure they deliver on their promises. This approach has resulted in a leading position in the Netherlands and the confidence to offer its products in Europe as well, with the ambition to become a leading player in its field.

Further information on Able is available at www.able.eu.

Market developments

In the European market local Business to Business providers are starting to offer cross border services. Foreign providers are starting to offer services in the Netherlands and Belgium in the belief that a pan-European market for Business Process Outsourcing will become a reality. Outsourcing is still in its infancy in the Netherlands and Belgium. In comparison to the Netherlands and Belgium, the neighbouring countries have several large local providers that are generally quite inefficient and offer a limited range of services. The demand for an efficient and low-cost solutions is rapidly increasing as a result of the constant (social) pressure on the earnings models of asset managers, banks and insurance companies. This is being reflected in new legislation and regulations, including for instance the prohibition of indirect (return) commissions and distribution fees. Putting the customer's interests first means that transparency has become an important issue for financial institutions. Low costs are on balance essential for financial institutions to survive, since growth is impossible in a market that is contracting in terms of size and margin.

Our products: Investing and saving

All our products are supported from a single platform. This proposition means that our Europort platform is unique and the only one of its kind.

Stock trading

Worldwide investing in stocks, derivatives and bonds on the leading stock exchanges. We maintain global electronic links with the leading markets, trading platforms (MTFs) and brokers for our partners. Our market investing product is modular in structure and easily applicable to service concepts such as discretionary asset management, investment advisory services and independent investing for customers through the professional's website. Orders are executed using STP (straight through processing) in real time on the markets and transactions are processed in customer portfolios, also in real time. All positions in stocks can be valued in the portfolio in real time.

Fund trading and index investing

Efficient management for large groups of customers and therefore low costs can be attained by fund investing and index investing. The customers of the professional counterparty can open an account completely online. Automated risk acceptance of customers, profile monitoring, orders in cash and rebalancing can be combined with the advantages of a bank account or a participants' account. Collections can made on a regular basis for the customer from an external bank account by direct debit. The amount collected can then be automatically invested in the chosen investment funds or in ETFs (Exchange Traded Funds).

Savings

Our platform offers administration for savings with user-determined interest rate scales, tax-friendly saving, deposits, foreign currency, and information reporting to tax authorities.

Our service models: licence, SaaS, BPO and bank

Product and service offering

Product/ service	Licence	SaaS/ AsP	BPO	Bank
Market investing	✓	In preparation	✓	✓
Investor giro module	✓	In preparation	✓	✓
Savings	✓	In preparation	✓	

The combination of processing and software development creates a unique product-service combination that can offer our partners a more suitable service. Partners can change the service concept if they wish without this having significant consequences.

Software licensing

We also supply our software under licence agreements. In this case the professional counterparty is responsible for the technical and business operations. This gives it maximum flexibility in the design of its business processes.

The unique proposition from Able and the development of SaaS services

A new service concept is being launched alongside licensing and BPO that in terms of positioning and price comes somewhere between licensed software and BPO. Software as a Service (SaaS) frees the customer completely from responsibility for ICT with regard to both hardware and software. The data centre, technical management of the platform, software development, test management and incident & problem management are all supplied by Able under the SaaS concept. Within this concept, the customer retains the flexibility to design and manage its own business processes. Our solution is usually between 60% and 80% cheaper than the in-house solutions the customer has. We expect to begin offering the SaaS service concept towards the end of 2013.

BPO services to banks, insurers and pension administrators

Banks, insurers and pension administrators can use the Able platform on a 100% white label basis. This service enables professional parties to offer execution-only, investment advisory and asset management services to their customers. The service is offered off-balance sheet by Able. Able provides all the necessary operations related to order execution, securities administration, (securities-related) payments and the associated credit assessment. Partly as a result of the credit crisis, financial institutions are looking for cost-reducing solutions and there is currently strong demand for BPO securities services.

Services to independent assets managers via BinckBank

Customers of independent asset managers can open a tripartite account with BinckBank and authorise the assets manager to invest for their account. The asset manager manages the portfolio in accordance with the mandate and risk profile agreed with the customer. The asset manager's customers thus always have full access to their portfolios. A specialist team on the broking desk supports our professional customers in the field of order execution. Customers can trade in securities around the world, as Able can make use of the global brokers employed by BinckBank. Able also has its own bond trading desk, with a specialist team that executes orders in bonds. Our bond trading desk is fully independent and does not take proprietary positions. We therefore do not take any market risk, and best execution for the customer is our only priority. Able provides the underlying software platform, and services to asset managers and their customers for her custodian BinckBank.

Review of 2012

The number of professional parties serviced by BinckBank continues to grow, as do the assets under administration. Both the growth in the service to asset managers and the migration of the SNS Bank customers led to an increase in the number of accounts and the assets under administration. The number of accounts increased by 134% to 148,336 (FY11: 63,421), the assets under administration rose 153% to € 12.9 billion (FY11: € 5.1 billion) and the number of transactions processed came to 1.3 million (FY11: 0.8 million), a 73% increase compared to 2011. Costs were 12% higher in 2012 than in 2011, mainly due to investments in the BPO processes, which have to be made before income can be generated. The customers of the SNS investment funds (fund investing) migrated to the Professional Services platform (Able) in the second quarter of 2012. This completes the second phase of migration of the SNS Bank customers.

Results business unit Professional Service in 2012

x € 1,000	FY12	FY11	Δ
Customer figures			
Customer accounts	**148,336**	**63,421**	**134%**
Brokerage accounts	*60,696*	*60,662*	*0%*
Beleggersgiro accounts	*87,640*	*2,759*	*3077%*
Number of transactions	**1,339,302**	**773,336**	**73%**
Brokerage accounts	*777,290*	*693,663*	*12%*
Beleggersgiro accounts	*562,012*	*79,673*	*605%*
Assets under administration	**12,863,070**	**5,077,966**	**153%**
Brokerage accounts	*6,354,458*	*4,962,457*	*28%*
Beleggersgiro accounts	*6,508,612*	*115,509*	*5535%*
Income statement			
Net interest income	4,323	4,566	-5%
Net fee and commission income	16,254	14,891	9%
Other income	10,279	10,251	0%
Result from financial instruments	-	-	
Impairment of financial assets	(1)	-	-100%
Total income from operating activities	**30,855**	**29,708**	**4%**
Employee expenses	17,254	15,804	9%
Depreciation and amortisation	1,407	1,049	34%
Other operating expenses	5,827	5,018	16%
Total operating expenses	**24,488**	**21,871**	**12%**
Result from operating activities	**6,367**	**7,837**	**-19%**

Developments in (bank) tax, legislation and regulation

This section gives a summary of the deposit guarantee scheme, the bank tax, the financial transaction tax and the Investor Compensation Schemes, and the effect of these on BinckBank where possible.

Deposit guarantee scheme (DGS)

The Dutch DGS guarantees deposits (including savings and money in current accounts) of private persons and small companies at banks up to a maximum of € 100,000 per depositor per bank. The DGS pays out if the customer can no longer access their funds as a result of the bank's insolvency. Currently the DGS is funded ex post, or after the fact. Banks only pay when a claim on the system is made, i.e. when it is established that a bank is insolvent. The politicians have taken the view that this funding method is no longer adequate. The cabinet has therefore decided that in future, the banks will have to contribute to the DGS in advance (ex-ante funding). Banks will make a quarterly contribution to the DGS for the deposit guarantee fund. The fund will pay out when a claim on the system is made. If the fund has insufficient funds, the shortfall will be made up by the banks in accordance with the current system. The introduction of ex ante funding has a number of aims. First of all, it will mean that the bank that ultimately fails will have made contributions to the DGS. Secondly, the credibility of the DGS will be strengthened by the existence of a deposit guarantee fund, because money has been set aside specifically for this purpose. Thirdly, ex ante funding will help to spread the costs of the DGS over time, so that the amount banks will have to pay when if bank fails will be less. Lastly, ex-ante funding enables the use of risk-adjusted contributions, because these will have an up front directional effect.

Due to the nationalisation of SNS Reaal, the Finance Minister has decided to postpone the ex-ante funding of the DGS for two years. From 1 July 2015, the banks will have to build up a fund over ten years amounting to 1% of the deposits guaranteed by the DGS.

Bank tax

The Bank Tax Act, which took effect on 1 October 2012, introduces a tax for banks as an addition to previous measures intended to strengthen the financial system and control the risks that banks incur. After the introduction of the bank tax, there will be three complementary instruments, namely: Basel III, the ex-ante funded deposit guarantee scheme and the bank tax itself. Recent experience has shown that problems at banks can affect financial stability in general as well as the banking sector itself. Although many financial institutions have now repaid all or part of the capital injections they received, it is also clear that the government is prepared to offer a helping hand to banks in difficulty should this be necessary to safeguard financial stability. In the government's view, a contribution by the banking sector in the form of a bank tax is therefore justified. The government's implicit guarantee can thus be funded, which in its opinion is the main objective of the Act.

The bank tax will be levied on the so-called 'uncovered' debt funding of banks, in other words, the total liabilities less the own funds and the obligations that fall under the deposit guarantee scheme. The tax base will furthermore be reduced by an efficiency exemption of € 20 billion, so that smaller and unconsolidated banks will remain untaxed.

Unlike the Lower House of the Dutch Parliament, the Upper House has given more lengthy consideration to the potential implications of the bank tax in a wider perspective. For instance, it stated that the bank tax should not reduce banks' willingness to lend, and accordingly adopted a motion requiring the State Secretary to submit a report prepared by De Nederlandsche Bank on this issue to the Upper House by 1 June 2013. The tax is due on the first day of the tenth month after the balance sheet date (Section 11). Since the Act has recently come into force, the bank tax will be levied retroactively for the first time on the year 2011. Under Section 14 of the Bank Tax Act, bank tax is not deductible from profits. The bank tax will not affect BinckBank since BinckBank falls below the efficiency exemption of € 20 billion.

Financial transaction tax (FTT)

The Netherlands

The European Commission published a draft directive on 28 September 2011 for the introduction of an EU-wide tax on financial transactions, the FTT. The intention of the EC with the FTT is to discourage risky forms of trading and to make the financial sector contribute to the costs of the crisis. The proceeds of the tax at EU level are expected to amount to approximately € 57 billion.

The FTT affects a wide range of financial transactions, including the purchase and sale of financial instruments. It covers for example securities, money market instruments, units/shares in collective investment schemes, notes and structured products, the transfer of risks associated with a financial instrument between entities of a group and also entering into derivatives contracts such as options, futures and swaps. According to the proposal, the intention of the FTT is to tax transactions in which financial institutions are involved. The FTT is due at the time the financial transaction actually occurs and is based on the gross amount of the transactions concerned. The taxable amount depends on the type of financial transaction. Generally, the taxable amount for a financial transaction – as opposed to a transaction in derivatives – is effectively the value of the payment made as part of the financial transaction. The directive sets a minimum FTT rate of 0.1% for financial transactions (other than transactions in relation to derivatives contracts) and a rate of 0.01% for derivatives contracts.

The definition of financial institutions in the proposal is widely formulated, so that not only traditional financial institutions fall under the proposed bill, but also for instance holding companies, securitisation entities (SPVs) and other legal entities executing certain significant financial transactions, measured by size or value. A requirement for the application of the directive is that at least one of the parties to the transaction is domiciled in a member state. If more than one financial institution is a party to the transaction, both parties will be subject to the FTT. It would appear that this will be the case regardless of whether they are established in one and the same member state or different member states.

There has been sufficient support for the FTT in the European Union ('EU') since 9 October 2012. In addition to Germany and France, nine other countries – including Spain and Italy – support the proposal for the FTT. A minimum of nine member states in favour is required to introduce the FTT according to the principle of closer cooperation between the EU member states. Belgium, Austria, Portugal and Greece also support the Franco-German proposal, as do Estonia, Slovakia and Slovenia. Whereas the Netherlands initially looked as though it would be a strong opponent of the FTT, it would appear that with the appointment of the new cabinet in November 2012 that things have changed. The cabinet has expressed a favourable opinion regarding introduction of the FTT, on condition that pension funds are exempt, which in the proposal is currently not the case. Sweden and the United Kingdom have stated that they are opposed to the introduction of the FTT. The next steps currently being taken by the European Commission ('EC') concern the drawing up of the legal documentation for further elaboration of the plans. BinckBank expects the introduction of the FTT to negatively affect trading volumes and therefore also BinckBank's results. However, it is not possible to estimate what the effect will be at this stage.

Stock-exchange tax in Belgium

In Belgium the stock-exchange tax already applies to transactions executed in Belgium (Tax on Market Transactions) by Belgian residents. The Belgian government raised the stock-exchange tax from 0.17% to 0.22% in January 2012 and to 0.25% in August 2012. The effect of this has been noticeable, with a decline in transaction volume compared to 2011. However, one cannot conclude that there is a clear causal connection between the increase of the stock-exchange tax and the decrease in transaction volume. The decrease could also be due to the generally poor investment climate that prevailed as a result of uncertainty and negative news from governments and companies.

Financial transaction tax in France

The FTT took effect in France on 1 August 2012. The French FTT does not currently go as far as the EC proposal for the FTT. The FTT rate in France is 0.2% for the buyer in a transaction in stocks. The French FTT only applies to the purchase and sale of stocks of large French companies. It covers all companies with a market capitalisation of greater than € 1 billion that have their principal domicile in France and are quoted on a regulated market, which comes to 109 stocks (the list changes each year). France also wants to levy 0.01% on high frequency trading, which is a trading strategy that involves many cancelled orders, and the same rate for trading in naked credit default swaps. In the fourth quarter we have observed a negative effect on our revenues. We expect that investor trading behaviour will change.

Investors are more likely to use SRD and invest in small and midcap stocks, rather than purchasing stocks directly. SRD is partly exempt from the FTT.

Financial transaction tax in Italy

The FTT will be introduced in Italy in March 2013. The FTT will apply to securities and associated financial instruments (including ADRs) issued by companies with a head office in Italy and with an average market capitalisation of more than € 500 million in the previous year.

Investor Compensation Schemes

The investor compensation schemes directive (or 'ICSD') has recently been revised. The ICSD was established in 1997 in addition to the Investment Services Directive (now replaced by the MiFID). The ICSD provides for compensation to customers taking investment services from investment firms (including banks) if the investment firm is not able to return money or financial instruments it holds on a customer's behalf. The revision of the ICSD is part of a broader package of measures that also includes the revision of the deposit guarantee scheme directive. The package is intended to restore investor confidence in the financial markets.

More specifically, the revision of the ICSD concerns the following:

- Improving the practical operation of the ICSD;
- Clarifying the scope of the ICSD;
- Reducing the differences in protection between that applying to customers of investment firms and banks; the measures include:
    - (i) Raising the cover from € 20,000 to € 50,000 per investor;
    - (ii) Stipulating a faster pay-out time; and
    - (iii) Making partial ex-ante funding mandatory.
    - (iv) Non-professional investors will be protected under the revised ICSD. This follows the classification of customers used in the MiFID.

The purpose of the investor compensation scheme is fundamentally different from that of a deposit guarantee scheme. A deposit guarantee scheme contributes to consumer protection and to the stability of the financial markets, while an investor compensation scheme only provides investor protection. Investors are moreover protected by the provisions of the MiFID, which among other things require adequate segregation of assets. The investor compensation scheme is more a final layer of protection for investors that will only be claimed against if all other protection mechanisms have failed. If a customer potentially falls under both the investor compensation scheme and the deposit guarantee scheme, he will be compensated under the deposit guarantee scheme. A customer can only receive one payment.

Based on the draft text of the revised ICSD, the ICSD will also pay out in the event of insolvency of a third-party custodian. No such obligation currently exists. This obligation creates an obligation for the third-party custodian. The extent of the contribution of the party who selected the custodian is not yet clear.

A new article will be introduced that states the basic principles for the funding of an investor compensation scheme. This will in particular determine that:

- The market participants must continue to bear the costs of compensation;
- A minimum funding level for all systems will be established that must be reached in advance.
  This minimum funding level is at least 0.5% of the value of the funds and financial instruments held, administered or managed by the investment firms and (European) collective investment schemes. The target level must initially be reached within ten years of the directive taking effect. The target level will be recalculated each year;
- If in actual cases the ex-ante funding is not sufficient to cover the obligations of the scheme, the participants will be asked to make additional contributions up to a maximum of 0.5% of the monies and financial instruments that are covered;
- If the above-mentioned sources of funding are exhausted, the scheme can take out loans from other compensation schemes; and
- The scheme must also have possibilities to obtain short-term funding.

The European Commission established a draft directive revising the ICSD on 1 July 2010. Internationally this is known as the Investor Compensation Schemes Directive (ICSD). The EC is currently in consultation with the European Parliament regarding the content of the directive. The provisional conclusion is that no agreement regarding the content has yet been reached. Progress has been made dependent on progress on the deposit guarantee scheme issue. At the time of writing there has been no progress on this issue either, meaning that we cannot give any indication of the date when implementation in Dutch law will occur.

Should the proposed legislation become law in its current form, the effect based on the current size of the Retail portfolio during the first ten years would be approximately € 4 million a year.

The above-mentioned developments with respect to the bank tax and other taxes, increasing legislation and regulation and the ever-stricter regulatory requirements will negatively affect BinckBank's profitability.

Subsidiaries, joint ventures and associates

BE FRANK

BeFrank is a Premium Pension Institution (PPI) and a 50/50 joint venture between BinckBank and Delta Lloyd in the field of collective pensions. A PPI is a pension administrator (in addition to insurance companies and pension funds) that administers pension schemes and accrued pension capital, but does not bear the insurance risk.

The PPI is designed for the administration of collective defined contribution schemes as the second pillar alongside the state retirement pension (AOW).A characteristic of defined contribution schemes with individual freedom of choice regarding investment is that the future pension benefit depends on the result of the investment choices made. In the near future the PPI will provide an excellent opportunity for administering pensions on a cross-border basis. For companies with a presence in several countries, this offers the option of centralising and optimising their pension administration and thus reducing costs.

BeFrank was the first PPI in the Netherlands and combines the online strength of BinckBank with the pension expertise of Delta Lloyd. The result is a fresh, new pension administrator in the Dutch market. BeFrank offers an easy-to-understand pension accrual at low cost. The incorporation of BeFrank is part of BinckBank's strategy to generate more of its income from asset accumulation and thereby become less dependent on transaction-related income.

BeFrank has got off to a flying start and produced a good commercial performance in 2012. Despite the rapidly intensifying competition (eight PPIs have now been licenced), employers are still choosing BeFrank. A total of more than 70 employers with collectively more than 10,000 employees have now chosen BeFrank.

BeFrank obtained ISAE-3402 type II certification in March 2012. This shows that BeFrank is a capable pension administrator and that its internal processes are of high quality. On 10 May 2012, BeFrank won the Pensioen Bestuur & Management award for 'Best communication by a commercial provider in 2012'. On 11 September 2012, BeFrank was the first pension provider to launch an mobile App enabling scheme members to access their pension data in real time. At the end of 2012, BeFrank renewed its portals on the basis of user experience and expanded its services with full service English version of the portal.

Further information on BeFrank is available at www.befrank.nl.

tom
the order machine

TOM is a cooperation between Optiver, ABN AMRO Clearing Bank, IMC Group and BinckBank, that came into being on 23 June 2009 after the obtaining of a licence from the AFM. TOM Holding N.V. has two subsidiary companies: TOM Broker B.V. that provides a best-execution service to affiliated parties and TOM B.V., which has a licence to operate as a multilateral trading facility (MTF, or market), on which equities and options are traded that are listed and traded on other markets.

After executing part of its equity orders on the TOM trading platform in 2010 and 2011, BinckBank also transferred a large proportion of its equity derivatives orders to the TOM platform in 2012. After a successful trial in early 2012 with a few classes of derivatives, all classes of equity derivatives were in phased on to the TOM trading platform in 2012. The index derivatives will be transferred in January 2013. The transfer of equity and derivatives orders to TOM means that our customers can fully benefit from the advantages of best execution. Lastly, TOM is working on connecting more banks to its Smart Order Router. It is expected that technical preparations for the first Retail bank to be added to TOM will be completed in mid-2013.

In 2012 the shareholders in TOM decided to add a strategic partner as a shareholder in TOM. NASDAQ OMX took an interest of 25% in TOM on 10 December 2012 (subject to approval by the Dutch Central Bank and competition authorities).

Further information on TOM is available at www.tomgroup.eu.

Since 9 November 2010, BinckBank has had a 60% interest in ThinkCapital, a Dutch issuer of Exchange Traded Funds (or ETFs, also known as trackers). The interest in ThinkCapital is part of BinckBank's strategy to generate more of its income from asset accumulation and thereby become less dependent on transaction-related income.

Interest in passive investing among private investors, is growing rapidly, alongside interest from the market regulators and the Dutch Investors' Association (VEB). The regulators see the benefits for the customer of a more balanced relationship between actively and passively managed investment products. The VEB, as an independent interest group, has given two awards to ThinkCapital, the Silver VEB Investment Funds Award for the Think AMX Tracker in 2010 and the Gold VEB Investment Funds Award for the Think AEX Tracker in November 2012. In 2011 ThinkCapital won the 'Gouden Stier' award for 'Investment product of the year' for its Think Global Equity Tracker. ThinkCapital and BinckBank have joined forces with the intention of putting tracker funds on the map in the Netherlands.

ThinkCapital also focuses on index investing for the institutional market for passive investment management. ThinkCapital's current offering consists of ten tracker funds designed to suit the Dutch market. One advantage ThinkCapital has over foreign providers of trackers is that ThinkCapital has a Dutch legal structure and qualifies for FBI (Fiscal Investment Institution) status. This allows ThinkCapital, unlike the foreign providers, to distribute dividends efficiently to investors. Under the various tax treaties, this tax efficiency can be applied to equities in the various treaty countries and investors from a number of treaty countries can thus also benefit.

ThinkCapital constructs its ETFs using physical replication, whereby an index is replicated so that the stocks in the index are held by the fund. Some competitors use synthetic replication, which uses swap agreements to replicate the index return. This however involves additional risk in the form of counterparty risk. ThinkCapital takes the view that this does not serve the investor's best interest, as the ETF's then become vague and complex.

Further information on ThinkCapital is available at www.thinkcapital.nl.

Human resources

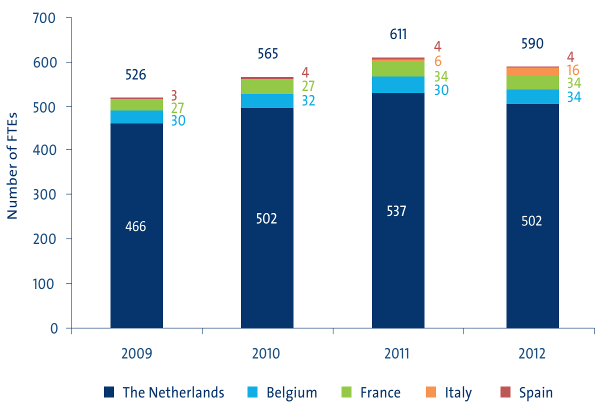
Employee key figures

2012 featured a reorganisation of several organisational elements. To increase effectivness, some departments, including Marketing & sales and some elements of the ICT department, have been placed in the line organisation. The aim of the changes is to increase the transparency of the organisational structure and to strengthen the focus on customers and the business. Despite the fact that certain changes in an organisation can always cause some form of unrest, we see that the changes have been experienced as useful by both the staff involved and the rest of the organisation. BinckBank considers it essential that its core values are reflected by all its employees. Our core values are included in the annual employee evaluation and when hiring new colleagues, we look for people who have these values and who will fit into the culture of BinckBank.

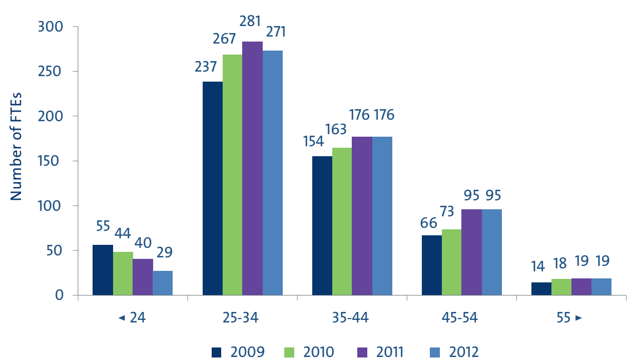
Number of FTE's per country

There was a need to critically review our employee expenses since BinckBank's results in 2012 lagged behind those of previous years. Since the onset of the crisis in 2008 we have worked on creating a flexible layer in the structure of the workforce. This has led to flexibility of between 30 and 35 percent of the permanent workforce on an annual basis. Despite the fact that technically it is reasonably easy to reduce the size of the workforce, we have taken a very cautious approach in order not to have to make any concessions as regards quality. To the extent possible, employees are redeployed to fill vacancies that need to be filled. Many consultants and temporary staff have also been replaced by staff employed directly by BinckBank. The number of employees increased in the start-up in Italy in 2012. Syntel has also grown rapidly in recent years, leading to an increase from 78 FTE in 2009 to 123 FTE in 2012.

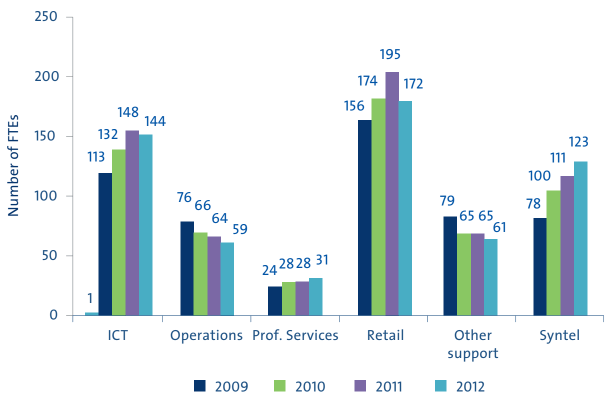
Number of FTE per country



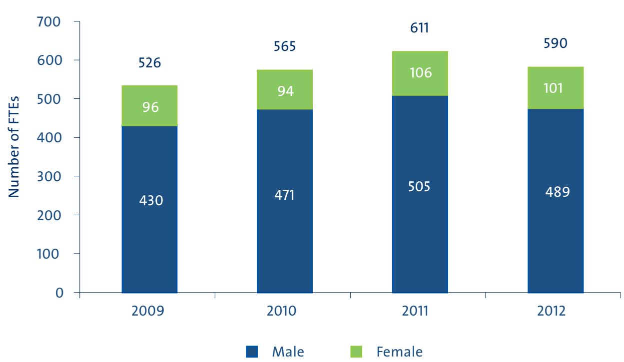
Number of FTE per age group



Number of FTE per department



Male/female ratio



Recruitment and selection

The new ‘Working at Binck’ website came into operation in 2012. The website enables us to independently recruit staff for BinckBank in the Netherlands, Belgium, France and Italy efficiently and at low cost.

Employee satisfaction survey

An employee satisfaction survey was conducted at the end of 2011. Generally, the scores of BinckBank employees were no different to those of other employees within the benchmark. In 2012 employees and departmental managers collaborated in workshops held on the results of the employee satisfaction survey. Many of the recommendations have since been adopted. The survey was repeated at the end of 2012. The results of this survey clearly show that inter-departmental cooperation has improved. The foreign branches also participated in the 2012 survey.

Trainees and the ‘BinckBank ICT class’

A total of 45 employees moved on to a new position within BinckBank during 2012. The benefit for BinckBank is that in this way we can retain talented employees for longer, and that knowledge and experience remains within the company. Employees can further develop and grow in various areas. Two trainees from the trainee programme moved on to a position within the organisation in 2012.

Last year, seven people participated in the BinckBank ICT class. All seven successfully completed the course in 2012 and have moved on to positions in the ICT departments. They have now started further training in evening classes. The BinckBank ICT class is an initiative whereby people who want to work in ICT can take a 4-month course, which enables them to obtain a preliminary qualification. After qualification, we offer them an employment contract with the possibility of further training in various areas of ICT.

Blended learning

We began a pilot study in the field of online learning in 2012. The study was initiated firstly in order to create a form of training that would meet the needs and manner of learning of our employees, and secondly because of changing legislation in this area. The combination of online learning and following information sessions and workshops is a method that has previously been used at Binck in a management development programme. This experience, and the results of the study, have led to blended learning programmes in the fields of Compliance, Security, general product knowledge, procedures and BinckBank’s business. The programmes will be further developed in 2013 and implemented by several departments within the organisation. The departments concerned will be closely involved in preparing the content of the programmes.

Absenteeism

Absenteeism in both 2012 and 2011 was relatively low at BinckBank at 2.9%. This percentage is the same as in 2011.

Legislation

The Regulation for a Controlled Remuneration Policy in the Wft 2011 (‘the Regulation’) applies to BinckBank. The 2011 remuneration policy was established in accordance with the Regulation in 2011. The implementation and structure of the remuneration policy was completed in 2012. The remuneration committee, consisting of two members of the supervisory board, was appointed. The remuneration committee advises the supervisory board with respect to its responsibility to oversee the adpotion and implementation of the remuneration policy. The remuneration committee receives information and advice from the control staff. These are the manager of Risk Management, the Compliance manager and the HR manager. The remuneration committee met on three occasions during 2012.

Consultation with the works council

The executive board had constructive meetings with the BinckBank works council during 2012. The issues discussed during the meetings with the works council included the reorganisation of Marketing & Sales, the organisation of the ICT department, the results of the employee satisfaction survey and the results of the risk inventory and evaluation. Various requests for approval in relation to changes to the BinckBank conditions of employment were also submitted to the works council.

Corporate social responsibility

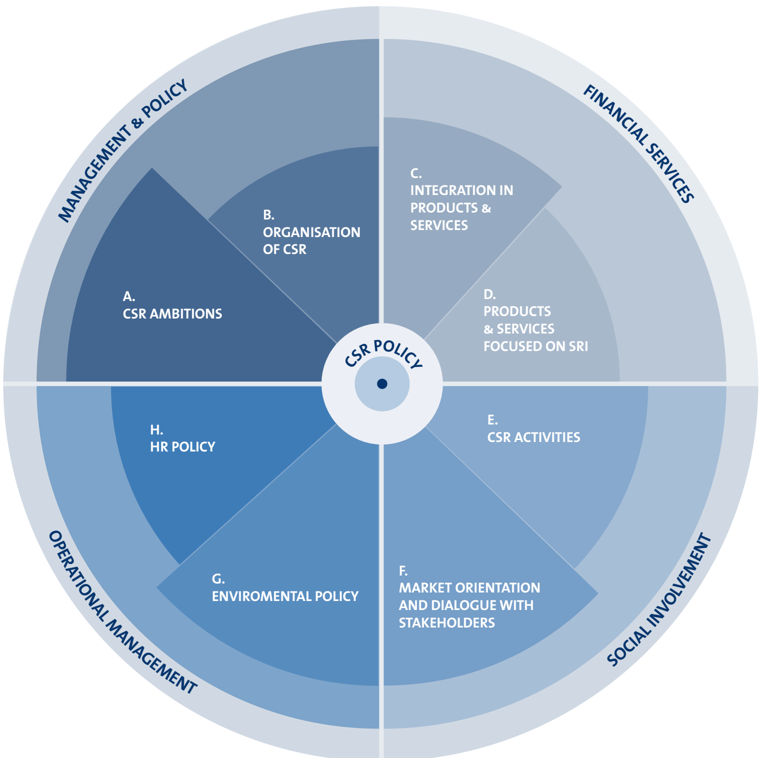
Integrated approach and priorities

BinckBank's success is largely due to our always putting the customer first. This is and remains the cornerstone of our policy and is the central consideration in all our innovations, product revisions and day-to-day servicing of our customers. Our mission is to ensure that private investors can invest successfully. Since its incorporation Binck has succeeded in this, partly by providing private investors with the same technical resources as those available to professional investors and by enabling private investors to make correct decisions by giving them access to a wide range of information, such as news, fundamental and technical analysis, reports from analysts and risk studies. In addition, private investors can trade through Binck at very competitive rates. The permanent education of investors is a high priority at Binck. Drawing attention to socially responsible investing (SRI) is also given the necessary attention. BinckBank promotes this theme and actively strives to reduce the current scepticism among investors with respect to SRI.

Our policy and our activities around the theme of corporate social responsibility (CSR) are not limited to achieving the most sustainable business structure possible. BinckBank considers social aspects when developing its products and services and distributing its investment products. The figure below illustrates the integrated approach to CSR policy taken by BinckBank. The dimensions of the CSR policy are formed by:

- Management & policy, including the formulation of CSR objectives and the organisation of CSR. These are defined in the policy document published on BinckBank's website;
- Financial services, including the integration of CSR objectives in the products and services and the development of products and services with a specific focus on SRI;
- Social involvement, including involvement in social activities and an orientation towards stakeholders; and
- Business conduct, including HR policy and environmental policy. The description of our activities in this context in 2012 follows the sequence above.

Areas of CSR policy



Important events in 2012 from the perspective of CSR:

- All orders in all AEX stocks can be traded on the TOM platform. Better execution of equity orders delivered a better price for investors on average during the year;
- Virtually all option classes for stocks in the AEX and AMX indices have been added as of 29 October 2012.
- Both Alex and Binck carry a very wide range of SRI investment funds in the Netherlands;
- Both Alex and Binck now provide the sustainability indicator of FDA for a number of AEX companies and Midcaps free of charge. Previously, these modules were part of the premium package at a quarterly subscription fee of € 45;
- In collaboration with Sustainalytics, Alex has screened the universe of the 600 European stocks in which the asset management model invests against the principles of the UN Global CompactAlex; and
- BinckBank won a number of awards for best broker, including the award from IEX Netprofiler in the Netherlands and (among others) from 'Le Forum d'investiment' and 'Label d'excellence' in France.

Financial services

Since its incorporation, BinckBank has striven to offer the same facilities to private investors as those available to professional investors. BinckBank moreover strives to offer as many facilities as possible to enable its customers to invest successfully. Customers need to be aware of, understand and be able to manage the risks associated with investing. There is a wide range of tools available to support them in this respect. As already mentioned, the education of investors plays an important part. Moreover, as a bank we take the necessary measures to enable our customers to manage their investment risks more effectively.

Developments in 2012

1. Best Execution for stocks and options for private investors
   The incorporation of TOM has given form to our ambitions with regard to best execution. All market orders for the exchanges in Amsterdam, Brussels and Paris have been routed through TOM since 2011. TOM's Smart Order Router searches for the market quoting the best price, either Euronext or TOM MTF. In 2012 TOM became the first provider in Europe to also offer best execution for derivatives. Last year, the option classes for AEX and AMX stocks were gradually added to TOM. More or less all option classes have been tradable on TOM since 29 October 2012. TOM went live with AEX index options, both day and week options, in January 2013.

   On a monthly basis TOM reports the results as regards better price formation of AEX stocks for private investors that can be executed directly in the market and for which TOM offers a better price than that quoted on Euronext.

2. Promotion of SRI and the offering of SRI investment funds
   The first week of October was the Week of Socially Responsible Investing. Various activities were organised during the week by the Association of Investors in Sustainable Development (the Vereniging voor Beleggers in Duurzame Ontwikkeling, or VBDO) to focus attention on the opportunities of socially responsible investing. Binck also let its voice be heard during the Week of Socially Responsible Investing. Our contribution had a permanent nature this year, as from now on Alex investors will have the sustainability indicator of FDA for a number of AEX companies and Midcaps at their disposal. Until now, this information has been part of the premium package for which customers have been paying € 45 per quarter. This is part of the promotion of the socially responsible investing theme.

3. Exclusion policy
   Alex Asset Management also made significant progress in formulating an exclusion policy. In collaboration with Sustainalytics, Alex Asset Management has screened the universe of the 400 stocks in which the model invests. By means of this screening, Alex Asset Management intends to avoid investing in companies that contravene the principles of the UN Global Compact. The Global Compact guidelines are internationally recognised and widely endorsed as a framework for companies in the areas of human rights, labour, the environment and the fight against corruption. The result of the screening by Sustainalytics for Alex Asset Management was positive. All the companies that Alex Asset Management includes in its potential investment universe comply with the guidelines in the analysis.

4. Permanent and usually free education at the Alex Academy
   The Alex Academy offers customers and others permanent and usually free education through courses, seminars, webinars, blogs, columns and coaching programmes. The courses are given both in traditional form and online. Alex also has a branded video channel on YouTube. Investors, both customers or non-customers can use this video portal to watch instructional videos on investing at all levels. In November 2012 the investment trainers at the Alex Academy published an updated version of their book ‘Investing for Dummies.’ With all these resources, investors can increase their knowledge in their particular area of interest and at their own level.

	Number in 2012	Participants in 2012	Number in 2011	Participants in 2011
Class room training	69	1,255	75	2,600
Online seminars	62	11,444	106	26,594
Youtube channel	53	50,301	60	96,000

   Both the class room training courses and the online seminars were given a score of 8.2 by the participants, and the trainers were given a score of 8.4.

5. Other facilities to support investors
   BinckBank strives to offer as many facilities as possible to enable its customers to invest successfully. Customers must be aware of, understand and be able to manage the risks associated with investing. We have taken numerous measures to this effect, including a detailed customer acceptance process as well as support for customers. In addition to extensive access to fundamental, technical and risk analysis for a wide range of investment instruments, this also of course includes real-time information on the risks of the portfolio on a value-at-risk basis and testing of the actual risk against these personal value-at-risk limits. Other facilities provided by BinckBank include:
   - A manual with a detailed section on risk;
   - Availability of a financial driving licence, whereby customers can assess the extent of their knowledge and understanding of investment-related matters. The financial driving licence for simple and complex investment products has been available at both Alex and Binck since 28 March 2011; and
   - A new margin system was introduced in 2012: the Portfolio Based Margin (‘PBM’). This method measures risks more accurately than the traditional Strategy Based Margin (‘‘SBM’’) method. In addition, in this method the time it takes to restore breaches has been shortened and the system is further automated. The method enables customers to trade more effectively within similar risk limits for the bank.

6. As an internet bank, BinckBank devotes extensive attention to the security of the PC environment of its customers. Measures in this area include:
   - Actively informing customers regarding the threats posed by the Internet. We have produced a video wich in simple and understandable terms explain the importance of a secure PC environment and the elements needed for such an environment;
   - BinckBank refers investors to the site www.veiligbankieren.nl, which is part of the widespread campaign by the Dutch Banking Association (NVB) in this field; and
   - Actively offering information regarding certain solutions, such as the best free and paid for firewalls and spam filters, and other measures the customer can take to identify and prevent threats.

Social involvement

As a bank, we are aware of our role in society, and as part of this role we also support for a number of social initiatives. The guiding principle for these activities can be described as contributing to the financial literacy of the population of the Netherlands. BinckBank initiated cooperation with NIBUD in 2012. Together with NIBUD and the Municipality of Amsterdam, BinckBank intends to introduce the financial examination at all the primary schools in Amsterdam. In addition to providing financial resources, BinckBank also intends to contribute its expertise and availability of its employees. Another cooperation with NIBUD has led to the organisation of a number of online seminars on pensions. One item brought to the attention of customers during the Pensions Week was the 'schijf van vijf' model for pensions (based on the 'five a day' concept).

Operational management

The following indicators relate to the operational management of BinckBank in the Netherlands. Due to the limited amount of material used, the offices in Belgium, France and Italy have been left out of consideration.

	2012	2011	Comments
Paper	7,845 kg	10,778 kg	Double-sided printing
Toner	23 kg	91 kg	New printers use Solid Ink instead of toner
Energy	1,373 MWH	1,339 MWH	100% green power and 1.1% self-generated solar energy
Water	3,144 M^3	4,451 M^3	

Paper

Only recycled paper was used in 2012, as was the case in 2011. The figures do not include commercial printing (statements, quarterly reports, correspondence, customer files and other marketing material). We strive to use certified paper for all these publications as far as possible. This means that we know that 100% of the paper used for commercial printing is FSC. We cannot however give this guarantee with regard to certain packaging materials.

Toner

Only 23 kg of toner was used in 2012 (including print street and excluding commercial printing), compared to 91 kg in 2011. The decline is due to the use of new printers, which use Solid Ink technology instead of toner.

Energy

Energy usage at Barbara Strozzilaan in the period from November 2011 to the end of October 2012 was 1,373 MWh. 100% of this was certified green energy; 1.1% originated from our own solar panels.

Air conditioning

The air conditioning in our office on Barbara Strozzilaan is connected to the Nuon network, which delivers cooling from the water in the Nieuwe Meer lake. With this cold water, Nuon provides sustainable cooling for the BinckBank offices. The system uses approximately 70% less CO2 than conventional cooling technology.

BinckBank selected Equinix as its datacentre in 2010. For us, Equinix's leading energy programme was an important consideration in the selection. Equinix is the first datacentre in Europe and the first company in the Netherlands with ISO 50001 certification, the new global standard for energy management. Equinix also again introduced innovative and sustainable renewals in 2012, confirming our choice of this partner on sustainable grounds. Equinix further extended its platform AM3 in Amsterdam in October 2012, while Binck is on the platform AM1. The new platform uses heat and cold storage in the ground instead of mechanical cooling. Surplus heat is re-used to heat the adjoining buildings. This and other sustainable technologies provide significant energy savings, so that the customers of Equinix can meaningfully limit their CO2 footprint. It is not possible to specify this per business involved. Equinix has previously obtained ISO 14001 certification (for environmental management) in 2011. The ISO 14001 certification establishes the elements companies need to achieve an effective environmentally-friendly management system.

Reporting and the GRI

The GRI guidelines stand for the Global Reporting Initiative guidelines. The United Nations has issued these guidelines to assist businesses in their reporting in the area of sustainability. BinckBank does not publish a separate sustainability report but BinckBank prefers to include a separate section on CSR in its annual report. Comparing the two revealed that there is extensive overlap between the annual report and the GRI guidelines relevant to BinckBank, such as the description of strategy, the section on risk and the HR policy. Furthermore, a large number of GRI indicators defined specifically for financial services providers have little or no relevance in BinckBank's case. For instance, our geographical area of operation concerns countries within the European Union, where human rights, asymetrical income distribution and other social issues do not arise. BinckBank provides credit to private investors for the purpose of purchasing securities, and thus does not have to deal with ethical or social considerations involved in lending to companies.

Outlook 2013

Innovation of the European Retail base platform

The trading platform Binck360 will be further extended in 2013 with facilities for trading in futures. The basics of the platform will be improved and optimised, including integrated (basic) technical analysis tools and advanced order functionalities.

Abolition of distribution fees in the Netherlands

BinckBank has agreed with the AFM that it will no longer receive distribution fees with effect from 1 January 2014. Direct payment of fees will mean that customers have a better understanding of the price they are paying for the various investment services. 2013 has been designated as a transitional year so that the abolition can be phased in. There are various ideas for how to adjust BinckBank's services to the new situation. These will be further elaborated in 2013. The abolition of distribution fees will negatively affect the business model of Binck.

Change to the rate of VAT in the Netherlands

The standard rate for VAT was raised from 19% to 21% on 1 October 2012. The change has consequences for BinckBank. In addition to its services that are not subject to VAT, BinckBank also offers certain services that are subject to VAT. BinckBank is not passing on the change in VAT to customers, and this has led to a decline in income.

Financial transaction tax in the Netherlands

The introduction of the financial transaction tax ('FTT') in the Netherlands would appear to be back on the agenda after the appointment of the new cabinet in November 2012. The condition however is that pension funds should be exempt from the tax. The European Commission ('EC') is engaged in the preparation of the legal documentation for further elaboration of the plans. Under certain conditions, the FTT may also be introduced in the Netherlands. An FTT will be introduced in Italy in March 2013. The introduction of the FTT is expected to have a negative effect on BinckBank's performance.

Share buy-back programme

The share buy-back programme will be continued up and including June 2013, as long as the solvency ratio remains above 20%.

Foreign offices

For BinckBank Belgium, the migration to the European Retail base platform is the biggest project in 2013.
In France, BinckBank wants to further expand its position, and for Italy, the objective is to grow the customer base and improve our name recognition through various marketing campaigns.

Change in investment policy by Alex Asset Management

The investment policy of Alex Asset Management has been changed. As from 1 January 2013 in times when Alex Asset Management considers the equity markets to be less attractive it will no longer hold its customer assets in cash but it will place the funds in ThinkCapital bond trackers. Extensive back-testing of using bond trackers instead of cash has been carried out and shows that our customers would have enjoyed a better result in the past if this approach had been used.

Able

From early 2013 the Professional Services business unit and the software company Syntel will operate as one brand in the market, known as Able. Able is a service and software company that will concentrate fully on investments and savings. Able will offer three products as a specialist: market investing, fund investing and bank savings. The products will be offered in various concepts, either as a standard software licence model, Software as a Service ('SaaS-service') or with full outsourcing (or BPO). Binck Professional Services and eXimius joined forces in November 2012 in order to offer a portfolio management service for asset managers and private banks. By fully linking the eXimius platform to the Professional Services platform, Binck Professional Services has created a high quality platform with a low threshold that is accessible to asset managers focusing on providing services to high net worth individuals. The new service is expected to be available in the market in mid-2013.

Non-recurring charge due to nationalisation of SNS Reaal

The Dutch government nationalised SNS Reaal on the basis of the Intervention Act on 1 February 2013. A one-time resolution levy into the treasury will be imposed on banks amounting to a total of € 1 billion. This levy will not be deductible for the purpose of corporation tax. The contribution of the various banks will be related to the total sum of the deposits guaranteed under the deposit guarantee scheme held with them on 1 February 2013. The exact amount of the contribution of BinckBank N.V. is not currently known. Based on the available data as used for the last contribution to the deposit guarantee scheme, it could be approximately € 4.5 – 5.0 million.

Outlook

Based on the current market conditions, we are positive regarding the outlook for BinckBank. Our result however remains heavily dependent on the activity of our customers in the market, which is determined to some extent by macroeconomic and other economic developments. Market volatility and direction are important factors. For this reason, we cannot issue detailed forecasts of the results we expect to achieve in 2013. BinckBank will continue to focus on further increasing its customer base, both in the Netherlands and abroad, in order to achieve its targets.

Executive board members

Koen N. Beentjes, Chairman of the executive board
(1961 – Dutch nationality)

Koen was appointed as an executive director under the articles of association of BinckBank for a term of four years at the general meeting of shareholders on 28 April 2009 and in 2012 was responsible for Information Technology, Human Resources, Internal Audit Department (IAD), Savings & Investment Management (SIM), Legal & Compliance and the Corporate Secretary function. With effect from 2013 he also assumed responsibility for the Retail (brokerage) business unit, the foreign branch offices, ThinkCapital and TOM.

Koen is a certified public accountant and had an international career of over 20 years at the ING Group and its predecessors. In the early days of his career he was mainly active in the field of Finance & control at subsidiary companies of the ING Group. In 1994 he took on responsibility for the acquisition of foreign retail banks by ING. He became a member of the executive board of Allgemeine Deutsche Direktbank AG in Frankfurt am Main, Germany, in 1998. Following his return to the Netherlands, Koen was appointed as general manager of ING Card at the end of 2002.

Number of BinckBank shares held at year-end 2012: 37,787

Evert-Jan M. Kooistra, executive director and CFO
(1968 – Dutch nationality)

Evert-Jan was reappointed as a director under the articles of association of BinckBank at the General Meeting of Shareholders of 23 April 2012 for a term of four years. He has been an executive director and CFO of BinckBank since 2008. Evert-Jan is responsible for Finance & Control, Operations, Risk Management and Treasury and with effect from 2013 also for Investor Relations and Legal & Compliance the Netherlands (head office).

Evert-Jan studied business economics at the Erasmus University in Rotterdam, and is a certified public accountant. He has more than 19 years' experience in the financial field, including periods of employment at PriceWaterhouseCoopers and Shell. Most recently he was financial director at the US company International Game Technology.

Number of BinckBank shares held at year-end 2012: 35,548

Pieter Aartsen, executive director
(1964 – Dutch nationality)

Pieter was reappointed as a director under the articles of association of BinckBank at the General Meeting of Shareholders of 26 April 2010 for a term of four years. He has been an executive director of BinckBank since 2006, with responsibility for the Professional Services business unit, BeFrank and Able.

Pieter studied general economics at the VU University in Amsterdam. From 1990 to 2004 he was employed at KAS Bank, where he held various positions in the Institutional banking division. He was appointed head of Sales and business relations management for the Benelux countries in 1996, and then became head of Sales and business relations management for the UK in 2001. He moved to Deutsche Bank AG in London as head of European securities clearing and vice president in 2004, with responsibility for product development and sales of the clearing product.

Number of BinckBank shares held at year-end 2012: 45,750

Nick Bortot, executive director
(1973 – Dutch nationality)

Nick was reappointed as a director under the articles of association of BinckBank at the General Meeting of Shareholders of 23 April 2012 for a term of four years. He has been an executive director of BinckBank since 2008, with responsibility for the Retail business unit. Nick left BinckBank on 1 January 2013.

Nick studied business administration at Nyenrode Business University and international affairs at the University of Amsterdam. He has been involved with BinckBank since its incorporation in 2000, and has held positions as head of Customer relations, Marketing & sales director and managing director of the successful BinckBank Belgium.

Number of BinckBank shares held at year-end 2012: 60,191


BINCKBANK

Risk & capital management

Introduction

Per 31 december 2012 beschikt BinckBank over een solide vermogens- en liquiditeitspositie. Het totaal eigen vermogen van BinckBank eind 2012 bedroeg € 455,2 miljoen. Het totaal aanwezige Tier I vermogen per 31 december 2012 bedroeg € 160,3 miljoen. Hiermee beschikt BinckBank over voldoende financiële buffers die haar weerbaar maken tegen financiële stress.

Key developments in 2012

Capital adequacy

BinckBank's capital position was adequate throughout the year under review. The BIS ratio was unchanged compared to year-end 2011 at 31.1% and the solvency ratio rose from 23.1% at year-end 2011 to 25.2% on 31 December 2012. With its current Tier I capital of € 160.3 million, BinckBank amply meets the more stringent capital requirements proposed by the Basel Committee on Banking Supervision (BCBS) which have to be fully implemented by 2019.

Adjustment to the investment policy

BinckBank adjusted its investment policy in 2012 and by year end had placed a part of its investment portfolio in relatively highly-rated bonds issued by North European banks. As a result of the continuing decline in interest rates in the money and capital markets, the returns generated under the old investment policy, in which most of the investments were in German central and regional government bonds and German Pfandbriefe banks, continually declined during 2012. This led to a danger that the return on the savings deposits would become negative. BinckBank made some changes to its investment policy effective March 2012. For a part of its investment portfolio (up to 30% of the total portfolio and up to € 10 million per counterparty) it will accept a higher credit risk with its investments in order to keep the return on the savings deposits at least at break-even level. Under the new policy, investment is permitted in bonds issued by banks where the issue is rated single A or higher, supranational institutions and government agencies in European countries. The essence of the new policy is to increase the diversity of issuers and countries, and to partly reduce the one-sided exposure to Germany. The revised investment mandate achieves wider diversification across West and North European countries. As at 31 December 2012, the investment portfolio consisted of 41% in German Öffentliche Pfandbriefe, 36% in German regional government paper, 9% of the investments are guaranteed by the German government or German regional government and 13% of the portfolio is invested in bonds issued by banks from North and West European countries. The remainder is invested in bonds issued by the government of Belgium.

Developments in internal control

This paragraph describes the main findings in relation to areas of improvement in the field of administrative organisation and internal control identified by the audits by regulators, the internal audit department and/or the external auditor. The executive board will devote particular attention to these items of improvement in 2013.

Information technology

During 2012 BinckBank experienced various mostly minor production failures which arose as a result of changes made to its production platforms. In order to reduce the risk that adjustments and updates to applications and infrastructure in the production environment are not carried out in a monitored and controlled manner, the test management process will have to be improved. BinckBank is working on a number of improvement measures, such as improved cooperation between the parties concerned (ICT Retail, ICT Professional Services and ICT operation & management), making the test environments more representative, embedding substantive testing of critical changes by an independent staff memeber who is not a party in the change, investing in training and knowledge retention and refining the test approach so as to ensure adequate test cover within the test phases.

At least two contingency tests are conducted each year of the migration of production to the contingency environment. In 2012 contingency tests were conducted on 28 April, 14 July and 17 November. Various (minor) problems were experienced during these contingency tests and therefore the results of tests were not entirely successful. Improvements will be made to the business continuity management in 2013 on the basis of the experience gained during the contingency tests in 2012. On 2 February 2013 a successful contingency test has been done.

The responsibilities in relation to performance and capacity management need to be formalised. The capacity management also needs to be better (more structurally) safeguarded in the change management process. Insufficient attention to performance and capacity management can increase the risk that the service level that our customers require and expect with respect to customer portals cannot be delivered.

The ICT management underwent a number of structural changes in early 2012. The ICT organisation was restructured as of 1 July 2012, whereby a formal segregation was introduced between ICT Retail, ICT Professional Services and ICT operation & management. These three separate departments work closely together, but as from 1 July 2012 they bear separate responsibility. ICT Retail and ICT operation & management report to the chairman of the executive board (CEO) and ICT Professional Services reports to the director of Professional Services. The responsibilities with respect to software development and test management are now formally embedded in the business units. The fact that a number of ICT responsibilities have been moved to the business units could lead to conflicts between time to market and quality. The ICT operation & management department acts as the gatekeeper and is responsible for ensuring that the production environment only takes changes into production that have been accepted by all parties.

External parties

BinckBank has been using the services of TOM since 2011. The ICT infrastructure for TOM is outsourced by TOM to NASDAQ OMX (in Sweden). TOM has outsourced the technical management of both the Smart Order Router and the TOM Multilateral Trading Facility (MTF) is outsourced to BinckBank. BinckBank further formalised its relationship with TOM in 2012 through the definition of mutual expectations and agreements regarding services provided in Service Level Agreements (SLAs). BinckBank and TOM collaborated in conducting a business continuity risk analysis (known as 'failover measures') of TOM. This provided information on how BinckBank could fall back on the services of Euronext in the event of a failure of the service from TOM.

Management of branch offices

The structure of the internal organisation of the branch offices, risk analyses, procedure descriptions and in particular the structure of the compliance function at the branch offices requires further improvement. During the 2012 reporting year, the compliance function was managed hierarchically by Compliance in the Netherlands, with an information line to the local management at the branch. It became necessary to strengthen the compliance function, partly as a result of the growth of the business at the branch offices. BinckBank has therefore decided to change the management model for the compliance function at its branch offices and from now to have the compliance department managed hierarchically by the local management with an escalation line to the compliance officer in the Netherlands.

The ACP (a part of the Banque de France) conducted a review of the control measures in place at BinckBank France in relation to money laundering. The findings focused mainly on the procedural recording of the customer identification process, the risk classification of customers and the operational monitoring thereof, the continuous and periodical compliance checks and the governance structure between head office and branch. Providing liquidity reports at branch level also needs to be improved. A project group in France is dealing with these items and ensuring that the necessary changes are made at BinckBank France in order to fully comply with the requirements of the ACP. Depending on the response of the ACP to the improvements BinckBank France makes, an instruction (or '*mise en demeur*') will be issued. There is also a risk of a penalty, and discussion of the notification cannot be ruled out.

On the basis of its banking licence, BinckBank is responsible for monitoring money transactions. The aim of this monitoring is to combat money laundering and the funding of terrorism. The monitoring of money transactions focuses on incoming and outgoing money flows for the account of customers. After a detailed investigation of the monitoring of money transactions at the French branch office, the French regulator concluded that this did not adequately comply with the legislation and regulation specifically applying in France. As a result of an in-house review by BinckBank, it was concluded that the monitoring of money transactions at the branch offices in Belgium and Italy and at the head office in the Netherlands, or whether the system of fixed contra-accounts reduces the risk of money laundering, needs to be improved. Inadequate monitoring of money transactions leads to compliance risks with regard to the Anti-Money Laundering and Anti-Terrorist Financing Act (Wwft). BinckBank will devote attention to improving the quality of the monitoring of money transactions in 2013.

Portfolio Based Margin model

BinckBank worked on the introduction of a new system for the calculation of the risks associated with securities positions in its customer portfolios. The system is known as the Portfolio Based Margin model (PBM) and is an extension of the Strategy Based Margin system (SBM) already in place. The aim of the PBM system is to introduce a different system of margin calculation that more accurately reflects the risk in customer portfolios. Customers using the PBM system can have a lower margin requirement for derivatives than they would have had under the SBM, since the PBM system takes account of the risk-mitigating positions in the customer's portfolio. This makes it more attractive for customers to trade through BinckBank. The algorithms underlying the model were developed by the Retail business unit in collaboration with the Risk Management department. As a new system the algorithms used in PBM still have to prove themselves in the production environment. Obviously, intensive back-testing was conducted prior to introduction. BinckBank will closely monitor the quality of the PBM system and introduce improvements if and when necessary.

Cybercrime

BinckBank is aware of the various threats and risks in relation to cybercrime. BinckBank continuously focuses on identifying and where possible mitigating the risks associated with cybercrime. The executive board is continually engaged in assessing the balance between the risks and costs associated with the prevention of cybercrime. In 2012 BinckBank formally made security management a part of Information risk management. The information security policy is thus divided into three layers: strategic, tactical and operational policy. The Information Risk Management department is responsible for the formulation of the strategic and tactical policy. The responsibility for implementing this operational policy lies with the business units themselves. Good progress was made at strategic and tactical level in 2012, however further improvements need to be made at the operational level. A Risk Action Plan has been formulated on the basis of the risk appetite approved by the executive board and the risks identified. This Risk Action Plan will be monitored by the ICT security committee and will deal with issues including: Vulnerability management, Security awareness, Logging & monitoring, Data classification and Password and account management.

Overview of risk management at BinckBank

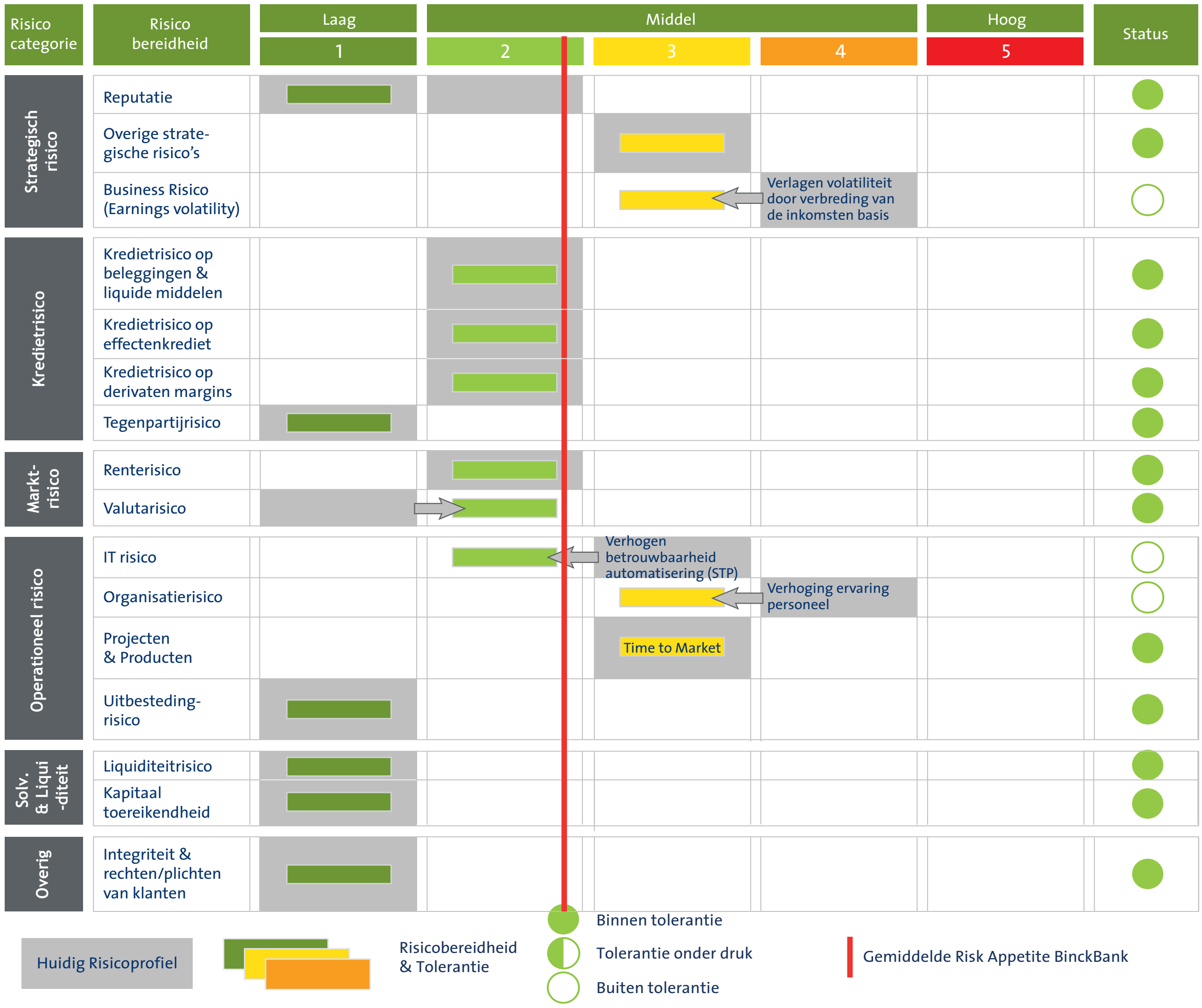
BinckBank conducts its business on the basis of an appropriate balance between risk, return and capital and strives to accept risks in a conscious and responsible way. We also strive to achieve a moderate risk profile. Our primary focus on online brokerage limits our risk profile. BinckBank moreover has a Governance Risk Compliance Framework, whereby the risk profile is managed on the basis of previously established risk criteria.

3.1 BinckBank's risk appetite

Risk appetite is the degree to which BinckBank is prepared to accept risk during the normal conduct of its business in order to achieve its objectives. Risk appetite involves a balance between risk and reward, and is a core element of BinckBank's business. Commercial interests and returns are weighed against the risks involved. For BinckBank, risk appetite is a dynamic process rather than a static measure that continually evolves to meet changing internal and external circumstances. The company's risk culture and the 'tone at the top' are determining factors here. The executive board considers external perceptions as well when determining its level of risk appetite: how does BinckBank wish to be seen by key stakeholders such as customers, shareholders, employees and regulators? What are their expectations with regard to risk profile, risk appetite and return? The executive board of BinckBank has formed an impression of this during its numerous discussions with its stakeholders. Risk appetite is the most important parameter in the BinckBank Enterprise Risk Management System and forms the basic principle for the company's risk management. The executive board determines the level of risk appetite at least once a year, and adjusts this in the interim in the light of significant changes if necessary.

Like other banking institutions, BinckBank depends on the confidence of private customers. The absolute size of its equity, its market listing and large number of customers makes BinckBank open to questions relating to issues of confidence. BinckBank is aware of this, and accordingly has adopted a low level of risk appetite with regard to its reputation, the adequacy of its capital (or solvency), its liquidity position and the integrity and rights and obligations of its customers. The level of risk appetite for strategic risks, business risks, credit risks and operational risks varies from low to moderate. The level of risk appetite for BinckBank as a whole can be best qualified as low to average.

The following table shows the level of risk appetite per category of risk against the background of the current risk profile of the business activities. The average risk appetite is 2 (on a scale of 1 to 5). This means that our level of risk appetite is relatively low. For certain risk categories, BinckBank's risk appetite differs from the current risk profile. This means that the executive board of BinckBank is prepared to incur more or less risk in comparison to the risk profile in the current situation. For instance, the executive board considers that BinckBank's business risk (or earnings volatility) is too high because it is very dependent on its income from securities transactions. Over the longer term, BinckBank therefore wishes to create a more stable income flow and to become less dependent on transaction-related income. BinckBank is prepared to accept a slightly higher level of credit risk compared to the current situation in order to make its system for collateralised lending and margin calculation more competitive. BinckBank now has a new portfolio-based risk management system for its largest customers. This will enable the margin calculations to be better adapted to the customer's wishes without excessively damaging BinckBank's risk profile. The new system will operate alongside the current strategy-based system. The risk appetite for the credit risk in the investment portfolio remains limited to debt paper with a rating of at least single A. BinckBank is investigating the potential of realising more income from currency transactions. This will affect the level of appetite for currency risk. In order to serve our customers better, we will in future offer currency accounts in currencies including GBP, CHF and CAD as well as accounts in USD. BinckBank is reducing its risk appetite with respect to operational risk. This is part of our efforts to achieve operational excellence and service continuity. The executive board wishes to reduce the risk profile by a) hiring higher qualified and more experienced staff, and b) the further automation of the systems and back-office processes in order to increase the reliability of the ICT platform.



3.2 BinckBank's risk profile

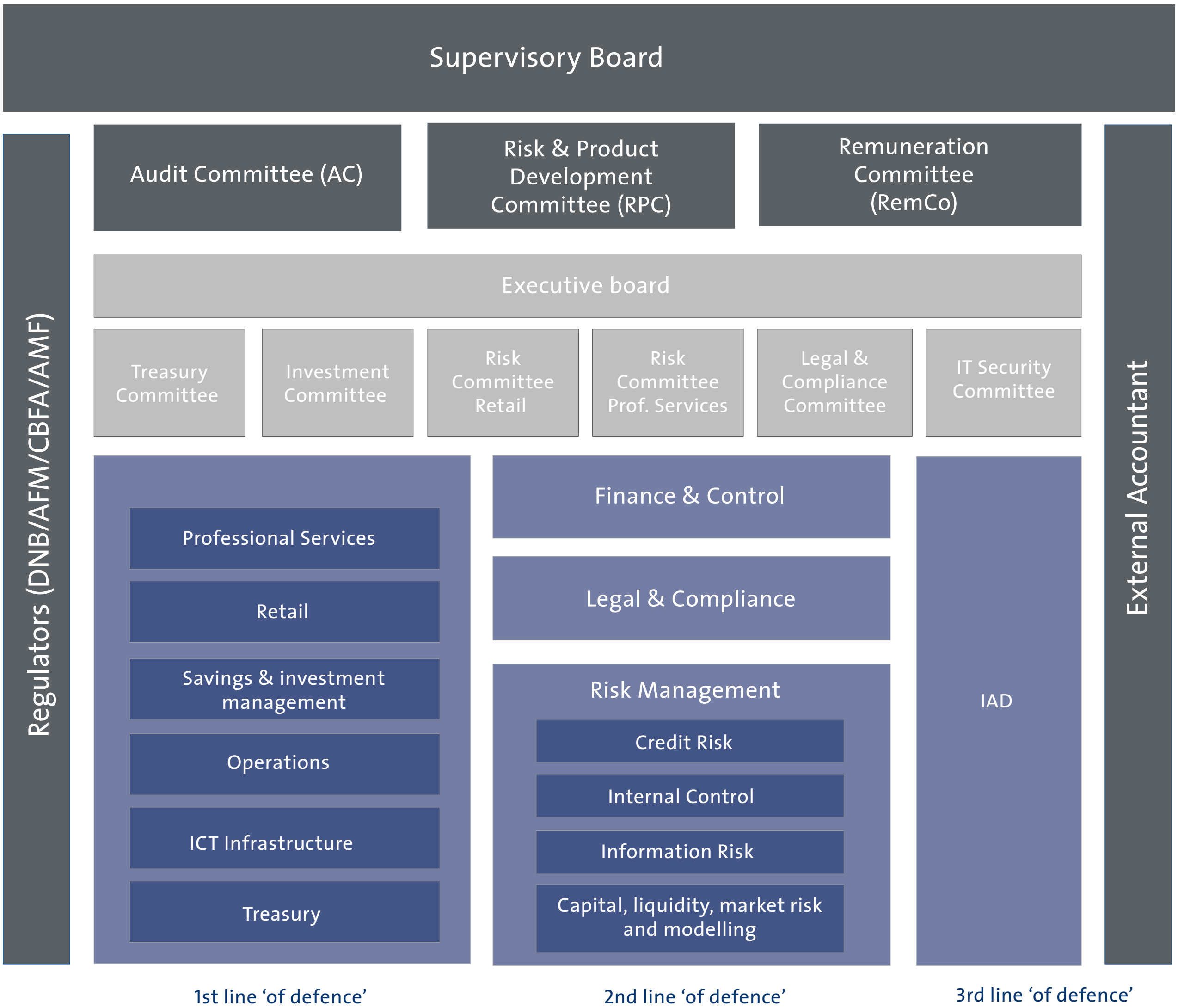
BinckBank has a fundamentally different risk profile from that of a traditional Dutch bank. The typical banking operations of BinckBank are relatively simple, and concern the provision of loans collateralised by highly liquid securities portfolios (collateralised lending), the provision of payment services to fixed contra-accounts at other banking institutions, automated asset management and the interest-rate business relating to the funds entrusted by our customers. These activities are in general classified as relatively low-risk. BinckBank's core business, the settlement of securities transactions, is however a complex process. Each year, BinckBank processes millions of transactions for more than 640,000 accounts in a very large number of financial products on several trading platforms through brokers and stock exchange memberships. Together with the high level of dependence on ICT, this forms a relatively large operational risk. BinckBank devotes extensive attention to risk management. Adequate control measures, reporting and information systems form part of the risk management process. The annual establishment of the level of risk appetite, the identification of risks and the introduction and adjustment of relevant control measures are part of a continuous process at BinckBank. Risk management is moreover affected by changing market conditions and the increasing complexity of legislation and regulation. BinckBank must continually comply with the rapidly changing legislation and regulation in the financial sector.

3.3 Risk management organisation

In the current organisation, risk management is concentrated around the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), who collectively manage the various departments involved in the management of risk. In 2012 the CEO was responsible for Savings and Investment Management (SIM), ICT infrastructure, Legal & Compliance and the Internal Audit Department (IAD). The CFO was responsible for Operations, Treasury, Risk Management and Finance & Control in 2012. Each of these departments has its own by-laws which define its duties and responsibilities in relation to risk management. These by-laws have been coordinated to avoid both duplications and gaps in the risk management mechanisms. The independence of the various functions and departments is also safeguarded by this separation.

Governance Risk Compliance Framework

BinckBank uses the 'three lines of defence' principle, in which the business units have primary responsibility for the management of risk. The first-line departments are supported and monitored by second-line specialist departments such as Risk Management, Finance & Control and Legal & Compliance. The Internal audit department (IAD) forms the third line of defence. The audit committee, the risk and product development committee, the remuneration committee and the supervisory board, together with the external regulators and the external auditor, form the last link in the Governance Risk Compliance Framework.



Risk Management departments and committees

BinckBank has an organisational structure in which segregation of duties is safeguarded. There are also several consultative bodies and departments that are closely involved in the management of certain types of risk, the most important of which are explained further below.

Treasury committee
The treasury committee is mainly concerned with the management of liquidity risk, credit risk in the investment portfolio and market risk (interest-rate risk and currency risk), and also assesses BinckBank's capital adequacy. This committee also sets the investment policy for the interest-rate business. This relates to matters such as strategic allocation of freely available funds to the investment portfolio and determination of the funds to be held in cash. Regarding the funds to be held in cash, the items dealt with include the placement of call monies, the ratings to be observed in this respect and the maximum exposure per counterparty and per sector. The treasury committee consists of the CFO, the Treasury manager, the group controller and the manager Risk Management.

Investment committee
The investment committee assesses the implementation of the investment policy of the Savings & investment management department. It also deals with return development and risk and compliance issues, as well as the management of operational risks. The investment committee assesses changes to the investment policy and approves these where necessary. The investment committee consists of the CEO of the executive board, the CFO, the director of SIM, the business manager of SIM, the Compliance manager and the manager of Risk Management.

Risk committee Retail
The operational and credit risk for the retail organisation is the responsibility of the risk committee Retail. This committee consists of the chairman of the executive board, the CFO, the director Retail (the Netherlands, Italy, Belgium and France), the director Operations, the manager of Risk Management and the manager Internal control. This body focuses on the management of risks associated with the structure of the business processes and the credit risk inherent in customer portfolios. Its principal tasks include decision-making on sound and controlled operation, coordination and promotion of operational risk control and design of the main business processes. The framework of standards and guidelines within which these decisions are made has been configured by specialist staff functions which support decision-making and policy implementation by line management. This committee also has responsibility for giving the final approval of the introduction of 'new products' by the retail organisation as described in the Banking Code.

Risk committee Professional Services
The operational and credit risk for the professional services organisation is the responsibility of the risk committee Professional Services. This committee consists of the CEO, the CFO, the director Professional Services, the director Operations, the manager Risk Management and the manager Internal control. This body focuses on the management of risks associated with the structure of the business processes and the credit risk inherent in customer portfolios. Its principal tasks include decision-making on sound and controlled operation, coordination and promotion of operational risk control and design of the main business processes. The framework of standards and guidelines within which these decisions are made has been configured by specialist staff functions which support decision-making and policy implementation by line management. This committee also has responsibility for giving the final approval of the introduction of 'new products' by the professional services organisation as described in the Banking Code.

Legal & Compliance committee
The Legal & Compliance committee consists of the CEO, the CFO, the director of Professional Services, the manager Legal & Compliance, the Compliance manager and the director Operations. The objective of the Legal & Compliance committee is to manage the legal and compliance issues affecting BinckBank N.V. It discusses matters such as incoming and pending claims, new legislation and regulation and amendments to the terms and conditions, policy documents and relevant changes to the manual. KRIs in the field of compliance reviews and monitors are also discussed and the business units are requested to tighten the controls of their processes where necessary.

IT Security committee
The IT security committee consists of the CEO, the CFO, the director ICT operation & management, the director Product development Retail, the manager ICT Professional Services, the manager Risk Management and the Information Risk team leader. This body focuses on the management of risks associated with information security and the security of the ICT processes. It's major tasks consist of taking of decisions with regard to network and logical access security, vulnerability management, back-up processes and improving risk awareness in the field of information security. The committee also takes decisions with respect to strategic and tactical policy in the field of information security.

Risk Management Department
The Risk Management Department is responsible for the daily conduct of policy in relation to the management of credit and market risk and monitoring the existence and operation of the risk control measures. In the context of the management of operational risk, the Risk Management Department carries out regular internal audits of the operational processes and reports its findings to the risk committee. It also monitors the interest-rate risk arising from the investment portfolio and reports on this to the treasury committee. Risk Management implements the information security policy for BinckBank and reports on this to the IT security committee. The department falls under the responsibility of the CFO. The policy with regard to credit risk is established on the basis of statutory norms and focuses on concentrations in outstanding loans, deficit management, the adequacy of margin requirements, policy regarding the advance funding percentage and the monitoring of counterparty risk. The Risk Management Department uses risk models such as Value-at-Risk, duration, the hair-cut method and separate stress tests in order to estimate the degree of risk. The manager of Risk Management has the option of escalating issues to the risk and product development committee.

Finance & Control Department
The Finance & Control Department is responsible for the correct and complete administration and timely reporting of financial data to internal and external stakeholders. This includes all the mandatory reports to the Dutch Central Bank and the Netherlands Authority for the Financial Markets (AFM). The Finance & Control Department reports directly to the executive board (CFO).

Legal & Compliance Department
The Legal & Compliance Department reports to the CEO and in the context of risk management is responsible for the monitoring of compliance with the relevant codes of conduct and the observance of relevant legislation and regulation. The Legal & Compliance Department is chiefly concerned with the management of integrity risk. BinckBank places a high priority on integrity and reliability, and stresses this by means of its code of conduct, its insider trading regulations and its whistleblower's charter. The manager of Compliance has the option of escalating issues to the audit committee.

Internal Audit Department (IAD)
In line with the definition of Internal Auditing by the Institute of Internal Auditors, the duty of IAD is to provide independent and objective certainty. The purpose of the IAD is to perform assurance tasks in order to add value to and improve the functioning of the internal organisation. The IAD thus contributes to the realisation of the organisational targets by means of a systematic and disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.

The IAD provides additional assurance with respect to:
- The effectiveness and efficiency of the business activities;
- The reliability and integrity of the financial and operational information and reporting;
- The safeguarding of assets;
- Compliance with relevant legislation and regulation.

The investigations by the IAD focus on the design, existence and operation of:
- The quality and effectiveness of the operation of governance;
- The risk management and control within the organisation and processes;
- The automated systems and the control measures surrounding and embedded in these systems.

In addition to scheduled audits, audits may be conducted on the request of the executive board and/or the audit committee.

The scope or operating area of the IAD includes all activities carried out under the responsibility of BinckBank. Joint ventures and associates are independent entities with their own licence and fall outside the (direct) area of operation of the IAD.

The IAD reports to the executive board of BinckBank; within the executive board, the IAD portfolio was the responsibility of the board chairman in 2012. In addition, the IAD has direct access to the chairman of the audit committee of BinckBank. The IAD's independence is safeguarded by this double reporting line and the fact that it is separate from the daily internal control reporting line.

Supervision of activities

Supervisory board

The supervisory board discusses the strategy and the risks associated with the business each year, and, on the basis of reports, assesses the structure and operation of the internal risk management and control systems. Supervision of the provision of financial information by the company is the responsibility of the supervisory board. The risk appetite of the executive board is assessed and must be approved by the supervisory board each year.

Audit committee

The audit committee is responsible for overseeing the design and operation of the system of internal control and risk management measures, and for monitoring the implementation of the external auditor's recommendations and the functioning of the IAD. Supervision of the provision of financial information by the company is the responsibility of the supervisory board.

Risk and product development committee

The risk and product development committee advises the supervisory board on matters including the risk profile and the risk appetite of BinckBank. It also monitors the adequacy of the liquidity and the capital, as well as establishing, testing and analysing new products or changes to existing products and services with regard to the duty of care towards the customer. The risk and product development committee is moreover responsible for identifying, analysing and advising on all the other material risks to BinckBank.

Remuneration committee

The remuneration committee was formed on 25 January 2012. The remuneration committee is responsible for preparing resolutions regarding remuneration, including those affecting the risks and the risk management of BinckBank that the supervisory board has to take. With respect to these resolutions, the remuneration committee considers the long-term interests of the shareholders, investors and all other stakeholders of BinckBank.

Risk oversight by the executive board

Both the CEO and the CFO sat on (the most) the risk committees in 2012, thus ensuring that they maintain oversight of the risks and the control measures.

Capital structure

BinckBank holds capital to cover the risks it incurs as a result of the conduct of its business. The amount and quality of the capital reserves are determined on the basis of IFRS and the provisions of the applicable European CRD Directives that are included in the Dutch Financial Supervision Act (Wft).

Calculation of equity capital and available Tier 1 capital

BinckBank's equity capital consists of paid-in and issued share capital, share premium reserve, other reserves, the result in the current financial year, together with the value of the non-controlling interests. Treasury shares are deducted from equity capital. For the calculation of the core capital, the items Goodwill, Intangible assets, Fair value reserve and the Reserve for dividend not yet paid are deducted from the equity capital. For the calculation of the total available Tier I capital, the item Equity investments in financial institutions of more than 10% is deducted from the core capital. The analysis of the composition of equity capital and core capital as at 31 December 2012 is shown in the table below.

BinckBank's capital position as at 31 December 2012 was sound. BinckBank's total equity at the end of December 2012 stood at € 455.2 million (2011: € 469.5 million). As a result of the share buy-back programme, the total available Tier I capital fell slightly in 2012, from € 160.7 million as at 31 December 2011 to € 160.3 million as at 31 December 2012. The Tier I capital is not affected by movements in the fair value reserve, since this is deducted when calculating the total available capital (see item: 'Less: fair value reserve').

(x € 1,000)	31 December 2012	31 December 2011
Issued share capital	7,450	7,450
Share premium reserve	373,422	373,422
Treasury shares	(21,539)	(3,954)
Other reserves	71,779	58,388
Unappropriated profit	24,100	34,210
Non-controlling interests	9	7
Total equity	**455,221**	**469,523**
Less: goodwill	(152,929)	(152,929)
Less: other intangible assets	(110,213)	(135,773)
Less: fair value reserve	(7,493)	973
Less: proposed dividend	(20,860)	(17,880)
Core capital	**163,726**	**163,914**
Less: equity investments in financial subsidiaries	(3,384)	(3,219)
Total available capital (A) - Tier I	**160,342**	**160,695**

Calculation of capital requirement under Pillar I and Pillar II

The Basel II framework as established in the Wft provides guidelines for the calculation of the minimum Pillar I capital that according to the regulators a bank must hold for credit risk, market risk and operational risk. Basel II permits various approaches for the implementation of the requirements under Pillar I with regard to credit risk, market risk and operational risk. BinckBank uses the standardised approach for credit risk and market risk, in which risk considerations and credit risk mitigation techniques are used as indicated by the regulator. BinckBank also uses the standardised approach for operational risk, whereby it forms a capital reserve based on the average operational income per business line over the preceding three financial years.

The second Pillar of the Basel II agreement concerns the process whereby banks assess the adequacy of their equity capital, known as the Internal Capital Adequacy Assessment Process (ICAAP). For the determination of its Internal Capital Adequacy Assessment Process (or ICAAP) capital BinckBank uses the complementary method, whereby capital in addition to the prescribed minimum capital requirement under Pillar I must be retained for complementary risks acknowledged by BinckBank (Pillar II). The ICAAP is used by BinckBank to determine its internal regulatory capital (or ICAAP capital). The relationship between the available capital and the ICAAP capital is shown in the solvency ratio. During 2012, BinckBank used a minimum capital requirement for the Pillar II solvency ratio of 12%.

Capital rations under Pillar I & Pillar II

(x € 1,000)	31 December 2012	31 December 2011
Total available capital (A)	**160,342**	**160,695**
Total required capital Pillar I+II (C)	**50,870**	**55,586**
Pillar I required capital (B)	**41,261**	**41,360**
Credit risk	19,727	18,718
Market risk	93	120
Operational risk	21,441	22,522
Pillar II required capital	**9,609**	**14,226**
Interest-rate risk	1,454	4,294
Liquidity risk	157	477
Total credit risk Pillar II	7,998	9,455
Concentration risk	*5,256*	*7,054*
Margin risk	*2,242*	*401*
Counterparty risk	*500*	*2,000*
Excess / insufficient capital (Pillar I)	**119,081**	**119,335**
Excess / insufficient capital (Pillar II)	**109,472**	**105,109**
BIS ratio (=A/B * 8%)	**31.1%**	**31.1%**
Solvency ratio (=A/C * 8%)	**25.2%**	**23.1%**

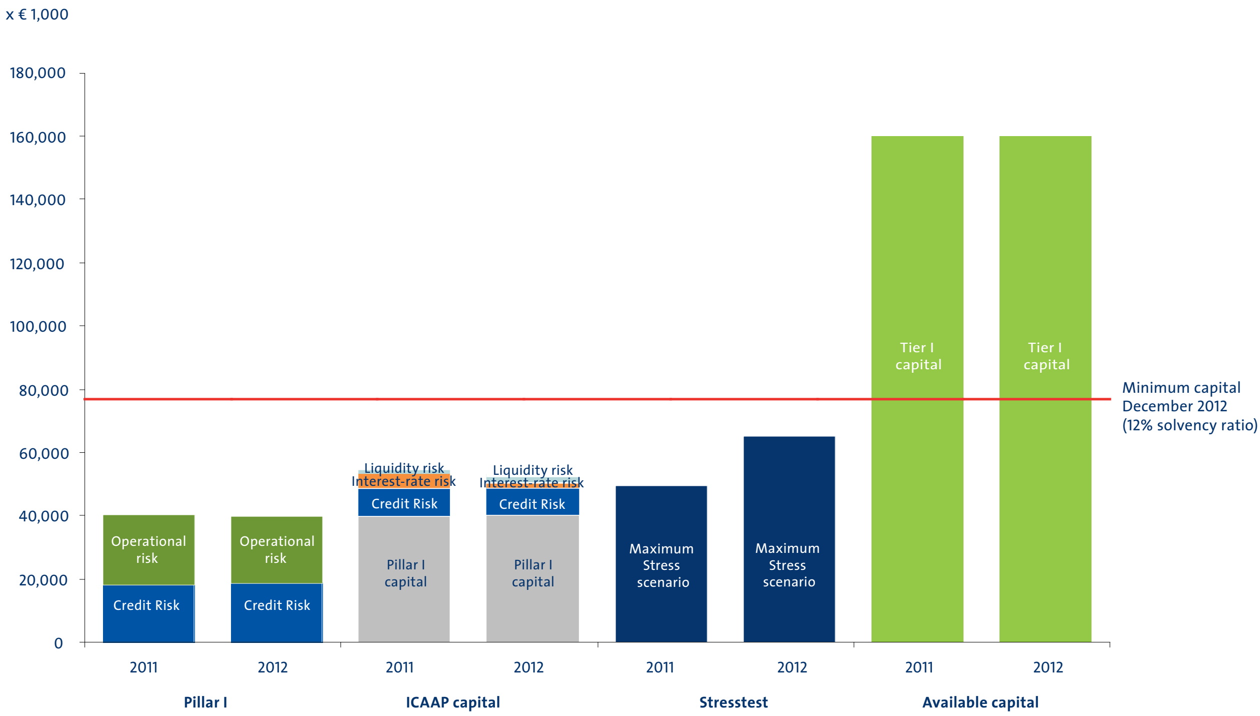
Pillar I capital requirement

BinckBank has reassessed its capital adequacy as at 31 December 2012. This revealed that the total Pillar I capital requirement remained more or less unchanged at € 41.3 million during 2012.

Pillar II capital requirement
The total capital required under Pillar II fell by 32% in 2012 to € 9.6 million. The capital requirement declined for all risks. The required capital for interest-rate risk fell by € 2.8 million because the duration of the investment portfolio declined from 0.82 years to 0.67 years and the size of the investment portfolio fell from € 1,682 million to € 1,516 million. The capital requirement for liquidity risk declined by € 0.3 million compared to 31 December 2011 because the shorter maturity of the investment portfolio also leads to lower potential liquidation losses in the event of the sale of securities. Concentration risk measures the risks of losses from customers with skewed portfolios that are concentrated in specific stocks (or their associated derivatives). The highest concentration in customer portfolios at the end of 2012 was found in the stocks ING Group and Royal Dutch Shell. The capital requirement for concentration risks as at 31 December 2012 stood at € 5.3 million, which is € 1.8 million lower than as at 31 December 2011. The capital requirement for margin risk arises from the size of the claims on customers that would ensue after a 12.5% decline in the stock markets. Partly due to large positions held by a few customers, the margin risk rose to € 2.2 million at year-end 2012 from € 0.4 million at year-end 2011. The capital requirement for counterparty risk declined by € 1.5 million.

The capital requirement for counterparty risk thus came to € 0.5 million as at 31 December 2012. In total, the capital required under Pillars I and II fell by 8.5% to € 50.9 million. As a result of the share buy-back programme, the Tier I capital remained more or less unchanged compared to 2011, at € 160.3 million (FY11: € 160.7 million). The solvency ratio thereby rose to 25.2% (FY11: 23.1%) and the BIS ratio of 31.1% was unchanged in comparison to 2011.

Overview of BinckBank's capital structure



The above figure illustrates the capital adequacy. Since the necessary ICAAP capital as at 31 December 2012 was lower than the available capital, one can conclude that BinckBank held sufficient capital and its capital adequacy was in excess of the desired minimum solvency ratio of 12%. The maximum stress scenario reveals that BinckBank has sufficient capital to withstand a stress scenario should this occur.

Capital management

The aim of capital management at BinckBank is to maintain a sound solvency position, seeking constantly to strike the right balance between the equity capital it holds and the risks to which it is exposed. Capital management makes an increasingly important contribution to a systematic analysis of and improvement to the risk and return of BinckBank's activities. In the design of its capital structure, BinckBank takes account of the thresholds set by DNB, the Wft, the Basel II and III regulations and its own internal requirements with respect to capital adequacy.

Capital strategy and internal capital targets

BinckBank strives to achieve an internal solvency ratio (Pillar II solvency ratio) of between 12% and 20% and has determined in its capital policy that if the solvency ratio rises above the 20% level that surplus capital will be distributed to shareholders in the form of dividend and/or through the purchase of treasury shares.

Share buy-back programme

BinckBank reinstated its share buy-back programme on 16 December 2011 with the intention of reducing its capital. BinckBank expects to purchase a total of up to € 28.2 million in shares during a period of 18 months, subject to the (projected) solvency ratio remaining above 20%. The solvency ratio did not fall below the 20% level in 2012. BinckBank purchased treasury shares to a total value of € 18.0 million in 2012.

Dividend structure

With the acquisition of Alex, BinckBank introduced a dividend structure based on adjusted net profit. The policy is to distribute 50% of the adjusted net profit as dividend. The adjusted net profit is determined by adjusting the net profit for accounting purposes (based on IFRS) for the amortisation of intangible assets and the tax saving on the difference between the fiscal and the commercial amortisation of the goodwill acquired as a result of the acquisition of Alex.

Extra dividend

The proposed dividend distribution for 2012 is € 0.07 per share above the previously announced dividend policy, which is for payment of 50% of the adjusted net profit. BinckBank is proposing this additional distribution of dividend in order to avoid having to deduct dividend tax in connection with the share buy-back programme. Since the proposed dividend payment for 2012 is higher than the net profit for the 2012 financial year, BinckBank is obliged pursuant to Section 3:96 Wft to apply for a statement of no objection from DNB and it must moreover obtain the approval of the Annual General Meeting of Shareholders.

Relevant risks and control measures

The risks which are relevant to BinckBank are discussed briefly below. The identification, analysis and assessment of risks, the design and implementation of related control measures and stress testing form a continuous process at BinckBank.

Business risk

International economic and cyclical factors and the aftermath of the credit crisis influence financial markets around the world, and consequently also affect the operating result of BinckBank. There are moreover various factors, such as loss of customers, falling trading volumes, lower order values and price pressure due to competition, that could result in a fall in income for BinckBank. BinckBank operates in a highly competitive environment in which its competitors, often large financial institutions, have well-established brands and greater financial resources. BinckBank is also seeing competition from smaller online brokers, an increasing number of which are competing aggressively on price. BinckBank makes great efforts and substantial investments in its ICT-platform and its products and services in order to attract new customers and retain existing customers. BinckBank's financial position and result can also be adversely affected by unfortunate business decisions, poor execution of business decisions or inadequate response to changes in the business climate in general or in the markets relevant to the company in particular.

The business risk of the Retail brokerage business in the Netherlands increased during 2012. BinckBank had to deal with a flattening of customer growth and falling trading volumes as a result of worsening sentiment among retail investors during 2012. The Dutch market moreover features a relatively high level of income per transaction compared to other European markets, which makes the Dutch market attractive to competitors and price pressure has risen as a result. In order to further strengthen its position as market leader, BinckBank has revised its prices for both the Alex and the Binck brands in 2012. As of 2 April 2012, BinckBank introduced a new simplified fee structure for Alex, whereby customers themselves choose the fee that best suits their trading behaviour. The new fee structure is expected to lead to a maximum reduction in net fee and commission income of between € 2.0 and 2.5 million for the Alex brand. For the Binck brand, BinckBank also sharply cut its commission rates for active investors on 1 October 2012, and also abolished its custody fees for less active investors. This revised fee structure could lead to a reduction of up to € 7-8 million in net fee and commission income for the Binck brand. Other forms of commission income such as custody fees and kickback commissions are also under pressure due to public criticism and changing legislation and regulation. In addition to commission income, net interest income is also under pressure due to the low level of interest rates in the money and capital markets. The expected negative effect on net interest income is difficult to predict, since this depends on developments in money and capital market interest rates in 2013 and the risk appetite of the executive board with respect to the investment policy for BinckBank's surplus liquidity.

BinckBank investors had doubts regarding the sustainability of the business model of the Retail brokerage business in 2012, which was clearly shown in a decline in the BinckBank share price. The BinckBank executive board recognises the higher level of business risk for the Dutch Retail brokerage business and is therefore investing in expanding its offering to include savings and asset management services, thus orienting the business model towards the management and administration of assets and increasing the Business to Business activities. Over time, this should lead to more stable income flows and thus mitigate the increased business risk inherent in the Retail brokerage business.

Reputational risk

For BinckBank, the confidence of its customers is essential and BinckBank therefore minimises risks to reputational damage as far as possible. Like other banking institutions, BinckBank depends on the trust of private customers. The absolute size of its equity, its market listing and large number of customers makes BinckBank vulnerable to questions relating to issues of trust. BinckBank is aware of this, and accordingly has adopted a low risk appetite with regard to its reputation, the adequacy of its capital (or solvency), its liquidity position and the integrity and rights and obligations of its customers.

Credit risk

Credit risk is the risk of a counterparty and/or issuing institution involved in trading in or issuing a financial instrument defaulting on an obligation and thus harming BinckBank financially. Credit risk relates to items included in the balance sheet under Cash and balances with central banks, Banks, Financial assets and Loans and receivables. With these balance sheet items, the most important consideration is the creditworthiness of the counterparty (except collateralised lending, because this is fully covered by securities as collateral).

Credit risk on cash and investments

BinckBank deals with the funds entrusted to it by its customers prudently. Funds entrusted, or customer deposits that are not used for collateralised lending, are partly held in cash and partly lent through the investment portfolio. Lending is conducted in a responsible and risk-averse manner. BinckBank's objective with the investment portfolio is to place its surplus liquidity in the market in such a way as to optimise the interest margin between the costs of raising the funds and the proceeds of placing them, consistent with the company's risk appetite. Credit risk on cash and investments is monitored closely by the Treasury department, which reports daily to the CFO and the Risk Management department and gives account of its activities to the treasury committee on a regular basis. Investments are made within a system of counterparty limits set in advance by the treasury committee. BinckBank's credit risk can be subdivided into credit risk on cash and investments, credit risk on outstanding collateralised loans/margin obligations/SRD obligations and counterparty risk. How BinckBank manages these risks is described below. Cash balances surplus is placed in the money market and the capital market with central governments, lower-tier public authorities if guaranteed by central government, central banks and other credit institutions with a credit rating equal to or better than single A (Fitch or equivalent). The money market loans have maturities varying from 1 day to 1 month. The capital market loans have maturities of up to 3 years. The agreements and limits with regard to placing funds in the money and capital markets are established in a limits system established by the treasury committee. Lending to counterparties by the Treasury department is governed by strict rules, in accordance with treasury policy and subject to internally set limits on both the amount and maturities of loans to approved counterparties. The resultant credit risk is monitored via regular credit reviews. BinckBank's relatively low risk appetite with regard to credit risk is demonstrated by our policy of investing only in relatively safe and liquid instruments that are eligible for collateral at the European Central Bank (ECB).

Credit risk on outstanding collateralised loans/margin obligations

Via its customer agreement, BinckBank offers customers loans against securities collateral. Advances can be used to cover the margin requirement, purchase securities or furnish bank guarantees against the securities account. In all these cases, BinckBank is exposed to (potential) credit risk with respect to the customer. Given the nature of the loans and the collateral provided, however, the credit risk is limited. In the case of lending against securities collateral, the amount of credit advanced depends partly on the liquidity and price of the security in question. The loan facility for all products that qualify for collateralised lending is determined in accordance with the guidelines set by the credit committee, taking account of the limits set in section 152 of the Market Conduct Supervision (Financial Institutions) Decree [Besluit gedragstoezicht financiële ondernemingen, or 'Bgfo']. BinckBank applies a lower limit of a haircut of 30% in strategy-based margin on equities and 20% on bonds. In comparison with the standard approach taken by the regulator to determine the credit risk under Basel II, this is very prudent. BinckBank has retained the right towards its customers to adjust the advance against securities collateral at any time without prior notice. Authorised limits can be translated into a maximum spending limit. This spending limit is expressed as a cover ratio whereby the minimum requirement reflects a cover ratio of 1. The degree to which the customer exceeds 1 expresses the relative surplus cover in relation to the minimum requirement. Additional cover can be obtained by providing bank guarantees, collateral in the form of securities or by increasing the cash balance. If the cover ratio falls below 1, the customer enters the deficit procedure. If the cover ratio falls to nil, the customer enters the collection procedure.

Monitoring of credit risk is conducted by the Risk Management Department, which uses automated systems to monitor the loans provided on the basis of real-time prices. The credit risk therefore resides in movements in value of the collateral received. The Risk Management Department watches in particular for undesirable concentration within customer portfolios, known as concentration risk. Concentration risk is a form of credit risk, and occurs in relation to customers with collateralised loans and customers with margin requirements on derivatives positions. Concentration risk arises for example in the case of concentrations in specific stocks by customers with insufficiently diversified investment portfolios. The loan collateralised by securities is in this case too dependent on one or a few issuers.

If an issuer were to default, the consequences would be significantly more serious than if the credit had been provided on a more diversified portfolio. The Risk Management Department monitors for excessive concentrations in customer portfolios on a daily basis. Measures are taken in line with policy if necessary to limit excessive concentrations. If there is excessive concentration, a decision is taken to reduce the loan provided to the customer in question. In addition, the risk committee may decide to limit the concentration risk associated with a specific stock by reducing the advance provided against the stock in question. Collateralised lending has risen by 11% since year-end 2011 from € 290 million to € 323 million at year-end 2012. The volume of the collateralised lending rose in the second half of 2012, when customers were prepared to take on slightly higher risk as the financial markets stabilised.

Margin is a financial sum that the writer (or seller) of an uncovered option or future must deposit as security for the risk of his position. Margin is a form of guarantee for potential losses arising as a result of the obligations assumed by the investor. This does not mean that the financial risks are limited to the size of these obligations. There is therefore the risk that the margin maintained by the customer will not be adequate in relation to the obligation he has assumed. The margin requirement may therefore entail a credit risk on the customer. The amount of the margin requirements is partly determined by the margin percentages established by the Risk Management department on the basis of the historical volatility of the underlying stock or index. The Risk Management department analyses the market movements on a daily basis and updates the margin percentages for all stocks at least once a month, and may adjust this percentage immediately in case of extreme price volatility in a particular stock. The capital reserve for the outstanding margin requirement from customers rose from € 0.4 million to € 2.2 million in 2012. The increase is due to the relatively large positions held by customers as at 31 December 2012.

Service de Règlement Différé (SRD)
BinckBank offers SRD contracts in France. An SRD contract is a transaction in a selected number of equities listed on NYSE Euronext Paris whereby payment for shares purchased or delivery of shares sold may be delayed until the last trading day of the month. The corresponding equity transaction in the cash market is executed by BinckBank in order to cover the price risk. The effect of this is that the sum involved in the transaction is advanced by BinckBank to the customer. This can be seen as a form of collateralised lending for which BinckBank charges a monthly fee. The outstanding obligations amounted to € 21.0 million at year-end 2012. There was at year-end 2012 currently no increase in concentration risk in customer investment portfolios in SRD contracts, so that this has no significant effect on the capital requirement for concentration risk under Pillar II.

BinckBank deficit procedure
The Risk Management department monitors the credit risk on collateralised lending and margin requirements on a daily basis. Customers with a collateralised lending and/or margin agreement are monitored by the Risk Management department with respect to their Available Spending Limit (ASL). The ASL is the balance of the weighted value of the securities received from the customer less the customer’s obligations in the form of collateralised lending and margin requirements. There is a shortfall in the ASL if the securities in the customer’s portfolio no longer provide adequate cover for the customer’s obligations. As soon as a negative ASL is identified, the deficit procedure is initiated automatically. Use of a deficit procedure is a statutory requirement.

The deficit procedure used by BinckBank is as follows: BinckBank checks for each customer whether the securities adequately cover the collateralised loans and/or margin requirements (margin and current orders) on a daily basis. In the case of a negative ASL, the customer must make up the shortfall within five business days. If there is a shortfall as a result of positions in futures or SRD derivatives, this must be made up within one day. If the customer’s ASL is still negative on the last day on which the shortfall must be made up, BinckBank will start to close the customer’s securities positions on its own initiative. Securities positions will be closed until the ASL in the customer’s account is returned to a positive value. As a result of changed market circumstances, it can be the case that the collateralised loan percentage does not provide sufficient cover for possible future price movements. The Risk Management department monitors this on a daily basis and, if necessary, will immediately adjust the collateralised loan percentage in accordance with the collateralised lending policy. BinckBank introduced its new Portfolio Based Margin system (or ‘PBM’) at the beginning of 2012. Under the existing Strategy Based Margin system (or ‘SBM’), a customer’s positions were assessed individually to calculate the total advance against the securities they hold. The new system expressly takes account of the totality of a customer’s various positions in each individual security in order to calculate their total margin requirement. PBM uses a different deficit procedure whereby customers must make up a shortfall within 24 hours. This makes it possible for a higher advance to be provided on a customer’s behalf within the existing risk appetite. PBM is available to customers on request. The SBM system is used as standard in the Netherlands and the PBM system is used in Italy.

Provisions for collateralised lending and margin requirements

Provisions for non-recoverable collateralised loans are determined on an individual basis and there are no collective provisions. The amount of the provision depends on the repayment terms agreed with the customer. The total provision as at 31 December 2012 was € 0.4 million (2011: € 0.4 million). In the event that the Risk Management department is unable to recover the debt, the case is handed to a collection agency.

Counterparty risk

Counterparty risk is an element of the risk involved in settlements. The vast majority of the transactions by BinckBank's customers are effected on regulated markets such as NYSE Euronext and TOM, whereby use is made of a central counterparty (CCP). In this case, the counterparty risk is virtually nil. The Retail business unit and the Professional Services business unit execute a small number of transactions directly with a counterparty, or broker. Credit risk (as well as market risk) may arise with regard to these OTC transactions as a result of non-settlement. These transactions are effected subject to counterparty limits. The treasury committee approves the counterparty limits and the Risk Management department monitors that these limits are observed.

Capital requirements for market risk

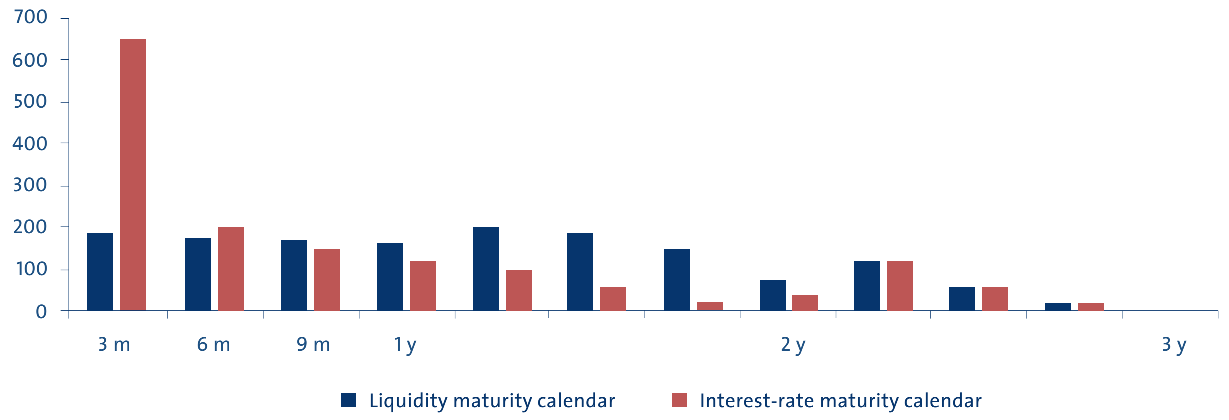
The capital requirement for credit risk under Pillar I rose 5% in 2012, from € 18.7 million to € 19.7 million. The main reason for this was an increase in cash held with financial institutions, for which under the standard Basel II approach a risk weight of 20% applies.

Market risk

BinckBank's market risk consists of interest-rate risk and currency risk. Interest-rate risk is the risk of movements in interest rates and the effect thereof on the financial position and/or the result of BinckBank. Currency risk is the risk of fluctuations in the value of items denominated in foreign currency as a result of movements in exchange rates and the effect of this on the financial position and/or the result of BinckBank.

Interest-rate risk

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 treasury committee. Interest-rate exposure is mainly the result of the composition of the investment portfolio. A distinction is made between the interest-rate maturity calendar and the liquidity maturity calendar. The interest-rate maturity calendar shows the release maturity dates of the portfolio over time. This means that the maturity date determines the interest-rate exposure of the portfolio.



The maturity calendar above shows that the interest-rate maturity is considerably shorter than the liquidity maturity. The reason for this is that 34% of the portfolio was invested in variable interest bonds at the end of December 2012. The difference between the interest-rate and liquidity schedules is expressed by the interest-rate exposure of the interest income and the movements in value of the investment portfolio respectively. A reduction in the duration leads to a lower interest-rate exposure of the value of the investment portfolio, but it creates additional interest-rate exposure for the interest income. A parallel move in interest rates will have more effect on interest income in the short term due to the volume of the variable interest bonds than on the value of the investment portfolio.

Interest-rate risk on the adjusted net result

BinckBank does not operate a trading portfolio, however it is still exposed to movements in interest rates due its loans and investments. Interest-rate risk exists because of the possibility that changes in market interest rates can have a negative effect on future profitability. A gradual movement in market interest rates (the yield curve) has an effect on the future interest income from collateralised lending and the investment portfolio, and on the interest BinckBank pays on savings and brokerage accounts. BinckBank manages this risk in relation to its banking operations by matching the interest-rate maturities of its assets and liabilities within certain limits. The effect of a gradual movement in interest rates on BinckBank's profitability is determined using an Earnings-at-Risk model. The Earnings-at-Risk model measures the impact of interest-rate risk on the adjusted net result by calculating the effect on expected interest income and expense of a gradual change in market interest rates of 1% and 2% over a period of one year, both higher and lower, and the effect of this over a period of two years. This clearly expresses the interest-rate exposure of BinckBank's adjusted net result. The Treasury department reports the results and any breaches of the tolerance level to the treasury committee on a monthly basis. The results of the Earnings-at-Risk model are shown in the table below, whereby the impact is based on the adjusted net result over the past 12 months.

x € 1,000	Period of 1 year	Period of 2 years	Period of 1 year	Period of 2 years
Scenario	**31-12-2012**	**31-12-2012**	**31-12-2011**	**31-12-2011**
200 bp shift	1,956	14,972	64	7,365
100 bp shift	978	7,486	32	3,683
-100 bp shift	(762)	(4,023)	(1,503)	(7,068)
-200 bp shift	(1,049)	(4,702)	(1,922)	(11,250)

The interest-rate exposure of the adjusted net result does not lead to a capital requirement under Pillar II. The holding of capital under Pillar II for risks arising from factors such as interest margin and increasing competition is tested annually using the business risk model.

Interest-rate risk on capital

The interest-rate risk on capital takes account of sudden changes to the yield curve that negatively affect the value of the investment portfolio. BinckBank has an investment portfolio consisting of fixed and variable interest securities that is diversified across various maturities. BinckBank may suffer losses in the event of a forced liquidation of its investment portfolio. Such a scenario could occur in case of liquidity shortfalls, political unrest or due to factors such as social pressure. BinckBank reserves capital under Pillar II for losses that may arise as a result of a sudden negative interest-rate shock. These losses are determined using the Value-at-Risk model (VaR). The investment portfolio is incorporated in the banking book and is valued using the Available-for-Sale principle. This means that movements in value as a result of events such as interest-rate shocks are expressed in the first instance in the revaluation reserve, but under Basel II they have no effect on BinckBank's own funds. Any losses (or profits) on forced or voluntary sales in the investment portfolio are expressed in BinckBank's result. The interest-rate risk for BinckBank will therefore only lead to losses if the bank is forced to liquidate its investment portfolio as a result of substantial customer withdrawals in combination with an upward interest-rate shock. This risk is quantified using a VaR model, which allows one to calculate with a certain degree of reliability the maximum potential loss on the investment portfolio in a given period (BinckBank uses a period of 10 trading days). BinckBank uses a confidence interval of 99.7%, which means that in 0.3% of cases a change in the value of the portfolio can occur that will be equal to or greater than the VaR calculation. The historical market interest rates for the past year are used as the input for the model, and the variance and correlation of the interest rates for the various maturities are established on this basis. The model assumes full liquidation of the investment portfolio. BinckBank reserves € 1.5 million in capital under Pillar II for the risks according to the VaR approach.

Currency risk

Currency risk is the risk presented by movements in the value of items denominated in foreign currencies due to movements in exchange rates. It is BinckBank's policy not to take active foreign-exchange trading positions. Currency positions can therefore only arise as a result of the facilitation of brokerage transactions by customers. The policy is to hedge currency positions arising from operating activities on the same day they occur. The Treasury department hedges currency positions during the day up until 22:00 hours. Currency positions arising after 22:00 hours are hedged on the next subsequent trading day. BinckBank considers this risk on currency positions to be acceptable. The reason for this is that the vast majority of transactions in foreign currency are in USD. Since most of our customers have a US dollar account, these currency positions are settled in the customer's account and therefore BinckBank has no foreign currency exposure. No materially significant profits or losses on the hedging of currency positions were recognised in 2012. Results on currency positions are discussed by the treasury committee on a monthly basis.

Capital requirement for market risk

The capital requirement for market risk is expressed under Pillar I (market risk) and Pillar II (interest-rate risk). BinckBank reserves capital for foreign currency risk under Pillar I. At year-end 2012, the capital requirement for currency risk was € 0.1 million (2011: € 0.1 million). BinckBank held capital for the interest-rate risk in the investment portfolio at the end of 2012 in an amount of € 1.5 million. The capital reserve declined as a result of a reduction in the duration of the investment portfolio from 0.82 years as at 31 December 2011 to 0.67 years at year-end 2012.

Operational risk

Due to the nature of its business, BinckBank has a relatively high inherent operational risk. Important factors here are the large number of administrative entries that have to be processed on a daily basis, the fact that all communication with customers is conducted over the Internet and that for all sorts of reasons adjustments have to be made to the platform and the software on a very regular basis. Many unexpected events may moreover occur in BinckBank's operational processes which can result in losses or prevent achievement of targets. Processes, systems and people may fail to perform as intended, employees may commit fraud, incidents may occur and day-to-day processes may be disturbed by accidents or system faults (ICT risk). The risks arising from such events are classed as operational risks. Losses due to operational risk are unavoidable. 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.

Management of operational risk

Operational risk is generally the result of deficiencies in the daily processing and settlement of transactions with customers or other parties or in the procedures and actions designed to ensure prompt detection of errors, quantitative or qualitative deficiencies or limitations in human resources, deficient decision-making due to inadequate management information and failure to comply correctly with internal control procedures. The assessment and control system for operational risk at BinckBank meets the following conditions:

- Establishment of clearly allocated responsibilities;
- Measurement, assessment and updating of current operational risk in the various risk committees;
- Maintenance and reporting of the loss database to the various risk committees;
- The assessment and control system is regularly subjected to an independent expert analysis; and
- The results of the periodic checks are discussed monthly by the risk committees and additionally an annual risk assessment is conducted in the presence of the executive board, the directors of the business units and the heads of the support departments.

Risk can only be managed by means of an adequate management reporting process. At BinckBank, this process meets the following conditions:

- Reporting of the effectiveness or otherwise of the controls to the business unit responsible on a regular basis, with an additional monitoring function reserved for the IAD. The IAD monitors that the controls are implemented by the second line of defence correctly, comprehensively and in a timely manner. The reporting by the monitor and ineffectiveness of controls are also reported to the risk committee;
- The effectiveness of the controls is discussed by the risk committee. Appropriate measures are taken on this basis in the event of an unacceptable risk. The risk committee also gives its approval for new products and services to be introduced by BinckBank, whereby the emphasis is on the identification and management of the risk and the establishment of the relevant key controls for the product or service in question in the risk management system.

Operational risk management is built into the structure of the organisation, which embodies a number of the internal control measures and principles that BinckBank uses to manage operational risk. Ineffective controls with regard to operational risk are assessed on a monthly basis and adjusted where necessary by the risk committee. In addition, a Risk Dashboard is discussed which shows the key indicators providing signals of the development of operational risks over time. These include indicators relating to ICT performance such as system failure during the month (percentage of uptime during market hours, norm = 99.9%) versus the previous period, last successful contingency test, percentage of incidents resolved within two days.

Important elements for the management of operational risk include:
- Locate the responsibility for managing operational risk as close as possible to the processes themselves, i.e. with the line management;
- Record the operating processes, risk management processes and organisational structure and their interrelationship in writing;
- Embed procedures for reporting and escalation to management;
- Implement controls within each process chain to ensure accurate information, together with performance and risk indicators;
- Learn from incidents and errors. Where possible, record the details of incidents that resulted (or could have resulted) in losses and compare the records against the findings of risk assessments;
- Automated recording and execution of transactions with associated audit trails. Daily transaction and position reconciliation, including reporting to management;
- Procedures for staff recruitment and mentoring and segregation of duties and job descriptions for all employees and departments;
- Clear reporting lines, recording of required management information and periodic internal consultation.
  internal control and internal audit studies, compulsory 'four-eyes' principle for representation and contractual binding of the company;
- Maintain a capital buffer for losses arising from unforeseen (uninsured) events and check the adequacy of the buffer with regular stress testing; and
- Maintain an insurance portfolio including directors' liability insurance, company liability insurance, professional liability insurance, inventory insurance, buildings insurance and consequential loss insurance policies.

Management of ICT risk

Since the business activities of BinckBank depend heavily on ICT, a significant proportion of the operational risk concerns ICT risk. Deficiencies in ICT can constitute a significant threat to the critical business processes and the service provided to customers. ICT risks can therefore indirectly pose a threat to BinckBank's financial position and result. To reduce this risk, a large number of control measures have been implemented in the following areas: ICT organisation and policy, information risk management, incident and problem management, testing, change and configuration management and continuity.

Organisation and policy

This concerns first, the risk that the ICT policy and ICT organisation inadequately reflects the organisational strategy and second, the risks that the ICT organisation and ICT policy are not (or not adequately) structured and formulated to reflect the business processes and the existing information and data processing so that the processes and the provision of information are not adequately supported.

BinckBank has an ICT Governance model. The ICT governance is evaluated periodically and updated as necessary. BinckBank also has formulated an information security policy that is actively observed within the organisation. Policy principles have been formulated for all significant ICT risk control measures such as availability, incidents, problems and changes which are measured and reported monthly to the various risk committees using Key Performance Indicators.

BinckBank further expanded the dedicated ICT teams within the business units in 2012. As of 1 July 2012, the Retail and Professional Services business units have their own ICT departments for software development, test management and functionality management. The central ICT department focuses on the development and management of the ICT infrastructure and acts as gatekeeper for the production platform.

BinckBank has a compulsory CIA classification for all its ICT systems as an element of governance. CIA stands for Confidentiality, Integrity and Availability. The ICT departments take measures using the CIA classification to ensure that the desired quality requirements can be met.

Information risk management

Information risk management relates to preventing unauthorised users from accessing information.
As an Internet bank, BinckBank is by definition exposed to a significant inherent risk of external fraud by online criminals. BinckBank is fully aware of this risk. BinckBank has formulated a policy with regard to access to its infrastructure, systems, applications and data. To further increase the security of its platform, BinckBank has further extended and taken into operation its Security Incident and Event Management system (SIEM). SIEM monitors the security of the BinckBank network. BinckBank operates a highly active security policy, which is continually evaluated. An important element of this policy is a regular penetration test, in which BinckBank invites a third party to attempt to break into its systems using the latest techniques and methods. The results of this test are discussed by the IT security committee, and can lead to a further tightening of policy and/or controls.

Incident en problem management

Incident and problem management focuses on the prevention of the risk of failures as a result of which the service cannot (or cannot sufficiently) be restored, of structural errors in the ICT infrastructure and ensuring that incidents and problems are dealt with correctly, completely and in a timely manner. BinckBank mitigates this risk by means of an incident management procedure that ensures that every ICT incident is analysed and prioritised, and that incidents with a high level of urgency and impact are escalated appropriately. Incidents and breakdowns are moreover reported to the ICT management team on a monthly basis.

Test, change en configurationmanagement

BinckBank updates its systems and programmes in line with new technological developments and the needs of its customers. BinckBank thus is exposed to the risks of incorrectly and/or incompletely developed programmes, unauthorised changes to the ICT infrastructure, inadequate provision of information concerning the ICT infrastructure and incorrect or incomplete responses to change requests or failure to deal with change requests in good time. One of the control measures in place is that only personnel from the ICT operation and management department are authorised to implement approved changes to the production processes. Changes are made only in accordance with an established change procedure. BinckBank also has various separate development, testing and acceptance environments at its disposal for the introduction of new software releases. Before changes to production processes can be implemented, the changes concerned must have completed the test management procedure and have been approved by the test manager.

Continuity

The availability of its website and the underlying systems is a matter of great importance to BinckBank. The risk that the continuity of the (critical) business processes or the entire institution could be threatened as a result of the unavailability of the ICT infrastructure (including applications and systems) is mitigated as follows: BinckBank has prepared a business continuity plan and disaster recovery plan on the basis of a business impact analysis. BinckBank has a contingency facility and conducts a contingency test at least twice a year.

To ensure the continuity of the conduct of its business, BinckBank has placed its ICT production systems with an external data centre that has made provisions against the effects of heat, fire, theft, damage, loss of electrical power and natural disasters. BinckBank also has a back-up at a second data centre.

The data centre has a Payment Card Industry Data Security Standard (PCI DSS) certification. In addition, in order to secure its business-critical data BinckBank uses back-ups and real-time synchronisation of data to the contingency location. A daily check is carried out to establish that critical back-ups have functioned properly and in the event of failures an assessment is made to determine whether further action is necessary. A report to the executive board and the various risk committees on the performance and availability of the systems is produced on a quarterly basis. A daily check is made to ensure that critical systems are functioning properly before the market opens. Special monitoring software is also used to monitor the availability and performance of critical systems.

Capital requirement for operational risk

The capital requirement for operational risk as at 31 December 2012 was € 21.4 million (2011: € 22.5 million). The internal target is for annual losses on normal activities due to operational risks not to exceed 1% of gross commission income. 'Losses due to operational risks' here means:

- The financial result of out-trades and reimbursement of customers; and
- Other direct loss due to faults in ICT systems, automated information processing and operating processes.

Total losses due to operational risk in 2012 amounted to 0.62% of total gross commission income (2011: 1.17%) and BinckBank thus remained within its internal target limit of 1%.

Integrity risk

Integrity risk is the risk of inadequate compliance with codes of conduct imposed by BinckBank standards, social standards and legislation and regulation. Integrity risk may result in direct losses (such as claims and penalties) and consequential losses (such as reputational damage or loss due to fraud). In many cases, these are losses which are insured up to a reasonable sum. To manage this risk, BinckBank imposes clear internal standards and codes of conduct which are clearly communicated within the organisation. BinckBank has a compliance officer, for whom clear reporting lines have been defined and an escalation procedure has been established. The compliance officer is responsible for making enquiries among managers and the executive board promptly and accurately in order to ensure that BinckBank's activities continue to comply with the applicable legislation and regulation. BinckBank has procedures in place for whistleblowers and mandatory reporting of suspicious transactions, and has a security officer and a privacy officer.

Product-specific risks

Different measures are currently in place in order to mitigate the risks specific to the business and products of Alex Asset Management. These risks are explained in further detail below.

Risk management at Alex Asset Management

Under the Alex label, BinckBank offers an asset management service as well as an execution-only service. Assets under management rose 47% in 2012 from € 690 million to just over € 1.0 billion. With Alex Asset Management, BinckBank distinguishes itself from traditional asset managers by operating an active investment policy combined with investment decisions and recommendations based on quantitative analysis and providing customers with information on their portfolios under management on a 24/7 basis. The risk profile of Alex Asset Management is different from that of the normal execution-only business of BinckBank. The potential risks identified can be divided into risks associated with the duty of care, operational risk and reputational risk. The guidelines regarding the duty of care are usually stricter for asset management than they are for execution-only services, and place an additional responsibility on the asset manager. BinckBank meets these additional requirements by establishing a customer's investment profile prior to the provision of its service by means of a digital intake procedure and obtaining the approval of the customer in digital form. BinckBank asks its asset management customers to update their investment profile once a year. BinckBank checks daily to establish that the customer's portfolio is in line with market developments and whether it corresponds to the established investment profile and objectives. Transactions are executed automatically to expand or reduce positions if this is advisable. This process is more or less fully automated, and therefore does not depend on asset management personnel. The operational risks mainly concern heavy reliance on the ICT systems, decision models and the accuracy of data used such as prices, traded volumes and corporate actions that affect prices. The controls system is adjusted to reflect this. BinckBank conducts a large number of tests on a daily basis and regularly tests that the decision models are still operating in accordance with the criteria. The reputation of Alex Asset Management and therefore BinckBank could be harmed if customers feel that their interests are not properly protected. This perception could arise if returns are disappointing or as a result of unclear communication and negative publicity.

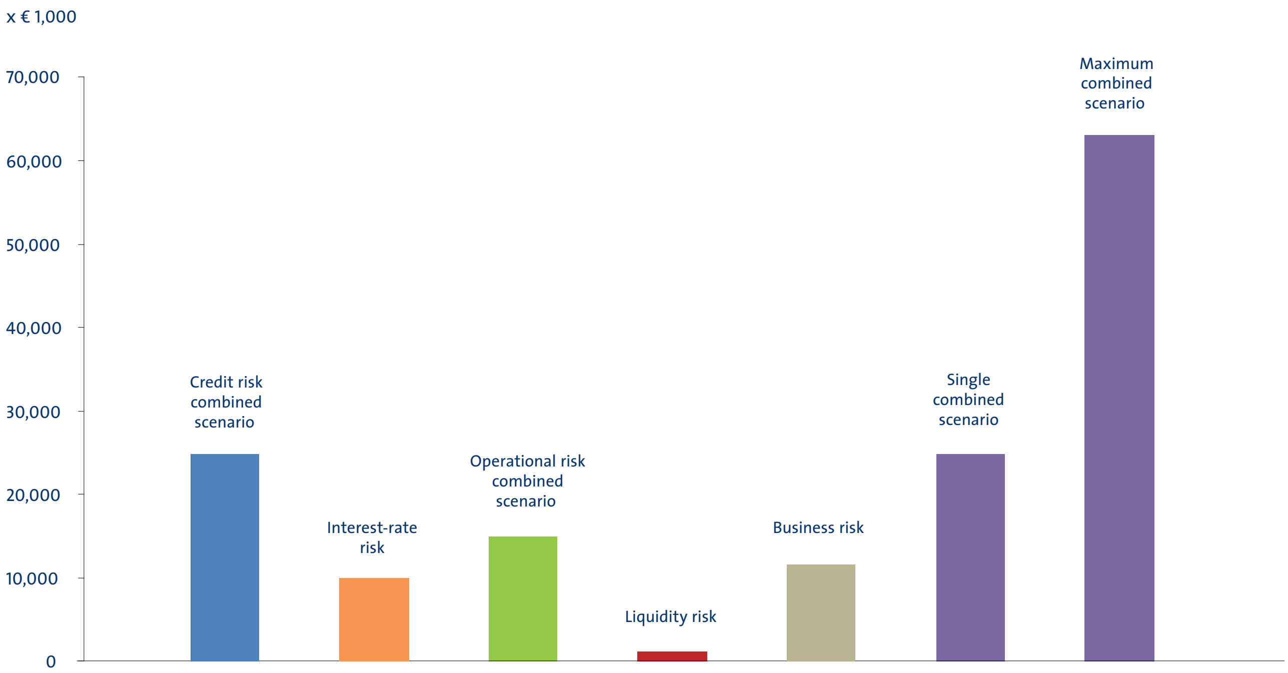
Capital adequacy and results of stress tests for BinckBank

BinckBank conducts regular stress tests to evaluate the scale of the risks involved in extreme events with a change in one or several parameters. Stress testing is an integral part of risk management and as such is mandatory under the Basel Accord. The purpose of a stress test is to express the risks of extreme events in terms of potential financial loss. The likelihood and effect of this in the context of the risk appetite will lead to an evaluation of the risks accepted, and whether measures should be taken to mitigate the risk or additional capital should be reserved. Within Pillar II, stress testing is mandatory to assess the effect on Tier 1 capital of all types of risk to which the bank is exposed. If the outcome of an extreme but in any way probable stress scenario exceeds the available Tier I capital, this shows that BinckBank has exceeded its risk appetite. In this case BinckBank will have to take appropriate action in the form of risk-mitigating measures such as policy changes or insurance, or by reducing the risk profile of its existing activities.

Results of recent stress tests and maximum stress scenario

For the calculation of the maximum stress scenario, it is important to understand that there is a difference between stress scenarios and stress testing. A stress test is a single test for one particular event and thus a change in one single parameter. A stress scenario is a set of stress tests that together form a scenario. The maximum stress scenario is based on a set of extreme events that could lead to financial losses for BinckBank. Various stress tests have been developed for each risk category to enable management to assess the scale of the risk involved in extreme but realistic situations. The individual stress tests are not complementary, since not all events can occur simultaneously, so that a stress scenario is compiled for each risk category. The various results of the stress scenarios for each risk category are combined into a maximum stress scenario for the testing of capital adequacy. The following figure shows the size of the maximum combined scenario spread across the various risk categories.

Maximum combined scenario per risk category



Capital adequacy including the second-round effect

The capital loss for the maximum combined stress scenario was € 65.1 million as at 31 December 2012 and € 50.6 million as at 31 December 2011. The amount of capital retained as at 31 December 2012 of € 160.3 million would decrease to Tier I capital of € 95.2 million. The second-round effect shows that the effects of the stress scenario affect the capital requirement.

The forced liquidation of part of the investment portfolio would lead to a lower capital charge for credit and interest-rate risk. In addition, the credit risk on customer portfolios would decline due to the forced liquidation of customer positions at the time of the stress event.

Taken together, these effects mean that not only the total available capital would decline, but also that the capital required under Pillars I & II would fall from € 50.9 million to € 47.4 million. The related BIS ratio would then be 18.8% and the solvency ratio would be 16.1%. The table below shows the development of the capital adequacy after the combined stress scenario has actually occurred, including the related second-round effects.

(x € 1,000)	Max. combined stress	31 December 2012
Total available capital	**95,242**	**160,342**
Total required capital Pillar I+II	**47,402**	**50,870**
Pillar I required capital	**40,581**	**41,261**
Credit risk	19,047	19,727
Market risk	93	93
Operational risk	21,441	21,441
Pillar II required capital	**6,821**	**9,609**
Interest-rate risk	544	1,454
Liquidity risk	153	157
Total credit risk Pillar II	6,124	7,998
Concentration risk	*3,942*	*5,256*
Margin risk	*1,682*	*2,242*
Counterparty risk	*500*	*500*
Excess / insufficient capital (Pillar I)	**54,661**	**119,081**
Excess / insufficient capital (Pillar II)	**47,840**	**109,472**
BIS ratio	**18.8%**	**31.1%**
Solvency ratio	**16.1%**	**25.2%**

Including second-round effect

Based on the second-round effect, BinckBank has established that its capital is also adequate under the maximum stress scenario. Since the BIS ratio would not fall below the minimum requirement of 8%, the raising of additional capital or retention of profit is not necessary.

Risk management accountability

BinckBank provides information on its capital management and risk management in various forms, and in addition to its annual report also gives account of these matters in its annual Capital Adequacy & Risk Report, which is available at www.binck.com. BinckBank has decided to publish its risk reporting arising from Pillar III of the Basel Accord once a year on its website after the end of the third quarter. The frequency of publication of the risk reporting can be increased if circumstances so require. At year-end, BinckBank gives account of its risk management in the notes to the financial statements under note 39 on page 174, arising from the requirements under IFRS 7. With its annual 'in control statement', also included in this annual report, the BinckBank executive board gives account of the operation of its risk management over the previous reporting year.

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Liquidity management

Introduction

Besides solvency, liquidity is also extremely important for a bank. This section is therefore devoted to liquidity management at BinckBank. Liquidity risk is the risk that BinckBank will not be able to meet its payment obligations. BinckBank adopts a prudent policy with regard to liquidity risk that is designed to ensure that demand by its customers for their cash can be met at all times. At the end of 2012, BinckBank had an ample liquidity position of € 459.5 million (excluding deposits and cash reserves at central banks). This represents 20.8% of the total funds entrusted. There have been no materially significant incidents with regard to liquidity during the 2012 financial year and there have been no reasons to adjust our liquidity policy.

Liquidity profile of BinckBank

BinckBank is an online bank for investors. BinckBank's services comprise the following: the processing of securities orders placed by customers (brokerage), the offering of a savings product and asset management services. Due to the nature of its operations, BinckBank's business model involves a large liquidity surplus. Customers with an account at BinckBank mostly do not invest 100% of their assets, they always hold part of their assets in cash in their brokerage account or savings account. Moreover, BinckBank's policy is not to raise funds in the interbank markets in order to place these funds at different maturities or credit categories. Its funding policy is therefore limited to customer funds and equity. Because it has no active lending or mortgage business, BinckBank's business model is not the same as that of most Dutch (retail) banks. BinckBank does provide loans based on securities as collateral (collateralised lending) and it places its remaining liquidity surplus in the market by means of an investment portfolio. Since historically the size of the customer funds entrusted far exceeds that of the collateralised lending, BinckBank has a natural liquidity surplus and no funding requirement. The absence of (long-term) loans in combination with the liquidity surplus arising from customer funds is the basis of BinckBank's funding policy. BinckBank has no need to attract other long- or short-term funding. The monies held by BinckBank's customers can be withdrawn on demand. BinckBank does not offer its customers term deposits. Limited predictability in the long term and short-term effects on the liquidity position are features of the securities brokerage business. Most securities transactions are settled within three days of the transaction date. This means that the main focus of liquidity policy is on managing liquidity in the short term.

BinckBank's liquidity surplus appears in the balance sheet in three different types of asset:

1. Cash and Banks: in principle 5% to 10% of the funds entrusted should be held in cash at other banks in order to fund BinckBank's daily operations (internal target liquidity, excluding cash reserves at central banks). BinckBank can draw these funds down on demand.
2. Financial assets: the majority of the liquidity balance is invested in the investment portfolio.
   BinckBank invests mainly in liquid bonds of high credit quality with a maximum maturity of three years. Criteria have been formulated for the evaluation of the liquidity value of assets.
3. Loans and Receivables: a proportion of the customer funds is used to fund the collateralised loans provided by BinckBank. BinckBank also places funds on deposit with Dutch regional government and local authorities.

Liquidity risk management

To avoid a situation in which it faces a liquidity shortfall, BinckBank has taken various control measures.

The most important of these are:

Organisational

- The BinckBank executive board determines the risk appetite with regard to liquidity risk on an annual basis. The risk appetite with regard to liquidity is set by the board at 'very low' (1 on a scale of 1 to 5). The board's very low risk appetite with regard to liquidity risk is based on:
  a. the liquidity characteristics of the business model, that mainly involves the settlement of securities transactions and the size of the customer demand deposits in relation to the relatively small size of BinckBank;
  b. the fact that inability to meet its obligations to customers or third parties promptly could seriously damage confidence in BinckBank and thereby constitute a threat to BinckBank's continuity; and
  c. BinckBank needs to avoid a situation in which it is forced to sell its assets at unfavourable market prices and thereby incurring losses.

BinckBank's risk appetite regarding liquidity risk is demonstrated by the liquidity position in its balance sheet. BinckBank funds its assets with funds entrusted by customers, which is a stable source of funding. The risk appetite regarding liquidity is also a major factor in BinckBank's policy with respect to its investment portfolio. The investments must be of high credit quality, liquid and eligible as collateral with the central bank and/or other banks.
The Treasury department does not operate as a commercial department, in the sense that there is no direct link between the financial results of the Treasury department and the remuneration of its employees. The number of officers involved in liquidity management at BinckBank is relatively low, and they are all at senior level. Communication lines are short, and decisions can be taken extremely quickly. The main officers involved are: the CFO, the manager of Risk Management, the Treasury Manager, the cash manager and the group controller. The senior officers concerned have extensive knowledge of the liquidity aspects of BinckBank's business model, liquidity drivers and the liquidity aspects of the available assets and liabilities. BinckBank's liquidity risk policy corresponds to the risk appetite with regard to liquidity risk in relation to the liquidity aspects of the business model. Clear mandates are in place with regard to the management of cash, placements in the money market and the management of the investment portfolio. The frameworks within which the Treasury department may invest are established in mandates which are recorded in the Treasury Manual. The Risk Management department and the treasury committee monitor that none of the mandates are exceeded. The liquidity value of the assets is monitored on the basis of established criteria. The securities in the investment portfolio and the criteria for the liquidity value of the assets are discussed by the treasury committee on a monthly basis.

Intraday monitoring

Outgoing payments traffic is continuously monitored; for transfers in excess of € 500,000 the Customer relations department places a follow up call to the customer and inquires the reason for the transfer. The Treasury department is also notified regarding these transfers. The Treasury department is notified of the status of incoming and outgoing payments three times a day. In stress situations, transfers can be monitored on an hourly basis. The Treasury department receives a recapitulation of the securities transactions effected for customers four times a day, and the liquidity forecast is adjusted on this basis. The liquidity position is determined daily and a projection is made for the next three days (T+3), which is then tested against the internal liquidity target. Liquidity reports are sent to the executive board and the members of the treasury committee. Treasury monitors the cash inflow and outflow. In case of heavy cash outflow, escalation to the executive board (CFO) is applied and action is taken.

Long-term monitoring
Loans are provided on the condition that BinckBank at all times has the right to unilaterally cancel the credit agreement and recall the funds. BinckBank receives liquid financial assets as collateral for the loans it provides.

Early warning indicators and escalation procedures
There are clear escalation procedures that are applied if there is a threat that the lower limit of the internal liquidity target will be breached. Escalation is applied using what is known as a traffic-light model. This is a system of warning signals that lead to an increased vigilance with respect to the liquidity position. Code green exists when none of the escalation criteria have been triggered. This can be escalated to code yellow, orange and ultimately code red. Code red would apply in a situation of negative publicity regarding BinckBank's reputation and/or heavy cash outflow in combination with a limited cash balance.

Stress testing and contingency funding
Stress tests are conducted to test whether BinckBank is still meeting its internal liquidity target. BinckBank has formulated a number of its own stress scenarios for this purpose. There are two additional scenarios specified by the regulator. The operation of the bank's alternative sources of liquidity (the Contingency Funding Plan) is tested at least once a year.

Contingency Funding Plan (CFP)

BinckBank has various alternative sources of liquidity at its disposal to cope with liquidity stress. These are:
- Repo agreements;
- Multi-currency credit facility (with securities as collateral);
- Liquidation of the investment portfolio;
- Reserve requirement at the central bank; and
- Marginal lending facility at DNB;

Capital requirement for liquidity risk

The capital requirement for liquidity risk is determined by use of a scenario in which 25% of the deposits held by customers with a cash balance of more than € 100,000 and 12.5% of the deposits held by customers with a balance of € 100,000 or less are withdrawn. Under this scenario, BinckBank would have to make money available from the investment portfolio. The liquidity surcharge involved in the immediate liquidation of the investment portfolio is estimated at 0.27%. This surcharge is based on the liquidity spread that arose during the sale of a substantial part of the investment portfolio during the crisis in 2008. The liquidity spread concerns the additional costs that would be involved in an immediate forced sale of a substantial part of the portfolio within one trading day. Based on the above scenario, a sum of € 389.2 million would be liquidated in the investment portfolio under this 'liquidity crisis' scenario. Allowing for a liquidity surcharge of 0.27%, the capital requirement for liquidity risk is estimated at € 0.2 million.

Statement by the executive board

In-control Statement

A detailed account of our risks and our risk management framework, in addition to a description of the responsibilities of the executive board, is given in the Capital Adequacy & Risk Report 2012, as published on 28 September 2012, the section on risk and capital management in the annual report, and in note 39 to the financial statements.

In accordance with the best practice provisions as stated in the Corporate Governance Code and with due observance of the limitations stated below, we confirm that our risk management and control systems provide a reasonable level of security and that we are aware:
a. of the extent to which BinckBank's strategic and operational targets are achieved;
b. that BinckBank is in compliance with the applicable legislation and regulation; and
c. that our financial reporting is free from material misstatements.
We moreover declare that these risk management and control systems have performed satisfactorily in 2012.

Our internal risk management and control systems cannot however provide absolute certainty that our strategic, operational and financial targets will be achieved or that legislation and regulation will be complied with at all times. Furthermore, risk management and control systems cannot prevent all human errors or errors of assessment and mistakes. Furthermore, these systems are not proof against situations in which employees collude with each other and in which the integrity and reliability of employees cannot be ensured. The acceptance of risk and implementation of control measures is always subject to cost/benefit considerations, and is an inherent part of entrepreneurial activity. We continue to strive to further improve and optimise our internal risk management and control procedures.

Without prejudice to our statement, we would like to refer to the findings in relation to the improvement projects in the areas of administrative organisation and internal control as described in the section on Risk and capital management and the paragraph on Developments internal controls on page 66 of this annual report. The executive board will devote particular attention to these items of improvement in 2013. The following projects are also ongoing as part of our striving to achieve operational excellence: the continued development of the Retail base platform (including the PBM module), further increasing the demonstrable effects of the control measures within our foreign branches and safeguarding the quality of the various models, parameters and tables used at BinckBank.

Statement by the executive board

In accordance with Section 5:25c of the Financial Supervision Act (Wft) we state that according to the best of our knowledge:

A. the financial statements present a true and fair view of the assets, the liabilities, the financial position and the result of BinckBank N.V. and the companies included in the consolidation; and
B. the annual report provides a true and fair view of the position as at the balance sheet date, the state of affairs during the financial year of BinckBank N.V. and its affiliated companies, whose data have been included in its financial statements, and that the annual report describes the essential risks faced by BinckBank N.V.

Amsterdam, March 7th 2013

The executive board
Koen Beentjes, chairman
Evert Kooistra, executive director and CFO
Pieter Aartsen, executive director
Nick Bortot, executive director (until 31 December 2012)

AS A MODERN AND INNOVATIVE COMPANY, BINCKBANK ENDORSES THE CORPORATE GOVERNANCE CODE AND THE BANKING CODE.

Corporate governance

Introduction

The Dutch Corporate Governance Code (hereinafter, 'the Code') is an important code for good business conduct for Dutch listed companies. The Code is self-regulatory in nature, and is based on the principle known as 'apply or explain'. The duty of the Corporate Governance Code Monitoring Committee ('the Monitoring committee') is to encourage the topicality and practicality of the Code, as well as to monitor compliance with the Code by Dutch listed companies. The Monitoring committee submitted its report on compliance with the Code in 2012 to the Minister of Economic Affairs on 13 December 2012. The Monitoring committee focused mainly on the quality of the explanations provided in case of deviation from the Code.

The composition and operation of the supervisory board was analysed. Also the self-evaluation and the quality of the report of the supervisory board were considered. Lastly, the board's working methods were analysed, taking note of how meetings are conducted and the interaction with the executive board.

This year the analysis of the shareholders once focussed on a deeper analysis of the role of voting advisory agencies and the dialogue in relation to the General Meeting of Shareholders (AGM). The asset management mandates between asset owners and asset managers were also reviewed with respect to agreements regarding compliance with the Code.

The Banking Code is an important code for good business conduct for banks in the Netherlands. The Monitoring Committee for the Banking Code (hereinafter, 'the Burgmans committee') submitted its first full report on compliance with the Banking Code to the Minister of Finance and the Dutch Banking Association [NVB] on 12 December 2011. In the publication of its report on the findings regarding implementation of the Banking Code in 2011, the Burgmans committee stated that its main items of attention in 2012 would be in the following areas: putting the customer's interests first, risk management and governance, including remuneration policy.

BinckBank is a listed bank in the Netherlands, and thus is subject to both the Dutch Corporate Governance Code and the Banking Code.

Developments in 2012

Right to institute an inquiry

In June 2012 the Senate of the Dutch Parliament approved a bill put forward by the then Minister of Security and Justice amending the right to institute an inquiry. The new rules that take effect on 1 January 2013 include changes to the threshold values for shareholders to initiate inquiry proceedings at large companies.

Intervention Act

The Financial Institutions (Special Measures) Act, also known as the Intervention Act, took effect on 13 June 2012 with retroactive effect to 20 January 2012. The Intervention Act gives additional powers to De Nederlandsche Bank and the Minister of Finance to intervene in financial enterprises that get into serious difficulties. De Nederlandsche Bank has recently exercised its powers under the Intervention Act in the case of SNS Reaal.

Management and Supervision Act

The Management and Supervision Act ["Wet bestuur en toezicht"] takes effect at the same time as the remedial Act (in which a number of regulations in the former Act are clarified) on 1 January 2013, and among other things provides the legal basis for a one-tier board, a limit to the number of supervisory directorships a person may hold, a new regulation on conflicts of interest, target figures for diversity (between men and women) in the executive board and the supervisory board, and a change in the legal position of directors of listed companies.

The corporate governance bill ('the Frijns bill')

The House of Representatives of the Dutch Parliament approved the corporate governance bill on 5 July 2012. The bill is designed to contribute to strengthening the system of corporate governance in the Netherlands. It is also intended to maintain (or even increase) the attractiveness of the Dutch corporate governance system in an international context.

The 'claw back' bill

The 'claw back' bill was still before the House of Representatives at year-end 2012. This bill regulates the authority to adjust or reclaim bonuses paid to directors, and will strengthen the position of the supervisory board with respect to the remuneration of executive directors. The intention of the bill is to enable the supervisory board to ensure that the remuneration of executive directors contributes to the (long-term) interests of the company.

Bank tax

The Bank Tax Act came into force on 1 October 2012. Bank tax is levied on the uncovered liabilities of banks operating in the Netherlands. The Act also stipulates that the variable remuneration of an executive director may not exceed 100% of the basic salary.

Financial Markets (Amendment) Act 2013

The Financial Markets (Amendment) Act 2013 contains some substantive amendments as well as technical, non-substantive changes to the Financial Supervision Act (Wft), the Financial Supervision (Funding) Act, the Financial Markets (BES Islands) Act and certain other Acts. This bill is part of the annual amendment cycle and based on the principle that it will incorporate all national legislation and regulation with regard to the financial markets. The bill also includes the motion put forward by Huizing/Blanksma, which calls on the government to legally embed the moral-ethical declaration that policy-makers have to provide under the Banking Code (also known as the bankers' oath) in the reliability and suitability test for executive directors. Most of the provisions of the Financial Markets (Amendment) Act 2013 take effect on 1 January 2013.

European Commission

The European Commission launched a consultation process regarding the future of European company law on 20 February 2012. The deadline for submitting contributions was 14 May 2012 and a total of 496 responses were received. One of the conclusions was that there was little enthusiasm in Europe for further harmonisation of shareholder rights through an amendment to the current EU shareholder rights directive. Many interested parties were in favour of increased European harmonisation of the publication requirements and of the rules governing cross-border mergers. Moreover, 60% of the respondents were in favour of making a distinction in European company law between unlisted and listed companies (instead of the current distinction between public and private limited companies). The European Commission has indicated that it will include the responses when drafting its Corporate Governance Action Plan. The European Commission has established an action plan with future initiatives in the fields of company law and corporate governance. European company law and corporate governance should ensure the competitiveness and sustainability of companies. The Commission's analysis and the consultations in the last two years have clearly shown that further improvements can be made by encouraging and facilitating shareholder involvement over the long term, by increasing transparency between companies and their shareholders and by simplifying cross-border operations by European companies. Based on its considerations and the results of the consultations, the Commission has established various lines of action with regard to company law and corporate governance that are fundamental to the establishment of modern legislation for sustainable and competitive companies.

The following piece addresses the recommendations in the Code and the Banking Code.

The Code

The Code has a legal basis in the sense that a listed company has to include a statement in its annual report regarding its compliance with the principles and best practice provisions of the Code that relate to the company's executive board or supervisory board.

BinckBank generally endorses the principles stated and broadly supported in the Code.

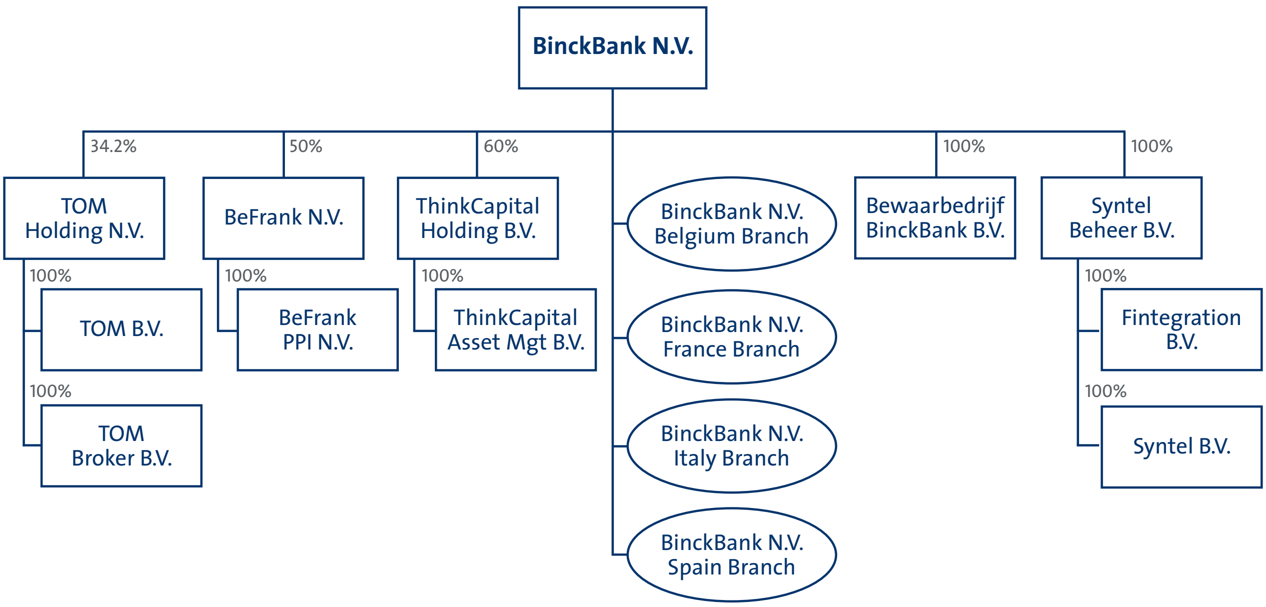
According to best practice provision I.1 of the Code, the broad outlines of the company's corporate governance structure must be explained each year in a separate section of the annual report, partly by reference to the principles of the Code. This section must also expressly state the extent to which the best practice provisions in the Code are being observed, and where this is not the case, why and to what extent the provisions are not applied. The principle of 'apply or explain' has a legal basis.

This section will fulfil the requirements of this best practice provision I.1 of the Code, and also constitutes the corporate governance statement referred to in Article 2:391(5) of the Netherlands Civil Code.

Legal structure

General information

BinckBank is public limited company listed on NYSE Euronext Amsterdam. BinckBank had a two-tier board structure in 2012. An amendment was accordingly made to the articles of association in 2012. BinckBank has a number of Dutch subsidiaries and associates. BinckBank has branches in Belgium, France and Italy, and a sales office in Spain.



Shares, the issue of shares, voting rights and shareholder structure

Shares

BinckBank's authorised share capital consists of 74,500,000 ordinary listed shares and 50 priority shares, each with a nominal value of € 0.10. The priority shares represent 0.00007% of the issued capital, are unlisted registered shares and are held by Stichting Prioriteit Binck (hereinafter, 'the Foundation').

Special control rights are attached to the priority shares as specified in the company's articles of association, which are available on the website www.binck.com. Further details regarding the position of Stichting Prioriteit are given below in this section. No depositary receipts are issued for BinckBank shares.

Issuance of shares
The General Meeting of Shareholders adopts resolutions with regard to share issues and may grant this authority to another company body for a period of up to five years. On the issuance of ordinary shares, each shareholder has a preferential right in the amount of his or her total number of shares held, subject to legal provisions. No preferential rights exists on shares issued a) to employees of the company or a group company, or b) against payment other than in cash.

The preferential rights may be limited or excluded by resolution of the AGM. The preferential rights may also be limited or excluded by the above-mentioned other company bodies if these have been granted the authority to limit or exclude the preferential rights by resolution of the AGM for a period of up to five years. A resolution by the AGM to limit or exclude the preferential rights or to grant or withdraw the authority to take such action requires a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the meeting. Such resolutions may only be adopted by the AGM if proposed by the Foundation. Resolutions by the executive board regarding the issuance of shares are subject to approval by the supervisory board.

Voting rights
Each BinckBank share entitles its holder to cast one vote. Resolutions are passed by simple majority of the votes cast, to the extent that a larger majority is not required by law or the articles of association. BinckBank uses a registration date in accordance with the Shareholders' Rights Act [Wet aandeelhoudersrechten].

Shareholder structure
The shareholders who have made a notification in relation to their interest in BinckBank pursuant to Section 5.3 Wft are named on page 28 of this annual report. No shareholder agreements have been concluded between BinckBank and the major shareholders concerned.

Anti-takeover defences

The Foundation has a role in many important resolutions pursuant to the articles of association. The Foundation holds 50 BinckBank priority shares. The authorities of the Foundation consist of the initiation of specific resolutions of the AGM and the granting of prior approval to the resolutions described below.
The Foundation also has direct powers, including setting the number of executive and supervisory directors.

In short, the objective of the Foundation is to protect the management and the course of events at BinckBank from influences which might negatively affect the independence of the company and its affiliated companies, and to promote a positive course of events in management.

The board of the Foundation has three members. Member A is appointed by the supervisory board of BinckBank, member B is appointed by the executive board of BinckBank and member C is appointed by members A and B together. Messrs C.J.M. Scholtes (chairman of the supervisory board), K.N. Beentjes (chairman of the executive board) and J.K. Brouwer (supervisory director) currently act as members A, B and C of the board of the Foundation respectively.

The supervisory board and the executive board see no reason to initiate any limitation and/or removal of the powers of the Foundation. The supervisory board and the executive board believe that maintaining the position of the Foundation is beneficial to the continuity of BinckBank and that the policies pursued by the bank in the short and long term, subject to careful consideration of the interests of those involved in the company. The powers of the Foundation form an integral part of the articles of association of the company. Strictly speaking therefore, there is no question of a potential or actual anti-takeover measure as referred to in best practice provision IV.3.11 of the Code. With due observance of its objectives under the articles of association, the Foundation is obliged when exercising its powers to protect the interests of the company and its affiliated companies, and in doing so to consider the legitimate interests of those involved in the company. The manner in which the Foundation exercises its powers will depend on the actual facts and circumstances of the case in question.

Executive Board

BinckBank has a two-tier board system, meaning that management and supervision are assigned respectively to the BinckBank executive board and supervisory board. BinckBank believes that this structure promotes a system of adequate checks and balances, in which the executive board is responsible for the day-to-day management of the company and the realisation of the company's short-term and medium-term targets, while the supervisory board supervises the executive board and has an advisory role.

Personal union

BinckBank and a number of its Dutch subsidiaries are subject to a personal union at board level where possible in the sense that a majority of the executive directors of BinckBank also act as directors of the subsidiary companies under the articles of association. The personal union promotes uniformity in company policy and strategy.

Duty of the executive board

Subject to the limitations stated in the articles of association, the executive board is charged with the management of the company.

Regulations for the appointment, suspension and dismissal of executive board members

The executive directors of BinckBank are appointed by the supervisory board in accordance with the provisions of the articles of association on the basis of a non-binding nomination by the Foundation. An executive director is appointed or reappointed for a term commencing on the date of their (re)appointment and ending at the end of the AGM held in the fourth calendar year after the calendar year in which they were (re)appointed, or at such time as is determined at the time of their (re)appointment, if earlier. Executive directors may be suspended or dismissed by the supervisory board at any time. The supervisory board shall not dismiss a member of the executive board without taking advice from the AGM regarding the dismissal.

Supervisory board

The supervisory board is charged with the supervision of the policy of the executive board and the general developments at the company and its affiliated companies. The supervisory board highly values close involvement with the company's development. In the exercise of its duties, the supervisory board focuses on the interests of the company and its affiliated companies, taking the interests of those involved in the company into consideration and also taking into account the social aspects of business operation relevant to the company. The supervisory board advises the executive board, and is moreover charged with all duties assigned to it by law and under the articles of association. Certain key resolutions are subject to the approval of the supervisory board.

Other than under the provision of Article 21 sub 7 of the articles of association, the supervisory directors of BinckBank are appointed by the General Meeting of Shareholders on the basis of nomination of the supervisory board and a non-binding nomination by the Foundation. The General Meeting of Shareholders and the works council may recommend candidates to the supervisory board for nomination as a supervisory director. For one-third of the number of supervisory directors, the supervisory board will nominate a person recommended by the works council, unless the supervisory board objects to the recommendation on the grounds that it does not consider the recommended candidate to be suitable to act as a supervisory director, or that the composition of the supervisory board would not be appropriate if the recommendation were to be adopted.

A supervisory director may be suspended by the supervisory board. The Enterprise Division of the Amsterdam Court of Appeal may dismiss a supervisory director on the conditions stated in the articles of association. The General Meeting of Shareholders can withdraw its confidence in the supervisory board. A resolution of no confidence by the general meeting will result in the immediate dismissal of all members of the supervisory board.

A supervisory director is appointed or reappointed for a term commencing on the date of their (re)appointment and ending at the end of the AGM held in the fourth calendar year after the calendar year in which they were (re)appointed, or at such time as is determined at the time of their (re)appointment, if earlier.

General meeting of shareholders

The General Meeting of Shareholders has the powers vested in it by law and under the articles of association. The Foundation has an important role with reference to the powers of the AGM in many cases.

Compliance with the Code

In the section on corporate governance in its annual report, BinckBank has to state the extent to which it observes the best practice provisions included in the Code, listing the reasons and the extent of non-compliance if it does not (the 'apply or explain' principle). BinckBank complies with the best practice provisions included in the Code, including best practice provisions II.3.2 – II.3.4 and III.6.1 – III.6.4, with the exception of the best practice provisions described below.

Remuneration of the executive board

A new remuneration policy (Remuneration Policy 2012) was established at the annual General Meeting of Shareholders in 2012 in order to comply with the Regulation for a Controlled Remuneration Policy in the Wft 2011 (hereinafter, 'the Regulation'). The Regulation is a supervisory measure that is based on the powers of De Nederlandsche Bank (DNB) to set rules with respect to executive pay.

The main provisions of the Regulation concern:

- The way in which policy with respect to remuneration at financial enterprises is formulated and established or approved, implemented, evaluated and amended;
- The way in which remuneration elements and structures are formulated and how the risks associated with the policy and its application are managed; and
- The content and method of publication of the policy regarding remuneration and its application.

The basic principle of the Regulation is that the remuneration policy should be consistent with and contribute to proper and effective risk management, and should not encourage the taking of risks that are not acceptable to BinckBank.

According to best practice provision II.2.13 of the Code, the overview of the remuneration policy for the next financial year and subsequent financial years to be provided by the supervisory board has to include certain information. BinckBank applies best practice provision II.2.13 of the Code, if and to the extent that publication does not concern commercially sensitive information, in other words, financial and commercial targets. The executive board and supervisory board of BinckBank take the view that providing such information is not in the interests of the company and its stakeholders. The same applies to the main elements of the contract between a director and the company, which according to best practice provision II.2.14 of the Code should be published without delay after the contract is concluded, to the extent that these elements concern market-sensitive information. Moreover, specific information mentioned in the applicable remuneration policy is published afterwards. The supervisory board therefore gives account to the General Meeting of Shareholders with regard to its assessment of the performance of the executive board.

According to best practice provision 11.2.5 of the Code, shares granted to executive directors without financial consideration must be retained for a period of at least five years in each case or at least until the end of the employment relationship, if this is shorter. BinckBank complies with best practice provision 11.2.5 of the Code to the extent that calculated from the date the shares are awarded unconditionally, BinckBank shares have to be retained for a period of two years (instead of five years) or until the end of the employment. With this shorter retention period of two years instead of five years, BinckBank complies with the regulations for a variable remuneration as specified in the Regulation for a Controlled Remuneration Policy in the Wft 2011. In BinckBank's opinion, the conditional allocation of a material part of a variable remuneration (as stated in the Regulation for a Controlled Remuneration Policy in the Wft 2011) in combination with the stated retention period of two years is sufficient to meet the objective of a long-term commitment to the company and its related business.

The Banking Code

General

On 9 September 2009, the Dutch Bankers' Association (NVB) drafted the Banking Code in reply to the Restoring Trust (Naar herstel van vertrouwen) report issued by the advisory committee on the Future of Banks ('the Maas committee'). The Banking Code can be seen as a measure of self-regulation and applies to all banks with a banking licence granted under the Financial Supervision Act. The Banking Code aims to enhance governance within banks, improve their risk management and auditing and promote the implementation of a sound remuneration policy. The Banking Code came into force on 1 January 2010 and is enshrined in the law. In their annual reports and in the same manner as applicable to compliance with the Code, banks are obliged to disclose the extent to which they adhere to the Banking Code.

Permanent education

BinckBank has a permanent education programme for its executive directors, and thereby complies with principles 3.1.3 and 3.1.4 of the Banking Code. The permanent education programme consists of the following of various training programmes and courses intended to maintain the level of expertise of executive directors and improve this where necessary. Koen Beentjes and Evert Kooistra are both public certified accountants. Since 1 January 2007, a permanent education scheme has applied for members of the Dutch Association of Registered Controllers (the 'VRC') and accountants in business of the Netherlands Institute of Chartered Accountants, or 'NBA'. In this context, Koen Beentjes took the Professional Scepticism for Auditors course in 2012, among other courses. Evert Kooistra took permanent education courses on the following subjects: Management in times of crisis, Crisis in the banking system, Talent management in times of crisis, Governance, risk compliance and Flexibility in organisations. Evert Kooistra also took the Ethics for auditors in business course. Pieter Aartsen has not participated in the education programme for executive directors in 2012.

Deviations

According to Article 6.3.4 of the Banking Code, shares allocated to executive directors without financial consideration must be retained for a period of at least five years in each case or at least until the end of the employment relationship, if this is shorter. Article 6.3.4 of the Banking Code corresponds to best practice provision 11.2.5 of the Code mentioned above. As regards the deviation from Article 6.3.4. of the Banking Code and the reasons for doing so, see the statement with regard to best practice provision II.2.5 of the Code.

BinckBank complies with Article 6.3.4 to the extent that calculated from the date of unconditional allocation, BinckBank shares only have to be retained for a period of two years (instead of five years) or until the end of the employment. With this shorter retention period of two years instead of five years, BinckBank complies with the regulations for a variable remuneration as specified in the Regulation for a Controlled Remuneration Policy in the Wft 2011. In BinckBank's opinion, the conditional allocation of a substantial part of a variable performance fee (as stated in the Regulation for a Controlled Remuneration Policy in the Wft 2011) in combination with a retention period of two years is sufficient to meet the objective of a long-term commitment to the company and its related business.

Article 3.2.3 of the Banking Code states that all executive directors must sign a moral and ethical conduct declaration, the text of which must be made generally available and published on the website of BinckBank. It should constitute a guide for the actions of BinckBank employees. The notes to the Banking Code include a model declaration that each bank can supplement as it sees fit.

BinckBank has made use of this. Since its incorporation in the banking sector, BinckBank has distinguished itself by pursuing an independent and self-determined course, that features a strong customer orientation and a high degree of transparency, in combination with sound business practice. The executive directors of BinckBank have amended the model moral and ethical declaration so as to more closely reflect the specific nature and profile of BinckBank and the relevant legislation and regulation. The text of the declaration can be viewed at www.binck.com.

The Management and Supervision (Public and Private Companies) Act

The Management and Supervision (Public and Private Companies) Act introduced on 1 January 2013 includes a non-binding guideline for a balance between men and women on the executive and supervisory boards of large companies. An executive or supervisory board of a large company has a balanced composition if at least 30% of the members are female and at least 30% are male.

The boards at BinckBank do not currently meet the criteria for balanced composition as stated in the Management and Supervision Act, since a search in the market has not so far led to our finding a suitable candidate. This matter will be returned to the agenda in the near future. With external assistance, we will study whether compliance with the balanced composition criterion in the Management and Supervision Act is feasible in view of the applicable profile description.

Article 10 of the Takeover Directive

Under Article 10 of the Takeover Directive, BinckBank is obliged to include the following information in its annual report:

a. An overview of the company's capital structure is included on pages 102 and 103 of this annual report. This explains the various types of shares and the rights attached thereto (including special control rights), the obligations and the percentage of issued capital represented by each type of share;
b. The company has not imposed any restrictions on the transfer of shares;
c. Shareholdings in the company which have to be reported pursuant to Section 5.3 Wft are listed on page 27 of this annual report;
d. Special control rights attached to shares held by the Foundation are stated on pages 102 and 103 of the annual report;
e. Control of the scheme whereby rights are allocated to employees to take or receive shares in the capital of the company or a subsidiary company is exercised by the IAD and the Compliance department;
f. No restrictions apply to the voting rights attached to the company's shares. No depositary receipts for shares have been issued;
g. The company is only aware of a restriction regarding the transfer of BinckBank shares that arises as a result of the remuneration policy in force and similar restrictions applying to other employees of BinckBank;
h. The procedures for appointing and dismissing supervisory and executive directors and the regulations applying to amendments to the articles of association are established in the company's articles of association and are described in general terms on page 104 and 105 of the annual report. For the full text of the articles of association, see www.binck.com;
i. The powers of the executive board with particular reference to the issuance of the company's shares and the repurchase of shares by the company are described on pages 102 and 103 of the annual report. For further information, see the company's articles of association and the minutes of the General Meeting of Shareholders at www.binck.com;
j. The service agreement concluded with Friesland Bank N.V. in 2006 states that the agreement can be terminated with immediate effect in the event of a specifically described change of control at BinckBank. The joint venture agreement with Delta Lloyd Levensverzekering N.V. concluded on 6 July 2010 includes a change of control clause that entitles the other party to terminate the agreement in this event. The service agreement concluded with SNS Bank N.V. on 30 September 2010 states that the agreement can be terminated with immediate effect in the event of a specifically described change of control at BinckBank;
k. Information on severance arrangements with executive directors is provided in the remuneration report for 2012.

Conclusion

BinckBank complies with virtually all the provisions of the Code and the Banking Code. Any deviations have been properly explained and substantiated.

From left to right: Mr. Leo Deuzeman, Mr. Hans Brouwer, Mr. Kees Scholtes and Mr. Fons van Westerloo

Report of the supervisory board

Message by the chairman of the supervisory board

Dear readers,

We hereby present the report of the supervisory board for 2012. The financial statements have been audited by Ernst & Young Accountants LLP and have been furnished with an unqualified audit opinion, the text of which is included on pages 214 and 215.

BinckBank was not able to avoid the effects of the general downturn in the financial markets in 2012, and had to deal with the resulting decline in investor activity. Together with increasing competition, regulatory pressure (such as the introduction of a Financial Transaction Tax in France) and the more intense supervision exercised by the regulators, 2012 has been a challenging year for BinckBank. Nevertheless, BinckBank's result held up well in 2012. The Binck360 service was introduced in the Netherlands and Binck reduced its fee structure as of 1 October 2012. Binck360 is a modern platform specially designed in collaboration with and for active investors. At the same time, a new, advanced Portfolio Based Margin system was introduced. American options were also added at the beginning of 2012.

Alex Asset Management developed positively, with a significant inflow of assets under management. Alongside Professional Services, Alex Asset Management forms one of the pillars that should secure more stable income in future and make BinckBank less dependent on stock market sentiment. Professional Services continued to develop well and was able to expand its product offering in 2012.

Binck achieved a successful commercial launch of its new branch in Italy.

At executive board level, Nick Bortot let it be known that he would leave BinckBank on 1 January 2013 to pursue other challenges. Koen Beentjes (CEO) has taken over his duties and has thus become the executive director with responsibility for Retail and the foreign branch offices . The remuneration policy for the executive board was amended and the company's articles of association were amended in connection with the two-tier board structure that applies to BinckBank. There were political developments that could negatively affect BinckBank's performance. Depending on the actual details, the introduction of a financial transaction tax in the Netherlands could negatively affect the financial results of BinckBank. We are moreover concerned that the increasing legislation and regulation and more intense supervision could lead to (significantly) higher costs. Strict control of costs will be essential in order to be able to ensure profitability of the business in future.

The main objectives for 2012 were realised, as a result of both the leadership of the executive board and the other managers and the commitment, expertise and dedication of all our employees.
We wish to express our appreciation to the executive board and the employees for the commitment and involvement they have demonstrated throughout the year.

Amsterdam, 7 March 2012

C.J.M. Scholtes (Chairman of the supervisory board)

Duties of the supervisory board

Supervision
The supervisory board is charged with the supervision of the policy of the executive board and the general developments at the company and its affiliated companies.

In the exercise of its duties, the supervisory board focuses on the interests of the company and its affiliated companies, taking the interests of those involved in the company into consideration. The supervisory board is also involved in the social aspects of business operation relevant to the Company.

Advice
The supervisory board also advises the executive board.

Other
The supervisory board is moreover charged with all duties assigned to it by law and under the articles of association. Certain key resolutions by the executive board are subject to the approval of the supervisory board.

Composition of the supervisory board

Composition
The composition of the supervisory board is currently as follows:
C.J.M. Scholtes (chairman)
J.K. Brouwer (vice-chairman)
L. Deuzeman
A.F.M. van Westerloo

The information on the supervisory directors referred to in best practice provision III.1.3 and elsewhere in the Code is provided on pages 120 and 121.

Independence
The composition of the supervisory board is such that the supervisory directors can operate independently within the framework of the profile description of the supervisory board, both in relation to each other, the executive board or any other particular interest. The supervisory board meets the independence criteria stated in best practice provision III.2.1 of the Code.

Meetings of the supervisory board and its subcommittees in 2012

Meetings of the supervisory board

Frequency
The supervisory board held its regular combined meetings with the executive board in attendance on eight occasions in 2012. The meetings took place in January, March, April, June, July, October, November and December. In addition, the chairman, and on certain occasions an individual supervisory director, held informal discussions with the executive directors. The supervisory board moreover held separate meetings on two occasions in 2012. The number of meetings illustrates the close involvement of the supervisory board with the company. A similar meeting schedule will be used by the supervisory board in 2013.

Attendance

The supervisory directors attended all the meetings. Failure to attend is only acceptable in case of force majeure. The availability of the supervisory directors and the executive board for interim consultation was satisfactory.

Agenda items

General

The agendas for the meetings of the supervisory board covered virtually all aspects of the company's business. In each case, the agenda was drawn up by the chairman of the supervisory board in consultation with the chairman of the executive board. The items discussed at the meetings included the following: the strategy, the interests of the various stakeholders, the principal risks associated with the company, the results of the executive board's evaluation of the design and operation of the internal risk management and control systems, as well as significant changes thereto. Attention was also devoted to matters such as the budget, and internal and external financial quarterly, half-yearly and annual reports. Recurring and mandatory items such as the regular progress reports and the discussion of reports by the auditor (with the external auditor in attendance) were also dealt with at the meetings of the supervisory board.

Specific items

Specific items of attention in 2012 were as follows:

- **Evaluation of strategy**
  Together with the executive board and assisted by an adviser, the supervisory board considered BinckBank's strategic positioning. It was considered likely that BinckBank's online retail brokerage business would encounter increasing competition and declining fees, both nationally and internationally. It is probable that the retail brokerage business in Europe will undergo a phase of consolidation in due course, and therefore BinckBank needs to achieve sufficient scale and cost control in order to prepare for this development.

  BinckBank will need to continually increase the number of transactions effected on its Retail Base Platform. The way to achieve this is mainly through controlled European expansion, of the Retail brokerage business, which can be achieved through organic growth and/or acquisitions. Further expansion in Europe will only be appropriate at such time as market conditions improve. The decision between organic growth and acquisitions will of course require careful consideration. Closer cooperation between Professional Services and Syntel, as well as further expansion of the asset management activities, is appropriate given our objective of diversifying our sources of income.

  The result of the evaluation is that the securities services currently offered will continue to be part of the core business in future. The asset management activities in the Netherlands will be gradually, with limited investment, diversified and expanded. Potential acquisitions will continue to be studied and evaluated. Cost savings will be introduced where possible.

- **Remuneration committee**
  Financial institutions are facing increased complexity of legislation and regulation with respect to remuneration and more critical attention from the public and the regulators regarding the structure, design and implementation of the remuneration policy for employees of financial institutions, as well as the responsibility of the supervisory board in this area. For this reason, it was decided that a remuneration committee should be formed for BinckBank N.V. as of 1 January 2012. The remuneration committee currently consists of two supervisory directors, Mr Van Westerloo (chairman) and Mr Scholtes. The remuneration committee is part of the supervisory board and prepares for resolutions by the supervisory board in relation to remuneration. The remuneration committee moreover forms the initial contact point for the control functions at BinckBank that are also involved in remuneration at BinckBank pursuant to the Regulation for a controlled remuneration policy in the Wft 2011. A resolution to amend the remuneration policy in line with the above was adopted at the annual General Meeting of Shareholders in 2012.

- **Integration of Professional Services and Syntel**
  There was an intensive exchange of views with the executive board regarding the further integration of Professional Services and Syntel, which was assessed from commercial, strategic and operational perspectives. It is a relevant consideration that a single view of the market should be developed whereby a choice would be made for offering a licence or using a BPO variant. The integration of Professional Services and Syntel will be further implemented in 2013.

- **Professional Services models**
  There was an exchange of views with the executive board regarding diversification of the service models of Professional Services. The introduction of alternative service models will adequately reflect the changing view of the regulators regarding fees received from third parties.

- **Executive board targets in 2012**
  The supervisory board fulfilled its responsibility for determining the remuneration of the executive board. The targets for the executive board were established with care. The supervisory board considers it important that measurable targets are established as far as possible. The supervisory board has moreover held discussions with the individual executive directors regarding their ambitions for the future.

- **Evaluation of the share buy-back programme**
  The supervisory board evaluated the share buy-back programme with the executive board. This did not lead to any change to existing views.

- **Redesign of ICT**
  The supervisory board discussed a change to the ICT organisation with the executive board in order to make the ICT organisation more efficient and effective. The supervisory board requested that attention should be given to continuing to ensure a proper governance structure for the ICT organisation. The executive board has adopted and implemented this advice.

- **Division of duties in the executive board**
  Partly in view of the departure of Nick Bortot, the supervisory board discussed the division of duties of the individual executive directors with the executive board. This resulted in the CEO, Mr Beentjes, taking responsibility for the Retail business unit. After Mr Bortot's departure, Mr Kooistra took over some of the duties of Mr Beentjes.

- **Operation of the executive board and supervisory board**
  Without the presence of the executive board, the supervisory board has discussed the operation of the supervisory board as a whole and of its individual members and its committees, the effectiveness of the permanent education referred to in Article 2.1.8 of the Banking Code and any conclusions that should be drawn from the above. Also in consideration of the above, the assessment took place in full session in the context of the profile, composition and competence of the supervisory board and of the individual members. Such an assessment clearly has to be made with the necessary prudence. Also in the absence of the executive board, the supervisory board discussed both the performance of the executive board as a whole and of the individual executive directors. The supervisory board's assessment included the consideration of whether the executive directors were able to continue to meet the expertise requirements of DNB. This assessment also took place in full session. The supervisory board concluded unanimously that the executive board and the individual executive directors performed well last year. The executive board operates as a well-attuned team in which the individual members performed extremely well, continuing to pay attention to the specific areas of expertise assigned to them and operating from a broad, communal platform of responsibility. Within this context, the exchange of specific information regarding these areas of expertise between the individual executive directors as well as between the executive board and the supervisory board, has been both timely and of high quality, enabling those involved to properly perform their duties. Since the executive directors, each operating from their own specific background, have pro-actively and intensively exchanged information and experience, they have succeeded in implementing the principles of collective management.

Meetings of the audit committee in 2012

The supervisory board has appointed an audit committee from among its number, consisting of Messrs J.K. Brouwer (chairman), C.J.M. Scholtes and L. Deuzeman. The meetings of the committee are attended by Messrs K.N. Beentjes (chairman of the executive board), E.J.M. Kooistra (CFO), V. Casarrubios Sterkman (IAD manager) and M. de Jong (Compliance manager). The audit committee meets the applicable independence requirements and has sufficient members with the required financial expertise. The audit committee met on four occasions in 2012, in February, June, September and November.

The audit committee is responsible for overseeing the design, existence and operation of the system of internal control and risk management measures, for monitoring implementation of the external auditor's recommendations and for the functioning of the IAD.

Supervision of financial information provided by the company is the responsibility of the supervisory board, based on relevant recommendations by the audit committee. Almost all meetings were attended by the chairman of the executive board and the CFO of BinckBank.

The main items discussed by the audit committee concerned the audits conducted by the IAD and the Legal & Compliance department and the associated findings and recommendations. The audit committee generally assessed the design, existence and operation of the internal control measures as adequate in relation to the risk areas reviewed. As in 2011, progress was made in implementing the internal risk management system in a Governance-Risk-Compliance application this year. The processes, risks and control measures are entered in this application, enabling the effectiveness of the identified control measures to be clearly established. The activities in relation to the application were transferred to the Internal control department in June 2012. In addition to the regular items of attention such as the management letter and audit plan from Ernst & Young, particular attention was devoted to the implementation of the Portfolio Based Margin application, Service de Règlement Différé (SRD), portfolio management, BPO migrations and the ACP report.

The audit committee carries out preparatory work in order to facilitate the supervision conducted by the supervisory board.

Meetings of the risk and product development committee in 2012

The risk and product development committee (RPC), as referred to in the Banking Code, consists of the supervisory directors L. Deuzeman (chairman of the RPC), J.K. Brouwer and A.F.M. van Westerloo. Three executive directors, namely Messrs K.N. Beentjes, E.J.M. Kooistra and N. Bortot also sit on the risk committee, along with the managers of relevant departments. The duties of the RPC include advising the supervisory board with regard to the company's risk profile and risk appetite. Almost all meetings were attended by the chairman of the executive board and the CFO of BinckBank.

The RPC met on five occasions in 2012, in March, May, June, September and November and devoted particular attention to the following items: Alex Asset Management, the introduction of Binck 360 and the introduction of US options. The RPC has reviewed these services with reference to all the relevant risks, including the interests of and the duty of care towards the customer. The RPC moreover oversees the risk appetite, risk profile and assesses the adequacy of the company's capital and liquidity. The committee furthermore is regularly informed with respect to the current solvency and liquidity and the effects thereof in times of stress. In addition, the RPC monitors the composition of the investment portfolio and the development of BinckBank's key risk indicators over time. This enables it to promptly identify any changes to the bank's risk profile.

Remuneration committee 2012

BinckBank has had a remuneration committee since 25 January 2012, which is responsible for preparing for resolutions regarding remuneration, including those affecting the risks and the risk management of BinckBank that the supervisory board has to take. With respect to these resolutions, the remuneration committee considers the long-term interests of the shareholders, investors and all other stakeholders of BinckBank. The remuneration committee currently consists of Mr van Westerloo (chairman) and Mr Scholtes. The remuneration committee met on four occasions in 2012.

Summary of the remuneration report

General

Best practice provision II.2.12 of the Code stipulates that information must be included in the remuneration report as to the manner in which the remuneration policy of the preceding year has been implemented. In addition, it must contain a remuneration policy overview for the following and subsequent years as envisaged by the supervisory board. The remuneration report for calendar year 2012 (Remuneration Report 2012) is available at www.binck.com.

A new remuneration policy for the executive board (BinckBank Remuneration Policy) was adopted at the annual general meeting in 2012 that is in line with the Regulation for a controlled remuneration policy in the Wft 2011 (the 'Regulation'). The Regulation is a supervisory measure that is based on the powers of De Nederlandsche Bank (DNB) to set rules with respect to executive pay. The important changes are that the remuneration policy will apply to the entire organisation and that a substantial part of the variable remuneration will be awarded on a conditional basis. A variable remuneration will become fully or partially unconditional on the basis of a reassessment that must be made on the basis of the applicable performance criteria after a certain period has elapsed. No dividend may be paid on shares that have been conditionally awarded. A risk adjustment may be required in the assessment of whether the applicable performance criteria have been met.

In consideration of the above, the following report describes the manner in which the remuneration of the executive board in 2012 was established by the supervisory board – in accordance with the provisions of the BinckBank Remuneration Policy - and gives a summary of the remuneration policy for the next and subsequent years as envisaged by the supervisory board.

BinckBank Remuneration Policy

Introduction

The BinckBank Remuneration Policy is the framework used by the supervisory board to establish the remuneration of the executive directors of BinckBank N.V. ('the executive directors') for the 2012 calendar year.

Remuneration elements

The BinckBank Remuneration Policy comprises the following remuneration components:

a. fixed gross annual salary;
b. variable remuneration;
c. pension scheme and supplementary disability insurance;
d. car lease scheme and reimbursement of mobile telephone charges.

A description of each element in the BinckBank Remuneration Policy and the way in which it was implemented by the supervisory board during the calendar year 2012 is given below.

a. Fixed gross annual salary

<u>BinckBank Remuneration Policy</u>
The fixed gross annual salary is established by the supervisory board within a framework indicated in the BinckBank Remuneration Policy. A distinction is made between the tasks and responsibilities of the chairman and of the other executive directors.

<u>Implementation</u>
The fixed gross annual salaries remained unchanged, with the exception of the salary for Mr E. Kooistra, who received a salary increase on the occasion of his reappointment as of 1 May 2012. The salary increase was in line with the BinckBank Remuneration Policy and is approved by the supervisory board:

K.N. Beentjes	€ 375,000
P. Aartsen	€ 325,000
E.J.M. Kooistra	€ 325,000
N. Bortot	€ 300,000

b. Variable remuneration

BinckBank Remuneration Policy

A variable remuneration consists of 50% in BinckBank shares and 50% of cash. A variable remuneration may not exceed the fixed gross annual salary. The period in which a variable remuneration is earned is one year; this is known as the performance period. A number of performance criteria are established for this period, in the form of a considered package of qualitative and quantitative financial and non-financial criteria focused on both the short term and the long term. After the performance period has elapsed, an evaluation is made to determine whether, and if so to what extent, the performance criteria have been realised. This evaluation may involve an adjustment for risk.

50% of the total variable remuneration awarded is allocated unconditionally. The other 50% is allocated conditionally over a period of three years on a pro rata basis. A reassessment is made on the basis of the initial performance criteria at the end of each year (within the three-year period). Depending on the result of the reassessment, the part of the variable performance fee allocated for the year in question pro rata becomes fully or partially unconditional.

BinckBank shares awarded unconditionally must be held by the executive director in question for a period of at least two years.

Implementation

The financial target for 2012 of an adjusted net profit of € 0.96 per share was not realised. The adjusted net annual profit per share came to € 0.76. This represents in total 79% of the target to be realised and exceeds the minimum threshold of 90% of the budgeted adjusted net annual profit per share.

The qualitative targets for 2012 were realised to an extent of 37.5%. As concerns Retail, these targets were growth of the number of customers and transactions in the Netherlands, Belgium, France and Italy in line with the budget for 2012, improving the service provision in the Netherlands, including increasing the level of customer satisfaction to a score of at least 8 for the Binck and Alex brands and a successful launch in Italy in the third quarter of 2012. The qualitative target for Savings & Investment Management was growth of the number of customers in line with the business plan, which envisaged a net increase of 5,250 and inflow of net new funds of € 235 million. The qualitative targets for Professional Services were growth of the number of transactions and growth of commission sales in both the Netherlands and Belgium in line with the budget for 2012. In addition, two BPO contracts have to be concluded in the Netherlands and Belgium with an annual BPO fee of at least € 1.5 million per BPO contract.
The qualitative targets for ICT were improving (the design of) the OTAS environments, the test process and the change management process. The availability of the platform must also be at least 99.9%. For the joint venture with TOM, the qualitative targets formulated were expanding the derivatives order flow (Binck + ABN AMRO) and a substantial reduction in the costs of the platform. The qualitative targets set for supervision and audit were as follows: High Risk Findings of DNB, E&Y or IAD should be no more than six months overdue and losses as a result of operational risks should be less than 1% of the total gross commission income. The quantitative target for the strategy element was to formulate a sustainable strategic plan. This target for 2012 was fully realised.

The quantitative targets in relation to the long-term development of the number of Retail brokerage transactions, assets under administration at Retail Brokerage, assets under management for the asset management product, the number of BPO agreements and the development of earnings towards break-even in Italy in 2015 were achieved to an extent of 60%.

In view of the above, the overall targets were achieved to a degree of 31.6%. However, in view of the negative market developments and the current situation at the company, the supervisory board has set the level of achievement of the targets set for 2012 by the executive board at 15%. There are no grounds for differentiation between the individual directors.

In view of the contribution Mr Bortot has made to the company, the supervisory board considered it fair to award Mr Bortot a gross severance payment of € 300,000 on his departure as of 1 January 2013.

c. Pension scheme and supplementary disability insurance

BinckBank Remuneration Policy and its implementation
Executive directors participate in a pension scheme in which 20% of the gross annual salary is paid by the company each year as pension contribution for a defined contribution scheme. BinckBank pays 50% of the premium for the supplementary disability insurance, which entitles the insured person to receive a maximum of 70% of their last-earned salary. The premium is 2.36% of the insured sum per year. Executive directors participated in this scheme in 2012.

d. Car lease scheme and mobile telephone reimbursement

BinckBank Remuneration Policy and its implementation
Executive directors participate in the relevant BinckBank car lease scheme and are reimbursed for mobile telephone costs. Executive directors participated in this scheme in 2012.

Remuneration of members of the executive board

Remuneration of the executive board in 2012	Fixed basic remuneration	Pension contribution 20%	Severance payment**	Performancerelated pay 2012*	Total remuneration (fixed + variable) ****	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2012	of which shares in lock-up period	Shares still to be received in relation to previous financial years***
K.N. Beentjes	€ 375,000	€ 75,000		€ 56,250	**€ 506,250**	15%	37,787	23,712	6,885
P. Aartsen	€ 325,000	€ 65,000		€ 48,750	**€ 438,750**	15%	45,750	16,325	5,967
E.J.M. Kooistra	€ 316,667	€ 63,333		€ 47,500	**€ 427,500**	15%	35,548	18,696	5,508
N. Bortot	€ 300,000	€ 60,000	€ 300,000	€ 45,000	**€ 705,000**	15%	60,191	16,104	5,508
Total	**€ 1,316,667**	**€ 263,333**	**€ 300,000**	**€ 197,500**	**€ 2,077,500**		**179,276**	**75,110**	**23,868**

** The fixed salary for E.J.M. Kooistra is increased by resolution of the supervisory board from € 300,000 to € 325,000 as of 1 May 2012.*

*** The severance payment will be paid in early 2013.*

**** Shares still to be received in relation to previous financial years are subject to a reassessment of the performance delivered in the performance year in question.*

***** Excluding social insurance and crisis levy.*

Remuneration of the executive board in 2011	Fixed basic remuneration	Pension contribution 20%	Performance-related pay 2011	Total remuneration (fixed + variable) **	Variable as a % of fixed remuneration	Shares BinckBank held at year-end 2010	of which shares in lock-up period
K.N. Beentjes	€ 375,000	€ 75,000	€ 229,419	**€ 679,419**	61%	30,901	16,826
P. Aartsen	€ 325,000	€ 65,000	€ 198,831	**€ 588,831**	61%	42,885	13,460
E.J.M. Kooistra	€ 300,000	€ 60,000	€ 183,536	**€ 543,536**	61%	30,039	13,460
N. Bortot	€ 300,000	€ 60,000	€ 183,536	**€ 543,536**	61%	57,547	13,460
Total	**€ 1,300,000**	**€ 260,000**	**€ 795,322**	**€ 2,355,322**		**161,372**	**57,206**

** Payment of the performance remuneration is made in accordance with the remuneration policy approved by the shareholders at the AGM in 2012.*

*** Excluding social insurance.*

Loans granted to members of the executive board

No loans have been granted to executive directors. Executive directors may take out a collateralised lending facility on the conditions applying to all employees.

Remuneration of members of the supervisory board and subcommittees in 2012

The annual general meetings of shareholders in 2010 and 2011 decided to apply the following remuneration for members of the supervisory board and its subcommittees:

Supervisory board

Annual remuneration:

- Chairman of the supervisory board € 40,000 gross
- Supervisory directors € 26,000 gross

Committees

Annual remuneration for committee members:

- Chairman of the audit committee € 8,000 gross
- Members of the audit committee € 6,000 gross
- Chairman of the risk and product development committee € 8,000 gross
- Members of the risk and product development committee € 6,000 gross
- Chairman of the remuneration committee € 8,000 gross
- Members of the remuneration committee € 6,000 gross

The remuneration awarded to supervisory directors was in accordance with the above. The tables below give an overview of the remuneration of the supervisory board, the audit committee, the risk and product development committee and the remuneration committee. An overview of the remaining terms of appointment for the individual supervisory directors is also presented.

Overview of remuneration of supervisory directors

Remuneration of the supervisory board 2011	Fixed remuneration member of RVC	Fixed remuneration member of AC	Fixed remuneration member of RPC	Fixed remuneration member of REMCO	Total
C.J.M. Scholtes	€ 40,000	€ 6,000	-	€ 6,000	€ 52,000
J.K. Brouwer	€ 26,000	€ 8,000	€ 6,000	-	€ 40,000
A.F.M. van Westerloo	€ 26,000	-	€ 6,000	€ 8,000	€ 40,000
L. Deuzeman	€ 26,000	€ 6,000	€ 8,000	-	€ 40,000
Total	**€ 118,000**	**€ 20,000**	**€ 20,000**	**€ 14,000**	**€ 172,000**

Remuneration of the supervisory board 2010	Fixed remuneration member of RVC	Fixed remuneration member of AC	Fixed remuneration member of RPC	Fixed remuneration member of REMCO	Total
C.J.M. Scholtes	€ 40,000	€ 6,000	-	-	€ 46,000
J.K. Brouwer	€ 26,000	€ 8,000	€ 6,000	-	€ 40,000
A.F.M. van Westerloo	€ 26,000	-	€ 6,000	-	€ 32,000
L. Deuzeman	€ 26,000	€ 6,000	€ 8,000	-	€ 40,000
Total	**€ 118,000**	**€ 20,000**	**€ 20,000**	**-**	**€ 158,000**

Overview of the terms of appointment of supervisory directors

Overview of terms of appointment SB members	Date of (re)appointment	Date of contract expiry
C.J.M. Scholtes	27-4-2011	AvA 2015
J.K. Brouwer	28-4-2009	AvA 2013
A.F.M. van Westerloo	26-4-2010	AvA 2014
L. Deuzeman	26-04-2011	AvA 2015

Consultation with the works council

Mr C.J.M. Scholtes represented the supervisory board at a meeting with the works council on 20 January 2012. Mr A.F.M. Van Westerloo has repeatedly consulted with the works council in 2012. The works council met with the supervisory board at a supervisory board meeting on 18 October 2012. The supervisory board highly values its relationship with the works council, and has found its contact with its members to be constructive and valuable.

Financial statements and dividend

The 2012 financial statements were discussed and adopted by the supervisory board during its meeting on 7 March 2013 with the executive board and Ernst & Young (the external auditor). Ernst & Young has issued an unqualified audit opinion. The financial statements will be submitted to the General Meeting of Shareholders for adoption on 22 April 2013. The proposed dividend for 2012 is € 0.45 per ordinary share. Taking account of the interim dividend of € 0.17 already paid, the final dividend proposed amounts to € 0.28 (€ 0.21 per ordinary share plus € 0.07 additional dividend) per ordinary share, subject to deduction of 15% dividend tax, to be made payable on 29 April 2013. Since the proposed dividend payment for 2012 is higher than the net profit for the 2012 financial year, BinckBank is obliged pursuant to Section 3:96 Wft to obtain a statement of no objection from DNB.

Supervisory board members

Kees J.M. Scholtes, chairman

(1945 – Dutch nationality)

Mr Scholtes has been a member of the supervisory board for BinckBank since 2004 and was reappointed for a term of four years during the annual General Meeting of Shareholders of 26 April 2011. The supervisory board has appointed Mr Scholtes chairman of its board.

Mr Scholtes is a former executive director of Postbank N.V., NMB Postbank N.V. and ING Bank N.V., a former member of the executive committee of ING Asset Management B.V. and a former supervisory director of various investment funds at Postbank N.V., NMB Postbank N.V. and ING Bank N.V. In addition, Mr Scholtes was a former supervisory director for Parcom N.V., Barings Private Equity Holding, Euroclear Nederland (predecessors in title Niec and Necigef) and RBC Dexia Securities Services N.V. (former CDC Labouchere Securities Services N.V.) and a former member of the board of the Amsterdam Stock and Options Exchange (now NYSE Euronext). Mr Scholtes was also project manager during the formation of the Dutch Securities Institute and the Financial Services Foundation. Mr Scholtes has now ceased his activities at IBUS and Kunst en Cultuur.

Mr Scholtes is currently a director of the financing company Colonade B.V. and he has been appointed by the Enterprise Division of the Amsterdam Court of Appeal as a director of Harbor Antibodirs B.V. of Rotterdam. He is also regularly involved as a member of investigation committees of the Enterprise Chamber of the Amsterdam Court of Appeal. Mr Scholtes was involved in the investigations of Fortis and Van der Moolen, among other cases.

Number of BinckBank shares held at year-end 2012: 0

Hans J.K. Brouwer

(1944 – Dutch nationality)

Mr Brouwer has been a member of the supervisory board of BinckBank since 2004 and was reappointed for a term of four years during the annual General Meeting of Shareholders on 28 April 2009.

In 1981, following a military career as cavalry officer, Mr Brouwer took up employment with the ABN Bank, during which time he was involved in various activities, among which the reorganisation of senior kader recruitment and training, the reorganisation of lending operations and foreign office development in regions such as Europe, the Middle East and the Far East. In 1988, Mr Brouwer was appointed board member of the Amsterdam Stock Exchange Association (VvdE), where he was responsible for regulations, trade supervision and – as a special project – restructuring the entire Amsterdam Stock Exchange Association organisation. Following the successful restructuring of the organisation, Mr Brouwer was appointed general director of the Amsterdam Stock Exchange Association in 1991. After the successful merger between the Amsterdam Stock Exchange and EOE Options Exchange into Amsterdam Exchanges (AEX) on 1 January 1997, he was appointed director of Amsterdam Exchanges N.V. and general manager of AEXEffectenbeurs N.V.

Shortly before the merger with the Paris and Brussels stock exchanges (2002) – Euronext – Mr Brouwer withdrew from his position at Euronext and has since held a number of supervisory directorships at Van Meijel, Nobel, Ewals Cargo Care, Vital Innovators, Holland Clearing House and BinckBank. The supervisory directorship at Nobel was terminated in 2012. He is also a member of the supervisory board of Vita Valley. He also holds directorships at the Stichting Vereniging voor de Effectenhandel (Dutch Securities Trading Association), Amindho (economic and cultural relations between the Netherlands and Indonesia) and the Jazz Orchestra of the Concertgebouw. At the request of, among others, the World Bank, Mr Brouwer and a team of stock exchange specialists accompanied the set-up and further expansion of stock exchanges in various countries. A similar project was also completed in Baku, Azerbaijan.

Number of BinckBank shares held at year-end 2012: 0

Leo Deuzeman

(1952 – Dutch nationality)

Mr Deuzeman was reappointed for a period of four years as a member of the supervisory board of BinckBank during the annual General Meeting of Shareholders on 26 April 2011.

Mr Deuzeman is a business economist and was employed by Deloitte as a chartered accountant from 1979 to 1986. In the period 1976-1979, he was connected to the University of Groningen as a scientific member of staff with the Financial Department of the Faculty of Economic Sciences. From 1990 to 1998 and from April 2003 to April 2007, he held the position of CFO at Kempen & Co N.V., at which bank he fulfilled the role of director of finances and administration from 1986 to 1990. In addition, Mr Deuzeman was a managing partner of Greenfield Capital Partners N.V. from 1998 to 2003 and held positions as a member of the board with Publifisque B.V., Managementmij Tolsteeg B.V., Kempen Management B.V., Asmey B.V., Arceba B.V., Kempen Finance B.V., Global Property Research B.V., Kempen Deelnemingen B.V., Greenpart B.V., Greenfield Management Services B.V. and Nethave Management N.V. He was also a supervisory director for Trustus Capital Management B.V., Engage B.V., Cegeka N.V. and Kempen Custody Services N.V. Mr Deuzeman is currently a supervisory director of Blue Sky Group and chairman of the supervisory board of Intereffekt Investment Funds. He is a supervisory director and member of the advisory board of the investment fund Monolith Fund in Amsterdam and a supervisory director of Capital Guards in Rotterdam.

Number of BinckBank shares held at year-end 2012: 0

Fons M. van Westerloo

(1946 – Dutch nationality)

Mr van Westerloo has been a member of BinckBank's supervisory board since 2004. He was reappointed for a term of four years during the annual General Meeting of Shareholders on 26 April 2010.

Mr van Westerloo formerly held positions as a member of the Operational Management Committee for RTL Group S.A., CEO of RTL Nederland B.V., CEO of SBS Broadcasting B.V., director of RTL 5 and deputy manager of broadcasting organisation AVRO.

Mr van Westerloo currently holds supervisory directorships at Inshared, a subsidiary of Eureko/Achmea, the Lotto, on behalf of NOC/NSF, chairman of the supervisory board at Independer.nl and supervisory director of Persgroep Nederland. He is a member of the Board of Supervision of the advertising agency DDB and a member of the Advisory Board of 3stone commercial real estate agents. He is chairman of the Nationale Stichting Thuiswinkel Awards.
He is an executive director of the Royal Concertgebouw Orchestra, Het Nieuwe Parool Foundation and the Friends of the Concertgebouw and the Concertgebouw Orchestra Association. He is a supervisory director of Radio Netherlands Worldwide and of the public broadcaster WNL. He is also an ambassador for the Royal Dutch Opera. Mr van Westerloo is Officer in the Order of Orange-Nassau.

Number of BinckBank shares held at year-end 2012: 0

Amsterdam, 7 March 2013

The supervisory board
C.J.M. Scholtes (chairman)
J.K. Brouwer
L. Deuzeman
A.F.M. van Westerloo

FINANCIAL STATEMENTS
2012

Financial statements 2012 BinckBank N.V.

Consolidated financial statements

Consolidated statement of financial position

	Note	31 December 2012	31 December 2011
		x € 1,000	x € 1,000
Assets			
Cash and balances with central banks	6	365,362	320,214
Banks	7	144,916	278,955
Financial assets held-for-trading	8	168	119
Financial assets at fair value through profit or loss	8	15,876	15,594
Available-for-sale financial assets	9	1,515,549	1,682,452
Loans and receivables	10	323,008	324,097
Investment in associates and joint ventures	11	3,384	3,219
Intangible assets	12	263,142	292,398
Property, plant and equipment	13	43,684	46,229
Current tax	14	6,023	3,630
Other assets	16	20,818	35,137
Prepayments and accrued income	17	41,679	38,129
Derivative positions held on behalf of customers	18	254,165	311,282
Total assets		**2,997,774**	**3,351,455**
Liabilities			
Banks	7	20,060	28,161
Customer deposits	8	65	155
Financial liabilities held-for-trading	8	1,084	1,013
Financial liabilities at fair value through profit or loss	19	2,213,049	2,492,503
Provisions	20	2,400	2,940
Current tax	14	141	75
Deferred tax	15	19,919	16,633
Other liabilities	21	20,163	13,591
Accruals and deferred income	22	11,507	15,579
Derivative positions held on behalf of customers	18	254,165	311,282
Total liabilities		**2,542,553**	**2,881,932**
Equity attributable to:			
Owners of the parent	23	455,212	469,516
Non-controlling interests	23	9	7
Total equity		**455,221**	**469,523**
Total equity and liabilities		**2,997,774**	**3,351,455**

Consolidated income statement

	Note	2012		2011	
			x € 1,000		x € 1,000
Income					
Interest income		*42,723*		*54,625*	
Interest expense		*(10,699)*		*(15,718)*	
Net interest income	**24**		32,024		38,907
Fees and commission income		*144,630*		*176,989*	
Fees and commission expense		*(30,967)*		*(48,542)*	
Net fee and commission income	**25**		113,663		128,447
Other income	**26**		11,980		13,322
Result from financial instruments	**27**		47		3,167
Impairment of financial assets	**28**		(2)		(268)
Total income from operating activities			157,712		183,575
Expenses					
Employee expenses	**29**	50,057		50,861	
Depreciation and amortisation	**30**	35,231		35,463	
Other operating expenses	**31**	37,139		43,800	
Total operating expenses			122,427		130,124
Result from business operations			35,285		53,451
Share in results of associates and joint ventures	**11**		(3,580)		(5,848)
Result before tax			31,705		47,603
Tax	**14**		(8,325)		(13,513)
Net result			**23,380**		**34,090**
Result attributable to:					
Owners of the parent			24,100		34,210
Non-controlling interests	**23**		(720)		(120)
Net result			**23,380**		**34,090**
Basic and diluted earnings per share (EPS)	**32**		€ 0.33		€ 0.46

Consolidated statement of comprehensive income

	Note	2012		2011	
			x € 1,000		x € 1,000
Net result from income statement			**23,380**		**34,090**
Other comprehensive income					
Net gain/(loss) on fair value of available-for-sale financial assets	23	11,289		5,625	
Gains and losses through profit and loss	23	-		(3,443)	
Tax on results through equity	23	(2,823)		(545)	
Other comprehensive income, net of tax			**8,466**		**1,637**
Total comprehensive income, net of tax			**31,846**		**35,727**
Result attributable:					
Owners of the parent			32,566		35,847
Non-controlling interests	23		(720)		(120)
Total comprehensive income, net of tax			**31,846**		**35,727**

Consolidated statement of cash flows

	Note	2012		2011	
			x € 1,000		x € 1,000
Cash flow from operating activities					
Net result for the year		23,380		34,090	
Adjustments for:					
Amortisation of intangible assets and depreciation of property, plant and equipment	**12,13**	35,231		35,463	
Provisions	**20**	(540)		1,672	
Amortisation premiums and discounts on available-for-sale financial assets	**9**	18,642		24,699	
Impairment losses on loans and receivables	**10**	12		(62)	
Movements in deferred tax	**15**	463		3,393	
Share in undistributed results of associates and joint ventures	**11**	3,580		5,848	
Other non-cash movements		2,017		(433)	
Movements in:					
Banks (assets)	**7**	132		(6,350)	
Financial assets and liabilities held-for-trading	**8**	(139)		155	
Financial assets at fair value through profit and loss	**8**	(211)		(2,210)	
Loans and receivables	**10**	1,077		172,231	
Taxes, other assets and prepayments and accrued income	**14,16,17**	8,376		(9,057)	
Banks (liabilities)	**7**	(8,101)		2,551	
Customer deposits	**19**	(279,454)		234,213	
Tax liabilities, other liabilities, accruals and deferred income	**14,21,22**	2,566		(35,408)	
Net cash flow from operating activities			**(192,969)**		**460,795**
Cash flow from investing activities					
Available-for-sale financial assets	**9**	159,550		(105,269)	
Held-to-maturity financial assets	-	-		4,121	
Investments in associates and joint ventures	**11**	(3,745)		(6,000)	
Investments in intangible assets	**12**	(390)		(1,782)	
Investments in property, plant and equipment	**13**	(3,040)		(7,650)	
Net cash flow from investing activities			**152,375**		**(116,580)**

Consolidated statement of cash flows (continued)

	Note	2012		2011	
			x € 1,000		x € 1,000
Cash fow from financing activities					
Capital injection non-controlling interests	23	722		200	
Buy-back of own shares	23	(18,005)		(964)	
Sale of own shares	23	-		502	
Dividends paid:					
• Final dividend preceding year	33	(17,605)		(20,022)	
• Interim dividend current year	33	(12,365)		(14,831)	
Net cash flow from financing activities			(47,253)		(35,115)
Net cash flow			**(87,847)**		**309,100**
Opening balance of cash and cash equivalents			589,711		280,180
Effect of exchange rate changes on cash and cash equivalents			(912)		431
Closing balance of cash and cash equivalents			500,952		589,711
The cash and cash equivalents presented in the consolidated cash flow statement are included in the consolidated balance sheet under the following headings at the amounts stated below:					
Cash	6	365,362		320,214	
Banks	7	144,916		278,955	
Banks – non-cash equivalents	7	(9,326)		(9,458)	
Total cash equivalents			500,952		589,711
Cash flow from operating activities includes the following items:					
• Tax paid			(10,718)		(12,194)
• Interest received			45,191		61,271
• Interest paid			(12,742)		(15,911)
• Commission received			140,140		180,801
• Commission paid			(30,940)		(48,863)

Consolidated statement of changes in equity

x € 1,000	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Other reserves	Unappropriated profit	Non-controlling interests	Total equity
1 January 2012		**7,450**	**373,422**	**(3,954)**	**(973)**	**59,361**	**34,210**	**7**	**469,523**
Net result for the year		-	-	-	-	-	*24,100*	*(720)*	*23,380*
Other comprehensive income		-	-	-	*8,466*	-	-	-	*8,466*
Total comprehensive income		-	-	-	8,466	-	24,100	(720)	31,846
Payment of final dividend FY11	33	-	-	-	-	-	(17,605)	-	(17,605)
Payment of interim dividend FY12	33	-	-	-	-	(12,365)	-	-	(12,365)
Grant of rights to shares	23					1,105			1,105
Issue of shares to executive board and employees	23	-	-	420	-	(420)	-	-	-
Buy-back of shares	23	-	-	(18,005)	-	-	-	-	(18,005)
Capital injection non-controlling interests	23	-	-	-	-	-	-	722	722
Transfer of retained earnings to other reserves	23	-	-	-	-	16,605	(16,605)	-	-
31 December 2012		**7,450**	**373,422**	**(21,539)**	**7,493**	**64,286**	**24,100**	**9**	**455,221**

x € 1,000	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Other reserves	Unappropriated profit	Non-controlling interests	Total equity
1 January 2011		**7,450**	**373,422**	**(3,335)**	**(2,610)**	**49,819**	**44,240**	**(73)**	**468,913**
Net result for the year		-	-	-	-	-	*34,210*	*(120)*	*34,090*
Other comprehensive income		-	-	-	*1,637*	-	-	-	*1,637*
Total comprehensive income		-	-	-	1,637	-	34,210	(120)	(35,727)
Payment of final dividend FY10	33	-	-	-	-	-	(20,022)	-	(20,022)
Payment of interim dividend FY11	33	-	-	-	-	(14,831)	-	-	(14,831)
Sale of shares to executive board and employees	23	-	-	345		155	-		500
Buy-back of shares	23	-	-	(964)	-	-	-	-	(964)
Capital injection non-controlling interests	23	-	-	-		-	-	200	200
Transfer of retained earnings to other reserves	23	-	-	-	-	24,218	(24,218)	-	-
31 December 2011		**7,450**	**373,422**	**(3,954)**	**(973)**	**59,361**	**34,210**	**7**	**469,523**

Notes to the consolidated financial statements

1. General information

Company information
BinckBank N.V., established and registered in the Netherlands, is a public limited liability company incorporated under Dutch law, whose shares are publicly traded. BinckBank N.V. is officially domiciled at Barbara Strozzilaan 310, 1083 HN Amsterdam. BinckBank N.V. provides conventional and internet brokerage services in securities and derivatives transactions for private and professional investors. In this document, the name 'BinckBank' will be used to refer to BinckBank N.V. and its various subsidiaries.

The consolidated financial statements for BinckBank for the period ending on 31 December 2012 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 7 March 2013.

Executive board:
K.N. Beentjes (chairman)
E.J.M. Kooistra (CFO)
P. Aartsen
N. Bortot (up to and including December 31st 2012)

Supervisory board:
C.J.M. Scholtes (chairman)
J.K. Brouwer
L. Deuzeman
A.F.M. van Westerloo

Presentation of the financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board and endorsed by the European Commission.

Unless otherwise stated, the consolidated financial statements are in euros, with all amounts rounded to the nearest thousand. The figures stated in the tables are based on amounts that have not been rounded, and therefore rounding differences may occur.
As BinckBank's income statement for 2012 is included in the consolidated financial statements, a summary profit and loss account is sufficient in accordance with Section 402 of Book 2 of the Dutch Civil Code [Burgerlijke Wetboek, hereinafter 'BW'].

Implications of new, amended and improved standards
New and amended IFRS standards and IFRIC interpretations effective in 2012
New or amended standards take effect on the date as stated by IFRS and after ratification by the EU, whereby earlier application is permitted in some cases.

- IAS 12 Income taxes (revised) – effective for financial years commencing on or after 1 January 2012, concerning deferred tax on real estate investments measured at fair value. BinckBank has evaluated this standard and concluded that the change has no effect on its financial position and results.
- IFRS 1 First-time adoption of International Financial Reporting Standards (revised) – effective for financial years commencing on or after 1 July 2011, concerning hyperinflation and functional currency. Since BinckBank is not a first-time adopter of IFRS, the revised standard does not apply.
- IFRS 7 Financial instruments: disclosures - requires additional qualitative and quantitative disclosures with regard to transferred financial assets that are fully or partially derecognised but which still represent continuing involvement – effective for financial years commencing on or after 1 July 2011. The revision will lead to small adjustments to the disclosures, but will have no effect on the financial position and results.

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

- IAS 1 Presentation of the financial statements – effective for financial years commencing on or after 1 July 2012, concerning the presentation of the overall result. BinckBank expects no significant impact on its financial position and results.
- IAS 19 Employee benefits (revised) – effective for financial years commencing on or after 1 January 2013, intended to increase the transparency of financial reporting with regard to employee benefits, and in particular pensions. The effects will be very limited since BinckBank does not operate a defined benefit pension plan. BinckBank expects no significant impact on its financial position and results.
- IAS 32 Financial Instruments: offsetting financial assets and financial liabilities – effective for financial years commencing on or after 1 January 2014. BinckBank expects no significant impact on its financial position and results.
- IFRS 7 Financial instruments: disclosures (revised) – effective for financial years commencing on or after 1 January 2013, concerning the offsetting of financial assets and financial liabilities. BinckBank has assessed the standard and has concluded that additional information will be provided in the disclosure on arrangements with parties whereby offsetting of financial assets and financial liabilities is permitted.
- IFRS 9 Financial instruments, classification and measurement takes effect on 1 January 2015. This regulation is the first phase of a complete revision of IAS 39 Financial Instruments. BinckBank expects this standard to have consequences for the classification and measurement of its financial assets and liabilities, however the full effect will only become clear once all phases of this IASB project are completed.
- IFRS 10 Consolidated financial statements – effective for financial years commencing on or after 1 January 2013, introduces a new definition of control to be used to determine which entities will be consolidated, and describes the procedures for consolidation. BinckBank expects no significant impact on its financial position and results.
- IFRS 11 Joint arrangements – effective for financial years commencing on or after 1 January 2013, describes the accounting of joint arrangements involving joint control and does not permit proportional consolidation for joint ventures. BinckBank expects no significant impact on its financial position and results.
- IFRS 12 Disclosure of interests in other entities – effective for financial years commencing on or after 1 January 2013, contains all the information requirements for subsidiaries, joint ventures, associates and 'structured entities'. BinckBank expects no significant impact on its financial disclosures.
- IFRS 13 Fair value measurement – effective for financial years commencing on or after 1 January 2013, provides guidelines for measurement of fair value but does not change the situations in which fair value is required or permitted under IFRS. BinckBank expects no significant impact on its financial position and results.
- A collection of minor changes to a number of IFRS standards was published in May 2012, all of which are effective for financial years commencing on or after 1 January 2013. BinckBank has evaluated these changes and concluded that they have no effect on its financial position and results.

Changes in accounting principles
The accounting principles with regard to valuation and result are consistent with those applied in the previous year.

Change in presentation
The managerial responsibility for our subsidiary Syntel B.V. (by amendment of January 23rd 2013 Syntel B.V. changed its name into Able B.V.) has changed with effect from 1 January 2012. This responsibility has been transferred from the chairman of the executive board to the executive director responsible for the Professional Services business unit. The results of Syntel are therefore no longer reported in the group operations, they are reported under the Professional Services business unit. The new segmentation reflects the revised managerial responsibilities. The comparative figures for 2011 have been adjusted accordingly.

Significant accounting judgements and estimates
The preparation of the financial statements involves estimates and assumptions based on subjective presumptions and assessments. These estimates may materially affect the size of the reported assets and liabilities and the contingent assets and liabilities on the date of the consolidated financial statements and the income and expenses reported for the period under review. Situations are assessed on the basis of available financial data and information. While the management strives to make these estimates to the best of its ability, actual results may vary from these estimates.

The estimates and underlying assumptions are regularly reviewed. Revisions are recognised in the period in which the estimate is revised, or in the period of revision and future periods, if the revision affects both the current and future reporting periods. The most significant assumptions for the future and other key sources of estimation uncertainty at balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Going concern
Management of BinckBank has evaluated the bank's ability to continue to operate as a going concern and is satisfied that the bank has adequate resources to continue its activities in the foreseeable future. Moreover, management is not aware of any material uncertainties that may cast doubt upon BinckBank's ability to continue as a going concern. Therefore the financial statements is prepared on a going concern basis.

Fair value of financial instruments
Where the fair value of financial assets and financial liabilities cannot be obtained from active markets, it is arrived at using valuation methods, including cash flow models. Observable market data is used as the input to these models wherever possible, but where this is not possible, judgements are required in determining fair values. These judgements involve consideration of input factors including liquidity risk, credit risk and volatility. Changes in assumptions regarding these factors can affect the fair value of financial instruments. The valuation of financial instruments is explained in detail in Note 34.

Impairment of loans and receivables
An impairment provision is formed for loans and receivables if there are objective indications that BinckBank will not be able to collect all amounts under the original contractual conditions of the loan. With regard to collateralised loans granted, the fair value of the securities provided as collateral is determined and compared with the collateralised loan on a daily basis. When the collateral provided by the securities portfolio is insufficient to cover the loan, this is an initial indication that an impairment loss has occurred. BinckBank makes individual estimates of the recoverable amount of the loan, being the value of the future cash flows, the proceeds from liquidating the collateral, net of transaction costs, and the costs of collecting the receivables. The provision is formed in an amount equal to the difference between the carrying amount and the recoverable amount.

Impairment of goodwill
BinckBank performs an impairment test on the carrying amount of goodwill at least once a year. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank makes an estimate of the expected future cash flows from the cash-generating unit and also determines a suitable discount rate for calculating the net present value of those cash flows.

Fair value of identified intangible assets acquired with acquisitions
BinckBank measures the value of the identifiable intangible assets acquired with the acquisition of a company or business activities. The measurement is performed using cash flow models and/or royalty models. BinckBank makes assumptions and projections of future revenues and results in order to arrive at the cash flows and for determining the applicable discount rate. Where the royalty method is used, an estimate is also made of the appropriate royalty percentage. An impairment test is performed on each balance sheet date.

Expected useful life of intangible assets and property, plant and equipment
BinckBank applies standard amortisation and depreciation periods for various groups of assets. BinckBank assesses each individual asset periodically to establish whether the standard amortisation or depreciation period still corresponds to the expected useful life of the asset concerned. Circumstances may occur during the use of the asset which may lead to a situation in which the standard period no longer corresponds to the actual useful life. As soon as a deviation is identified, the remaining carrying amount of the asset is written off over the revised remaining useful life on a straight-line basis.

Deferred tax assets
Deferred tax assets are recognised if it is probable that future taxable profits will be generated to allow the tax loss carryforwards to be utilised.

2. Accounting principles for consolidation
The consolidated financial statements include the assets and liabilities and the income and expense items of the company and its subsidiaries. Subsidiaries are entities over which BinckBank has control. Control is deemed to exist if BinckBank is able, either directly or indirectly, to govern the financial and operating policies of the company so as to obtain benefits from its activities.

Subsidiaries are fully consolidated as soon as BinckBank obtains control. If BinckBank ceases at any point to control a subsidiary, the subsidiary is deconsolidated immediately.

The accounting principles of the subsidiaries and their reporting periods are the same as those of BinckBank.

3. Related party disclosures

Unrealised gains on transactions with associates are eliminated in proportion to BinckBank's interests in the companies concerned.

There were transactions between BinckBank and its subsidiaries during the year. These intercompany transactions have been eliminated in the consolidated financial statements.

4. Recognition and measurement of assets, equity and liabilities

Foreign currency translation

The consolidated financial statements are in euros, this being BinckBank's functional as well as presentation currency. Items recognised in the financial statements of each entity are measured on the basis of the relevant entity's functional currency. Transactions in foreign currencies are translated on initial recognition at the functional currency's exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the balance sheet date. Differences relating to movements in exchange rates are recognised in the income statement. Non-monetary items in foreign currencies measured against fair value are translated at the exchange rate at the moment the fair value is determined. Currency translation differences on non-monetary items carried at fair value through profit and loss are likewise recognised in the income statement. The results of financial transactions and costs are translated into euros at the exchange rate prevailing on the transaction date in the income statement.

At the reporting date, the assets and liabilities of foreign associates are translated into BinckBank's functional currency at the exchange rate prevailing on the balance sheet date while the income statement is translated at the weighted average exchange rate for the year. Translation differences are recognised directly in a separate component of equity. If a foreign currency entity is sold, the deferred cumulative amount included in equity for the relevant entity is recognised in the income statement.

Financial assets and liabilities

Initial recognition of financial assets and liabilities in the balance sheet

Financial assets and liabilities bought and sold in accordance with standard market conventions are recognised at the transaction date of the relevant purchase or sale. Other financial assets and liabilities are recognised in the balance sheet at the time of acquisition.

On initial recognition, financial instruments may be assigned to a specific category, their accounting treatment being decided at that time. Initial recognition of financial assets and liabilities is at fair value, including directly attributable transaction costs, except for the category which is carried at fair value through profit and loss, where the transaction costs are expensed.

Derecognition of financial assets and liabilities

A financial asset (or, when applicable, a component of a financial asset or part of a group of similar financial assets) is no longer shown in the balance sheet if:

- BinckBank ceases to have a right to the cash flows from the asset; or
- BinckBank retains the right to receive the cash flows from the asset but has entered into an obligation to pay them to a third party in their entirety and without significant delay under the terms of a specific contract; or
- BinckBank has transferred its rights to receive the cash flows from the asset and has either (a) largely transferred all risks and rewards of ownership of the asset or (b) not largely transferred all risks and rewards of ownership of the asset or retained them fully, but has transferred control of the asset.

If BinckBank has transferred its rights to receive the cash flows from an asset but has not largely transferred all risks and rewards of ownership of the asset or retained them fully and has not transferred control of the asset, that asset continues to be recognised for as long as BinckBank remains involved with the asset. Financial liabilities cease to be shown in the balance sheet as soon as the performance relating to the obligation has been completed or the obligation has been removed or has expired.

Loans and receivables and the related impairment losses are written off if there is no longer any real possibility of being able to recover the outstanding debt following realisation of the collateral.

Determination of fair value
The fair value of a financial instrument is based on the market price if there is an active market for that instrument. Financial assets are carried at the bid price, financial liabilities are carried at the offer price and risk off-setting positions are carried at the mid-price, excluding transaction costs.

For certain financial assets and liabilities, a quoted market price is not available. Various valuation methods are used to obtain a fair value for these financial assets and liabilities, ranging from net present value calculations to valuation models taking into account relevant price factors, including market prices of the underlying instruments referred to, market parameters (volatilities, correlations, creditworthiness) and customer behaviour. BinckBank makes exclusive use of third-party valuation models and does not make any estimates of its own with regard to the inputs used. All the valuation methods employed are internally evaluated and approved. The majority of the data used in these valuation methods is validated on a daily basis. Valuation methods are inherently subjective. Measuring the fair value of certain financial assets and liabilities is accordingly largely dependent on estimates. The use of other valuation methods and assumptions might produce estimates of fair values that are materially different.

Offsetting of financial assets and liabilities
Financial assets and liabilities are set off against each other and the net amount is presented in the balance sheet when there is a legally enforceable right to set off the amounts and an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Accounting treatment after initial recognition
The accounting treatment after initial recognition depends on the categories described below.

Financial assets or financial liabilities at fair value through profit and loss
An instrument is classified as carried at fair value through profit and loss if it is held for trading purposes or if it was designated as such on initial recognition for one of the following reasons:
- It eliminates or substantially reduces inconsistencies in measurement and recognition which would otherwise arise on the recognition of assets or of income and expenses on a different basis.
- The performance of the financial asset concerned is assessed on the basis of its fair value in accordance with a documented risk management or investment strategy. Reporting to management is on the basis of fair value.
- The host contract of the financial instruments contains one or more embedded derivatives and the entire contract is recognised at fair value through profit and loss. This is only permissible provided:
    - the embedded derivative has a significant influence on the contractually agreed cash flows or
    - it is evident on initial recognition of the financial instruments that separation of the embedded derivative is not permissible (e.g. option of premature settlement at amortised cost).

Derivatives not held on behalf of customers are regarded as being held for trading purposes. Derivatives are financial instruments requiring only a limited net initial investment or none at all, with future settlement dependent on the underlying notional amount of the contract and movements in certain rates or prices (e.g. an interest rate or the price of a financial instrument). Financial instruments are recognised at fair value. Both unrealised and realised gains and losses are recognised directly in the income statement under Result from financial instruments.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. In BinckBank's case, these items mainly concern current account loans collateralised by securities and short-term money-market loans. After initial recognition the items are valued at amortised cost, using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Held-to-maturity financial assets
Financial assets with fixed or determinable payments and a fixed maturity date are designated as investments to be held to maturity if BinckBank specifically intends to hold them until maturity and is in a position to do so. Held-to-maturity investments are recognised at amortised cost, measured using the effective interest method, less any impairment losses.

Available-for-sale financial assets
Available-for-sale financial assets are those financial assets that are designated as being available for sale or are not included in one of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gain or loss is shown, net of tax, as an unrealised result in the fair value reserve until the investment is derecognised or determined to be impaired. At such time the cumulative gain or loss previously shown in equity is recognised in the income statement in the Result from financial instruments.

Impairment of financial assets
On a regular basis and at each balance sheet date, BinckBank assesses whether there is objective evidence, provided by one or more events, of impairment of financial assets individually or groups of financial assets collectively. Impairment losses are only recognised when there is an adverse effect on the future cash flows. If impairment is indicated, the amount of any impairment loss is determined as follows for available-for-sale financial assets, loans and receivables and held-to-maturity financial assets.

Loans and receivables
BinckBank assesses whether there is objective evidence of impairment of the lending portfolio (including any related margin facilities and guarantees). In the case of loans collateralised by securities, there is an objective indication if the fair value of the collateral is lower than the carrying amount of the loan or receivable. Evidence that a loan or receivable is impaired is obtained via the group's lending assessment process. This involves assessment of customers' creditworthiness as well as assessment of the nature of customers' investment transactions and monitoring of customer transactions and balances.

The amount of any impairment loss is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate of the loan. The loss is presented in the income statement in Impairment of financial assets. In computing the present value of the estimated future cash flows from a financial asset for which collateral security has been provided, account is taken of the cash flows which will probably arise on realisation of the collateral security less the costs which will necessarily be incurred in obtaining and selling the collateral security.

In the event of impairment, the impairment provision is increased by the amount of the impairment. The affected loans are only written down when all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of an impairment decreases and the decrease can be objectively related to an event occurring after the initial write-down, the previously recognised impairment is reversed. Reversal of an impairment is recognised in the provision and in the income statement. Amounts subsequently collected after having been written off are credited to the income statement in Impairments.

The methodology and the assumptions used in estimating future cash flows are regularly evaluated in order to reduce variances between estimated and actual losses.

Held-to-maturity financial assets
Held-to-maturity investments are individually assessed and the amount of any impairment is measured using the same method as has been explained for loans and receivables.

BinckBank does not regard possible future events as objective indicators and such forecasts are accordingly not used as evidence of impairment of a financial asset or a portfolio of financial assets. Losses based on future events are not recognised, regardless of probability.

Available-for-sale financial assets
An investment in equities is considered to have been impaired if there is a significant or prolonged fall in the fair value to below cost. The words 'significant' and 'prolonged' are interpreted individually for each investment in equities, however the general criterion used is a decline in value of 25% and a time period of six months. An increase in value in the period after an impairment is reported in equity as a revaluation.

Investments in interest-bearing securities are assessed for impairment if there are objective indications of financial problems at the issuer or borrower, there is no longer an active market, or there are other such indications.

If there are such indications, the cumulative net loss previously recognised directly in equity is transferred from equity to the income statement in Impairments. Reversals of impairments in subsequent years relating to investments in interest-bearing securities are reversed through the income statement if the increase in the fair value of the instrument can be objectively related to an event occurring after the previous impairment was recognised in the income statement.

Loans and receivables under renewed contracts
In the case of existing loans and receivables, it is possible for renewed contracts to be concluded with customers. These loans are no longer treated as overdue. The new contracts are, however, periodically assessed for compliance and to determine whether future payment is probable. These loans and receivables are periodically tested for impairment on an individual basis, using the original effective interest rate.

Acquisitions and goodwill
All acquisitions are accounted for using the acquisition method. The identifiable assets, equity and liabilities of the acquired company or activities are recognised at fair value.

BinckBank measures the value of the identifiable intangible assets acquired with the acquisition of a company or business activities. The measurement is performed using cash flow models and/or royalty models. BinckBank makes assumptions and projections of future revenues and results in order to arrive at the cash flows and for determining the applicable discount rate. Where the royalty method is used, an estimate is also made of the appropriate royalty percentage.

Earn-out arrangements may be agreed as part of business acquisitions. BinckBank makes an estimate of the earn-out payments on the basis of the expected future results of the acquired companies. These earn-out payments form part of the price paid for the acquired company. An annual assessment is made to determine whether the earn-out obligation should be adjusted in the light of any changes to the development of the results. Adjustments to the earn-out calculations after completion of the acquisition are recognised directly in the income statement.

On initial recognition, goodwill acquired in a business combination is measured as the difference between the cost of the business combination and BinckBank's share of the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities, if positive. Subsequently, goodwill is carried at cost less any cumulative impairments. A negative difference between cost and fair value is expensed immediately.

The valuation of a third-party interest in the acquired company is made at either the fair value on the acquisition date or the proportional share in the identifiable assets and liabilities of the acquired company.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount might be impaired. For this impairment test, goodwill acquired in a business combination is allocated from the acquisition date to BinckBank's cash-generating units or groups of cash-generating units that are expected to benefit from the synergy of the business combination.

An impairment loss is measured by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount is an asset's net selling price or its value in use, whichever is higher. If the recoverable amount is lower than the carrying amount, an impairment is recognised. Impairment of goodwill is not reversed.

Necessary adjustments to the fair value of acquired assets, equity and liabilities measured at the time of acquisition that are identified before the end of the first reporting period after the business combination result in an adjustment of the goodwill. Necessary adjustments identified at a later date are recognised in the income statement through profit or loss. Gains and losses on the disposal of a company or activity are measured as the difference between the proceeds from disposal and the carrying amount of the company or activity, including goodwill and currency translation reserve.

Transaction costs associated with an acquisition are recognised directly in the income statement.

Cash and cash equivalents
The item Cash and cash equivalents in the statement of financial position consists of cash, balances with central and other banks and short-term deposits (call money) with original maturities of three months or less that are readily convertible into known amounts of cash and on which there is a negligible impairment risk.

Associates and joint ventures

Associates
Associates are entities in which BinckBank generally holds between 20% and 50% of the voting rights or in which BinckBank is able to exercise significant influence in some other way but over which BinckBank does not have control. Investments in associates are accounted for using the equity method. The item includes goodwill paid on acquisition, less any cumulative impairment losses. Under the equity method, BinckBank's share in the results of the associate is reported in BinckBank's income statement as share in results of associates and joint ventures. BinckBank's share in changes in an associate's reserves is recognised directly in BinckBank's equity. The carrying amount of the investment is adjusted for the reported results and changes in reserves. If the carrying amount of the investment in an associate falls to nil, no further losses are recognised unless BinckBank has accepted liabilities on behalf of the associate concerned or has already made payments on behalf of the associate. Where necessary, the accounting principles of associates are adjusted in order to ensure consistency with those of BinckBank.

Joint ventures
Joint ventures are entities over which BinckBank exercises joint control. This control is established in an agreement, and strategic decisions regarding financial and operating policy are taken by unanimous vote. Joint ventures are reported using the equity method from the date on which BinckBank has joint control for the first time until the date on which this control ceases. Under the equity method, BinckBank's share in the results of the joint venture is reported in BinckBank's income statement as Share in profits of associates and joint ventures.

BinckBank's share of changes in a joint venture's reserves is recognised directly in BinckBank's equity. The carrying value of the joint venture is adjusted for these results and movements in reserves. If the carrying amount of the investment in a joint venture falls to nil, no further losses are recognised unless BinckBank has accepted liabilities on behalf of the joint venture concerned or has already made payments on behalf of the joint venture. Where necessary, the accounting principles of joint ventures are adjusted in order to ensure consistency with those of BinckBank.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less cumulative amortisation and any cumulative impairments.

Intangible assets are determined as having either a definite or an indefinite useful life. Intangible assets with a definite useful life are amortised over the useful life and tested for impairment if there are indications that an intangible asset may be impaired. The useful lives of the intangible assets are assessed annually and adjusted if there has been a change. Amortisation of intangible assets with a definite useful life is presented in the income statement in Depreciation and amortisation.

Intangible assets with an indefinite useful life are subjected to an annual impairment test, either individually or at the level of the cash-generating unit. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reassessed annually, including an assessment of whether the indefinite useful life is still justifiable.

The activities relating to research and development of software are recognised and measured as follows:

Costs of research are recognised in the income statement when they occur.
An intangible asset arising from development costs incurred in an individual project is only recognised if BinckBank can demonstrate that:
- completion of this intangible asset is technically feasible, so that it will be available for use or for sale;
- it is BinckBank's intention to complete the intangible asset and use or sell it;
- BinckBank is capable of using or selling the intangible asset;
- future economic benefits are achievable;

- adequate technical, financial and other resources are available to complete the development of the intangible asset and for its use or sale; and
- it is possible to measure the costs incurred during development reliably.

After initial recognition of the development costs, the asset is carried at cost less any cumulative amortisation and cumulative impairments. Any such capitalised costs are amortised over the period in which the expected future economic benefits from the project concerned are to be realised. The carrying amount of the development costs is tested for impairment annually if the asset is not yet in use or if there are indications of impairment during the financial year.

Property, plant and equipment
Real estate for own use is carried at historical cost less cumulative depreciation and impairments. All other assets recognised in the balance sheet as operating assets are carried at historical cost less cumulative depreciation and any impairments.

Property, plant and equipment are subject to straight-line depreciation on the basis of useful life, taking account of the residual value. The expected useful life is:

Real estate (own use)	50	years
Computer hardware	5	years
Fixtures, fittings and equipment	5-10	years
Other fixed assets	5	years

If an asset consists of various ‘components’ with different useful lives and/or different residual values, the asset is divided into these components and depreciation is applied separately. Useful life and residual value are assessed annually. If the current estimated values differ from previous estimates, the values are adjusted. If the carrying amount of an asset is higher than the estimated recoverable amount, an impairment is recognised and charged to the income statement. Results on the sale of property, plant and equipment, being the difference between the sale proceeds and the carrying amount, are recognised in the income statement in the period in which the sale occurred. Repair and maintenance costs are charged to the income statement in the period to which they relate. The costs of significant renovations are capitalised if it is likely that additional future benefits will be realised from the existing asset. Significant renovations are written off on the basis of the remaining useful life of the asset concerned. Leasehold prepayments (operating lease) are recognised in investments in real estate. Amortisation of the leasehold is applied on a linear basis over the remaining life to maturity.

Tax

Current tax
This item concerns immediately payable and offsettable tax assets and liabilities for current and prior years, carried at the amount expected to be claimed from or paid to the tax authorities. The tax amount is computed on the basis of enacted tax rates and applicable tax law.

Deferred tax
Deferred tax liabilities are recognised, based on the temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount in these financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences except:
- where the deferred tax liability arises on the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and does not affect the operating profit before tax or the taxable profit;
- in the case of taxable temporary differences connected with investments in subsidiaries and associates, where BinckBank is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax facilities and unused tax loss carryforwards when it is probable that taxable profits will be available against which the deferred tax asset can be utilised, enabling the deductible temporary differences, unused tax facilities and unused tax loss carryforwards to be used.

The carrying amount of the deferred tax assets is assessed at the balance sheet date and reduced if it is not probable that sufficient taxable profits will be available against which some or all of the deferred tax assets can be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and recognised to the extent that it is probable that taxable profits will be available in the future against which the deferred tax asset can be utilised. Deferred tax assets and liabilities are carried at amounts measured at the tax rates expected to be applicable to the period in which the asset is realised or the liability is settled, based on enacted tax rates and applicable tax law. The tax on items recognised directly in equity is accounted for directly in equity instead of in the income statement. Deferred tax assets and liabilities are presented as a net amount if there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and the deferred tax is related to the same taxable entity and the same tax authority.

Other assets

This item includes other receivables. The receivables included in this item are carried at amortised cost less any impairments.

Work in progress

Work in progress relates exclusively to the external activities of the subsidiary Syntel. Work in progress is carried at the cost of the work performed, plus a proportion of the expected final results based on progress and less invoiced instalments, prepayments and provisions. For anticipated losses on work in progress, provisions are recognised as soon as such losses are identified and are deducted from the cost, any already recognised profits also being reversed. The cost comprises the direct project costs, made up of direct wage costs, materials, costs of subcontracted work, other direct costs and charges for the hire and maintenance of the equipment used. The progress of the project is measured on the basis of the cost of the work performed in relation to the expected cost of the project as a whole. Profits are not recognised on work in progress before it is possible to make a reliable estimate of the final result. For each project, the balance of the value of the work in progress less invoiced instalments and prepayments is measured. In the case of projects on which the invoiced instalments and prepayments exceed the value of the work in progress, this balance is included in other liabilities instead of other assets.

Impairments of non-financial assets

The carrying amount of BinckBank's assets is tested at each balance sheet date in order to determine whether there are indications of impairment. If so, the recoverable amount of the asset is estimated. The recoverable amount is an asset's net selling price or its value in use, whichever is higher. An impairment is recognised if the carrying amount of an asset or cash-generating unit exceeds the recoverable amount.

Derivatives positions held on behalf of customers

BinckBank executes derivatives transactions on behalf of its customers and holds the resultant positions in its own name but for the customer's account and at the customer's risk. The positions are recognised at fair value, measured according to the quoted price at the balance sheet date. Financial settlement with the customers concerned in respect of such transactions and positions is effected immediately. The customers have lodged adequate collateral with BinckBank in the form of cash balances, bank guarantees and securities to cover the risks arising out of the derivatives positions held.

Customer deposits

Savings comprise the balances on savings accounts held by customers. Savings are measured at fair value on initial recognition, including transaction costs incurred. Savings are subsequently carried at amortised cost. Any difference between the net amount deposited and the amount repayable, calculated using the effective interest method, is recognised in the income statement under the heading of interest expense over the term to maturity of the accounts concerned.

Demand deposits relate to non-subordinated liabilities to non-banks that are not embodied in debt securities. These liabilities are measured at fair value on initial recognition, including transaction costs incurred. They are subsequently carried at amortised cost. Any difference between the net amount deposited and the amount repayable, calculated using the effective interest method, is recognised in the income statement under the heading of interest expense over the term to maturity of these liabilities to customers.

Provisions
A provision is recognised if (I) BinckBank has a present obligation (legal or constructive) as a result of a past event; (II) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (III) a reliable estimate can be made of the amount of the obligation. If BinckBank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted at a rate, before tax, that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Pensions
BinckBank operates a pension plan for its executive board and employees based on a defined contribution scheme. In a defined contribution scheme, a percentage of the employee's fixed salary is paid as contribution to a pension insurer. The percentage payable is age-related. The pension contributions are recognised in the year to which they relate.

Other liabilities
BinckBank operates a pension plan for its executive board and employees based on a defined contribution scheme. In a defined contribution scheme, a percentage of the employee's fixed salary is paid as contribution to a pension insurer. The percentage payable is age-related. The pension contributions are recognised in the year to which they relate.

Equity
The costs associated with the issue of new shares are charged to the share premium account.

Treasury shares
Equity instruments which are reacquired (treasury shares) are deducted from equity at the acquisition price including transaction costs. Gains or losses on the purchase, sale, issue or withdrawal of BinckBank's own equity instruments are not recognised in the income statement.

Employee benefits
An amended remuneration policy in accordance with the Regulation for a Controlled Remuneration Policy in the Wft 2011 of DNB was approved by the General Meeting of Shareholders held on 23 April 2012. The amended remuneration policy takes effect with retroactive effect as of 1 January 2011.

The variable performance fee scheme distinguishes between three target groups:
- Identified Staff: including the executive board, senior management, managers in control positions and those in positions that can affect the risk profile;
- Key Staff: employees who as part of the performing of their duties play an important part in the conduct of BinckBank's business, for whom a supplementary incentive programme has been agreed. These employees receive a conditional allocation in cash;
- Other staff: other staff have a performance-related pay scheme for which the total size is based on BinckBank's result, but in which awards are made on the basis of the individual performance of the employee.

The performance period for all the targets of all the above groups is one year. The one-year performance targets are set in a balanced way at group, business unit and individual level and are both financial and non-financial. Payment depends on the realisation of the previously set performance targets during the performance period.

The allocation of the variable performance fee for the Identified Staff is determined on the basis of scores obtained on financial, non-financial, quantitative and qualitative performance indicators. A variable performance fee for Identified Staff consists of 50% in BinckBank N.V. shares and 50% in cash. This proportion applies to every payment of a variable performance fee. Part of the total allocated variable performance fee is paid unconditionally, and part is awarded subject to conditions pro rata over a period of three years. A reassessment is made on the basis of the initial performance criteria linked to this variable payment at the end of each subsequent year (within the 3-year period). Subject to the result of this reassessment, the part of the variable performance fee allocated pro rata for the year in question becomes (fully or partially) unconditional. The employment of Identified Staff during the deferral period is not a requirement for a deferred variable performance fee to be made unconditional and thus does not form part of the amended remuneration policy.

BinckBank shares that have been unconditionally allocated have to be held in a blocked account for a lock-up period. The lock-up period for Identified Staff after the shares have been made unconditional is one year, with the exception of the executive board, for whom the lock-up period is two years.

The measurement of the shares conditionally allocated to Identified Staff is based on the following principles:
- IFRS 2 states that the fair value of the services provided by an employee must be allocated as a cost item to the performance year;
- The fair value of the services provided that relate to the payment of the bonus is estimated as the fair value of the shares that the employee receives.

The fair value of shares in the future is equal to the fair value at the time of measurement. This fair value is adjusted for:
- 'Missed' dividends, by discounting the value of the shares by a dividend yield;
- The lock-up period, by adjusting the value for the value of an American call option, calculated using a binomial tree.

50% of the payment of the variable performance fee in cash to Identified Staff is made after expiry of the remuneration year and 50% in equal parts in the three succeeding years and is broken down into a current liability and a non-current cash liability.
The accrual for the current liability and the non-current cash liability is formed for the estimated liabilities accumulated for performances delivered until the balance sheet date. The non-current liability is interest-bearing and is therefore recognised at nominal value including accrued interest.

A claw-back clause applies for a period of five years after vesting, during which time any variable performance fee can be reclaimed if an employee has acted unethically and/or in contravention of BinckBank policy.

Off balance sheet commitments
Contingent liabilities are liabilities that are not recognised in the balance sheet because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within BinckBank's control. The maximum potential credit risk associated with these contingent liabilities faced by BinckBank is disclosed in the notes. In estimating the maximum potential credit risk, it is assumed that all counterparties default on their contractual obligations and all assets provided by way of collateral security are worthless.

Leasing
Lease contracts whereby the risks and benefits relating to the right of ownership are held to a significant extent by the lessor are designated as operating leases. Lease payments made in the capacity of lessee in relation to operating leases are applied to the result during the lease period, after deduction of any premiums received from the lessor. BinckBank is only involved in operating lease contracts as a lessee.
BinckBank has not entered into any financial lease contracts of material significance, either as lessor or as lessee.

Earnings per ordinary share
The earnings per ordinary share are calculated on the basis of the weighted average number of outstanding ordinary shares. The following considerations are taken into account in the calculation of the weighted average number of outstanding ordinary shares:
- The total number of ordinary shares issued is reduced by the treasury shares held by group companies;
- The calculation is based on daily averages.

The diluted earnings per ordinary share is calculated by adjusting the weighted average number of shares during the period for potential dilution as a result of outstanding option entitlements, for instance. The conditionally allocated shares arising from share-based payments are not entitled to dividend and are only included in the calculation of the earnings per share at such time as they become unconditional.

Cash flow statement
The cash flow statement has been prepared using the indirect method, in which cash flows are analysed according to operating, investing and financing activities. In the cash flow from operating activities, the net result is adjusted for income and expenses that have not resulted in receipts and expenses in the same financial year and for changes in provisions and suspense items. Cash includes the cash in hand together with freely available balances on deposit with central banks and other financial instruments with maturities of less than three months from the date of acquisition. Cash flows in foreign currency are converted to the functional currency at the exchange rate prevailing on the date the cash flow occurs.

5. Recognition and measurement of income and expenses

General information
Income and expense items are recognised in the period to which they relate, having due regard to the above accounting principles. Revenues are recognised if it is probable that their economic benefits will flow to BinckBank and the revenue can be reliably measured.

Interest income
Interest income consists of the interest on monetary financial assets attributable to the period. Interest on financial assets is measured using the effective interest method based on the actual acquisition price. The effective interest method is based on the expected flow of cash receipts, taking account of the risk of premature redemption of the underlying financial instrument and the direct costs and revenues, such as the transaction costs charged and any discount or premium. If the risk of early redemption cannot be sufficiently reliably measured, BinckBank assumes the cash flows during the entire term to maturity of the financial instruments. Interest income on financial assets subject to impairment which have been written down to the estimated recoverable amount or fair value are subsequently recognised on the basis of the interest rate used to measure the recoverable amount by discounting the future cash flows.

Interest expense
This item includes the interest expense on all financial obligations and is measured on the basis of the effective interest method.

Net fee and commission income
Commission income and expense comprises payments, excluding interest, received or receivable from third parties and paid or payable to third parties, respectively, whether on a non-recurring or more regular basis, in respect of services provided.

Other income
Other income comprises amounts charged to third parties during the year in respect of goods and services supplied relating to hardware and software after deduction of sales expenses, together with all other income not classified under other income items.

Work in progress on contracts for third parties
BinckBank uses the percentage of completion method to measure the revenue generated by each contract on the balance sheet date. The percentage of completion is determined by comparing the total estimated costs for a project with the actual costs up to the balance sheet date. BinckBank recognises the positive or negative balance of the revenue less invoiced instalments for each project in other assets or other liabilities, respectively.

Licence sales that are linked to an obligation to deliver customised work that is essential for the delivered software to function are assumed to form part of the total project. Revenue in relation to licences as part of the total project amount are recognised pro rata to the progress of the project achieved in the reporting year, i.e. the percentage of completion.

Share in results of associates and joint ventures
This concerns BinckBank's share in the results of its associates and joint ventures. If the carrying amount of the investment in an associate or joint venture falls to nil, no further losses are recognised unless BinckBank has accepted liabilities on behalf of the associate or joint venture concerned or has already made payments on behalf of the associate or joint venture.

Tax
Tax is recognised in the income statement unless the tax relates to items recognised directly in equity, in which case it is recognised in the unrealised results and directly in equity respectively.

Notes to the consolidated statement of financial position

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
6. Cash and balances with central banks		**365,362**		**320,214**
This item includes all cash and any credit balances available on demand from the central banks in countries where BinckBank has offices.				
7. Banks				
Due from banks		**144,916**		**278,955**
This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by bank regulators.				
This item comprises:				
Credit balances available on demand	135,561		164,059	
Call money	29		105,438	
Receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank	9,326		9,458	
	144,916		278,955	
The call money receivables have original maturities of less then three months. Interest is received on these balances at a variable rate based on market interest rates.				
The development of the receivable from DNB in relation to DGS DSB Bank is as follows:				
Balance as at 1 January	9,458		3,108	
Total contribution to DNB	(623)		7,293	
Movements in provision	445		(668)	
Revaluation	46		(275)	
Balance as at 31 December	9,326		9,458	

Since 19 October 2009, DNB has been operating the deposit guarantee scheme (DGS) in relation to DSB Bank N.V. A total of approximately € 3.6 billion has been paid to the account holders at DSB Bank. This amount has been attributed by DNB across all the banks participating in the DGS. The receivers of DSB Bank have apportioned the assets of DNB Bank during 2011 and 2012.

The loss expected as a result of the bankruptcy of DSB at year-end 2012 is estimated by the Dutch Banking Association (NVB) at € 650 million (2011: € 750 million). BinckBank's share amounts to € 2.9 million and is deducted from the account receivable, which is measured at the cash value of the estimated future cash flows. Revaluations are recognised directly in the income statement under result from financial instruments.

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
Due to banks	**20,060**	**28,161**
BinckBank has sweeping arrangements with various banks whereby the debit and credit balances in a large number of bank accounts are regulated with a fixed treasury contra-account. This is only visible on the statement for the next business day; therefore at year-end BinckBank has an obligation to a single bank account for a very short period.		
8. Financial assets and liabilities at fair value with changes in fair value through profit or loss		
Financial assets held-for-trading	**168**	**119**
This item comprises:		
SRD derivative receivables		
Financial assets at fair value through profit and loss	**15,876**	**15,594**
This item comprises:		
Equity positions in relation to SRD receivables		
Financial liabilities held-for-trading	**65**	**155**
This item comprises:		
SRD derivative payables		
Financial liabilities at fair value through profit and loss	**1,084**	**1,013**
Equity positions in relation to SRD payables		

BinckBank offers SRD (Service de Règlement Différé) contracts in France. An SRD contract is a transaction in a selected number of equities listed on Euronext Paris whereby payment for shares purchased or delivery of shares sold may be deferred until the last trading day of the month. The corresponding equity transaction in the cash market is executed by BinckBank in order to cover the price risk. In fact what happens is that BinckBank advances the transaction sum to the customer. Under IFRS, SRD receivables and payables are classified as a derivative and are recognised as Financial assets and liabilities held-for-trading purposes. Financial instruments are recognised at fair value. Both unrealised and realised gains and losses are recognised directly in the income statement under result from financial instruments.
The corresponding positions in equities are classified as financial assets and liabilities at fair value through profit and loss, because otherwise the treatment would not be consistent with the associated derivatives. Both unrealised and realised gains and losses are recognised directly in the income statement under result from financial instruments.
Since BinckBank takes a position in equities which exactly offsets the SRD derivatives position held by the customer, there is a natural hedge of the price risk.

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
9. Available-for-sale financial assets		**1,515,549**		**1,682,452**
This item comprises:				
Government / government-guaranteed bonds	693,400		676,838	
Other bonds	822,149		1,005,614	
	1,515,549		1,682,452	
Movements in available-for-sale financial assets were:				
Balance as at 1 January	1,683,750		1,603,180	
Redemptions	(514,710)		(395,785)	
Sales	-		(483,205)	
Purchases	355,160		984,259	
Amortisation of premiums and discounts	(18,642)		(24,699)	
Balance as at 31 December	1,505,558		1,683,750	
Revaluation as at 31 December	9,991		(1,298)	
Balance as at 31 December	1,515,549		1,682,452	
10. Loans and receivables		**323,008**		**324,097**
This item comprises receivables from private sector customers, including overnight loans and overdrafts that are collateralised by securities and bank guarantees (collateralised loans).				
The analysis is as follows:				
Receivables from government institutions	-		34,000	
Receivables collateralised by securities	319,139		287,115	
Receivables collateralised by bank guarantees	3,846		2,944	
Other receivables	459		462	
Loans and receivables, gross	323,444		324,521	
Less: impairment provision	(436)		(424)	
	323,008		324,097	
The interest rate is based on EURIBOR or EONIA. Other receivables refers to remaining amounts receivable after realisation of collateral (securities and bank guarantees).				
The changes in impairment provisions were as follows:				
Balance as at 1 January	424		486	
Added	47		271	
Recovered	(30)		(3)	
Write-offs	(5)		(330)	
Balance as at 31 December	436		424	
The impairment provision is calculated on a individual basis.				

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
11. Investment in associates and joint ventures	**3,384**	**3,219**
This item comprises:		
TOM Holding N.V.	1,093	1,510
BeFrank N.V.	2,291	1,709
	3,384	3,219
The development of this item was as follows:		
Balance as at 1 January	3,219	3,067
Capital increases and acquisitions	3,745	6,000
Result on associates and joint ventures	(3,580)	(5,848)
Balance as at 31 December	3,384	3,219

The item capital increases and acquisitions relates to investments in TOM Holding N.V. and the joint venture BeFrank N.V.

	Country	Interest	Share in equity	Share in result	Assets	Liabilities excl. equity
Associates 2012						
TOM Holding N.V.	NL	34,2%	1,093	(1,662)	5,093	1,901
Total			**1,093**	**(1,662)**	**5,093**	**1,901**
Associates 2011						
TOM Holding N.V.	NL	38,5%	1,510	(3,664)	5,561	1,639
Total			**1,510**	**(3,664)**	**5,561**	**1,639**

	Country	Interest	Share in equity	Share in result	Fixed assets	Current assets	Long-term liabilities	Current liabilities	Total revenue	Total expense
Joint ventures 2012										
BeFrank N.V.	NL	50%	2,291	(1,918)	1,227	6,206	-	2,851	390	(4,227)
Total			**2,291**	**(1,918)**	**1,227**	**6,206**	**-**	**2,851**	**390**	**(4,227)**
Joint ventures 2011										
BeFrank N.V.	NL	50%	1,709	(2,184)	538	4,321	-	1,441	49	(4,302)
Total			**1,709**	**(2,184)**	**538**	**4,321**	**-**	**1,441**	**49**	**(4,302)**

The joint venture had no off balance sheet or investment commitments as at December 31th 2012 and December 31th 2011.

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
12. Intangible assets	**263,142**	**292,398**

The movements in 2012 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2012	6,281	50,457	78,635	4,096	152,929	292,398
Investments	-	-	-	390	-	390
Disposals - cost	-	-	-	(5,338)	-	(5,338)
Disposals - cumulative amortisation	-	-	-	5,338	-	5,338
Amortisation	(6,281)	(8,409)	(13,106)	(1,850)	-	(29,646)
Balance as at 31 December 2012	**-**	**42,048**	**65,529**	**2,636**	**152,929**	**263,142**
Cumulative cost	31,405	84,095	131,988	7,832	152,929	408,249
Cumulative amortisation and impairments	(31,405)	(42,047)	(66,459)	(5,196)	-	(145,107)
Balance as at 31 December 2012	**-**	**42,048**	**65,529**	**2,636**	**152,929**	**263,142**
Amortisation period (years)	5	10	5 - 10	5		

The movements in 2011 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2011	12,562	58,866	91,927	4,473	152,929	320,757
Investments	-	-	-	1,782	-	1,782
Disposals - cost	-	-	-	(414)	-	(414)
Disposals - cumulative amortisation	-	-	-	414	-	414
Amortisation	(6,281)	(8,409)	(13,292)	(2,159)	-	(30,141)
Balance as at 31 December 2011	**6,281**	**50,457**	**78,635**	**4,096**	**152,929**	**292,398**
Cumulative cost	31,405	84,095	131,988	12,780	152,929	413,197
Cumulative amortisation and impairments	(25,124)	(33,638)	(53,353)	(8,684)	-	(120,799)
Balance as at 31 December 2011	**6,281**	**50,457**	**78,635**	**4,096**	**152,929**	**292,398**
Amortisation period (years)	5	10	5 - 10	5		

The items Brand name and Customer deposits arise from the acquisition of Alex Beleggersbank. The item Customer base arises from the acquisition of Syntel and Alex Beleggersbank.

Software includes purchased software and proprietary software developed by Syntel, which is sold to its customers, as well as Syntel-developed software for supporting BinckBank's operations. The hours charged to these software development projects have been capitalised by BinckBank as software at an average hourly rate reflecting only direct staff costs.

Goodwill relates to the excess of the purchase price paid to acquire the activities of Alex Beleggersbank and Syntel over the fair value of the identifiable assets and liabilities.

Impairment testing of other intangible assets
The various categories of intangible assets are tested annually or more frequently if events or changes in circumstances indicate that the carrying amount, less applicable annual amortisation, may be impaired. In the first instance, the test is made on the basis of the indicators mentioned in IAS 36.12, augmented by indicators identified by BinckBank compared with the assumptions on which the valuation of the identified immaterial assets was based at the time of the acquisition.

Intangible asset	Indicator
Brand name	Reputational damage to the Alex brand
	Decision to limit the use of the Alex brand
Core deposits	Low customer deposits under the Alex brand compared to purchase date
	Less interest margin compared to purchase date
Customer base	Higher attrition rate in Alex accounts compared to purchase date
	Lower average revenues per acquired account than forecast at purchase date
Software	Decision to limit the use of the acquired software
General	Higher market interest rates, adverse effect on the discount rate

If the test reveals an indication of impairment, BinckBank performs a full calculation of the recoverable amount of the cash-generating units. This calculation is made in the same way as that described for the calculation of the fair value of intangible assets identified on acquisition. At year-end 2012, the carrying amount of the brand name and software acquired during the acquisition was nil, meaning that the impairment triggers will no longer be tested for these items in 2013.

Goodwill impairment test
Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount might be impaired. During 2012 the derived market value of the Retail Nederland cash-generating unit was lower than the carrying amount. For this reason the regular annual impairment test of the goodwill was conducted in the third quarter. This involves estimating the value in use of the cash-generating units to which the goodwill is attributed. In order to estimate the value in use, BinckBank makes an estimate of the expected future cash flows from the cash-generating unit and also determines a suitable discount rate for calculating the net present value of those cash flows. An impairment is measured by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount is an asset's net selling price or its value in use, whichever is higher. If the recoverable amount is lower than the carrying amount, an impairment is recognised.

The goodwill has been allocated to the following individual cash-generating units:

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
Goodwill		
Retail	142,882	142,882
Syntel	8,014	8,014
Business Process Outsourcing (BPO)	2,033	2,033
	152,929	**152,929**

Principal assumptions used in calculating the value in use:
The recoverable amount of the cash-generating units is based on the value in use. Use has been made of cash flow projections over a period of five years, based on financial estimates used by management for setting targets. The cash flows beyond the 5-year horizon have been extrapolated, using growth rates of between 0% and 2%. Management has compared the principal assumptions against market estimates and market expectations.

The following assumptions have been used:			
2012	**Retail**	**Syntel**	**BPO**
Discount rate	9.55%	9.98%	9.98%
Expected growth rate beyond five-year horizon	2%	0%	0%
2011	**Retail**	**Syntel**	**BPO**
Discount rate	10.13%	11.87%	11.87%
Expected growth rate beyond five-year horizon	2%	2%	0%

Principal assumptions used in calculating the value in use of Retail Nederland as at 31 August 2012
The principal assumptions used by management in arriving at the cash flow projections for the purposes of the goodwill impairment test were:

- The natural attrition rate and inflow of new private investors based on the trends of the past five years and the budget, including a multi-year forecast, respectively. The conservatively estimated growth in the number of customers is reflected in the expected numbers of transactions and in the amounts of customer deposits and funds invested;
- The interest margin based on the actual interest margin achieved over the past year, allowing for the long-term effect of low interest rates;
- Commission income and expense, based on the expected average number of transactions and the average commission income and expense per transaction. The average income, expense and number of transactions are based on the recognised trends in the past year, including declining transaction volumes and lower average income per transaction.

In the impairment test in 2012 BinckBank assessed the future profitability of the Retail Nederland cash-generating unit as a whole on the basis of a very negative scenario, with continuing law interest margins and a decline in net commission income by more than 40% over a 5-year period. Even under this very negative scenario, the results of the test conducted did not give reason for recognising an impairment and the derived market value of the Retail Nederland cash-generating unit was still 19.2% higher than the carrying amount.

As at 31 December 2012 the derived market value of the Retail Nederland cash-generating unit was higher than the carrying amount. Furthermore, there have been no changes in circumstances since the impairment test in the third quarter of 2012 that would give reason for a different view that could lead to an impairment being recognised.

Principal assumptions used in calculating the value in use of Syntel/BPO activities as at 30 September 2012
The principal assumptions used by management in arriving at the cash flow projections for the purposes of the goodwill impairment test were:

- Estimated sales based on sales for the year immediately preceding the budget year, applying an annual growth rate of 0%;
- Costs based on standardised costs for the year immediately preceding the budget year, applying an annual increase in line with estimated inflation.

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
13. Property, plant and equipment	**43,684**	**46,229**

The movements in 2012 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2012	28,915	7,382	9,922	10	46,229
Investments	-	389	2,651	-	3,040
Disposals - cost	-	(714)	(2,254)	-	(2,968)
Disposals - cumulative depreciation	-	714	2,254	-	2,968
Depreciation	(620)	(982)	(3,981)	(2)	(5,585)
Balance as at 31 December 2012	**28,295**	**6,789**	**8,592**	**8**	**43,684**
Cumulative cost	29,827	9,270	20,935	12	60,044
Cumulative depreciation and impairments	(1,532)	(2,481)	(12,343)	(4)	(16,360)
Balance as at 31 December 2012	**28,295**	**6,789**	**8,592**	**8**	**43,684**
Depreciation period in years	50	5 - 10	5	5	

The movements in 2011 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2011	24,665	7,960	11,272	4	43,901
Investments	4,829	468	2,341	12	7,650
Disposals - cost	-	(167)	(325)	(18)	(510)
Disposals - cumulative depreciation	-	167	325	18	510
Depreciation	(579)	(1,046)	(3,691)	(6)	(5,322)
Balance as at 31 December 2011	**28,915**	**7,382**	**9,922**	**10**	**46,229**
Cumulative cost	29,827	9,595	20,538	12	59,972
Cumulative depreciation and impairments	(912)	(2,213)	(10,616)	(2)	(13,743)
Balance as at 31 December 2011	**28,915**	**7,382**	**9,922**	**10**	**46,229**
Depreciation period in years	50	5 - 10	5	5	

The developments in the Dutch offices market led us to engage a recognised valuer to produce a valuation report of the real estate in 2012. The results of the valuation did not indicate an impairment of the real estate.

The investment in real estate includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In 2012, an amount of € 256,000 in relation to amortisation of the leasehold is included in depreciation and amortisation (2011: € 242,000).

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
14. Current tax		
Current tax assets	**6,023**	**3,630**
The balance as at year-end relates mainly to the current year.		
Current tax liabilities	**(141)**	**(75)**

These concern corporation tax payable by subsidiaries which are not part of the tax group.

The reconciliation of the effective tax rate with the tax rate applicable to the consolidated financial statements is as follows:

	2012 Amount	2012 Percentage	2011 Amount	2011 Percentage
Standard tax rate	7,926	25.0%	11,901	25.0%
Effect of different tax rates (in other countries)	180	0.6%	49	0.1%
Effect of substantial-holding privileges	895	2.8%	1,462	3.1%
Effect of changes in tax rates	(774)	-2.4%	-	0.0%
Other effects on the tax rate	98	0.3%	101	0.2%
Total tax expense/tax burden	**8,325**	**26.3%**	**13,513**	**28.4%**

The effect of tax facilities includes benefits from lower tax rates as a result of innovation box agreements at the subsidiary Syntel.

The other effects include various tax effects, such as tax adjustments to previous reporting years and differences arising because certain expense items are not deductible for tax purposes, such as the allocation of shares to employees under the remuneration policy. For tax purposes, the allocation of shares is treated as a matter between shareholders and thus cannot be offset against the taxable profit.

	31 December 2012	31 December 2011
15. Deferred tax		
Composition		
Deferred tax assets	-	-
Deferred tax liabilities	(19,919)	(16,633)
Net deferred tax asset / (liability)	**(19,919)**	**(16,633)**
Maturity of deferred tax liabilities:		
Within one year	(3,673)	(1,426)
One to five years	(2,071)	(3,581)
Longer than five years	(14,175)	(11,626)
	(19,919)	**(16,633)**

	1 January 2012	Movement via income statement	Movement via balance sheet	31 December 2012
Origin of deferred tax assets and liabilities				
Available-for-sale financial assets	(824)	-	(1,673)	(2,497)
Goodwill and intangible assets	(10,948)	-	(2,737)	(13,685)
Depreciation period differences for non-current assets	(3,997)	-	618	(3,379)
Other	(864)	399	107	(358)
Net asset / (liability)	**(16,633)**	**399**	**(3,685)**	**(19,919)**

	1 January 2011	Movement via income statement	Movement via balance sheet	31 December 2011
Origin of deferred tax assets and liabilities				
Available-for-sale financial assets	(720)	-	(104)	(824)
Goodwill and intangible assets	(8,211)	-	(2,737)	(10,948)
Depreciation period differences for non-current assets	(2,900)	-	(1,097)	(3,997)
Other	(864)	-	-	(864)
Net asset / (liability)	**(12,695)**	**-**	**(3,938)**	**(16,633)**

The item available-for-sale financial assets relates to the deferred tax on unrealised profits as a result of the revaluation of the investment portfolio.

The goodwill and intangible assets in the deferred tax liabilities relate to the differences between the commercial and fiscal amortisation of the goodwill and intangible assets acquired on the acquisition of Alex.

The depreciation period differences for non-current assets relate to tax facilities with regard to accelerated depreciation on certain investments in non-current assets in the period 2009-2011.

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
16. Other assets		**20,818**		**35,137**
This item comprises:				
Trade receivables	4,660		1,515	
Receivables relating to securities sold, but not yet delivered	14,236		31,447	
Other receivables	1,922		2,175	
	20,818		35,137	
Trade receivables, receivables relating to securities sold but not yet delivered and other receivables have maturities of less than one year. The item receivables arising from securities sold but not yet delivered can fluctuate on a daily basis in line with movements in the market and the total size of the number of transactions.				
17. Prepayments and accrued income		**41,679**		**38,129**
This item comprises:				
Interest receivable	26,269		28,737	
Commission receivable	10,450		5,960	
Other prepayments and accrued income	4,960		3,432	
	41,679		38,129	
Other prepayments and accrued income concern mainly prepaid IT maintenance contracts, which are paid up to three years in advance.				
18. Derivatives positions held on behalf of customers		**254,165**		**311,282**
The derivative positions held on behalf of customers are held in BinckBank's own name but for the customer's account and at the customer's risk.				
19. Customer deposits		**2,213,049**		**2,492,503**
This item comprises:				
Demand deposits savings accounts	424,388		518,954	
Demand deposits in current accounts	1,788,661		1,973,549	
	2,213,049		2,492,503	
20. Provisions		**2,400**		**2,940**
This item comprises:				
Provision for legal disputes	1,012		1,958	
Other provisions	1,388		982	
	2,400		2,940	
The movement in the provision for legal disputes was as follows:				
Balance as at 1 January	1,958		604	
Withdrawal charged to income	432		1,358	
Withdrawn from the provision	(722)		-	
Released to income	(656)		(4)	
Balance as at 31 December	1,012		1,958	

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
The provisions include an estimate of the potential loss for BinckBank as a result of legal proceedings instituted against BinckBank. For the settlement of legal disputes BinckBank is dependent on the activities of third parties, however it expects these to be settled within one year.		
The movement in the other provisions were as follows:		
Balance as at 1 January	982	664
Released	1,388	982
Addition	(797)	(71)
Other movements	(185)	(593)
Balance as at 31 December	1,388	982
The item other provisions includes provisions in relation to individual payments that will fall due on termination of employment agreements. BinckBank expects the provisions to be settled within a period of six months.		
21. Other liabilities	**20,163**	**13,591**
This item comprises:		
Liabilities in respect of securities transactions not yet settled	10,182	2,230
Tax and social security contributions	3,273	3,449
Trade payables	3,820	4,765
Other liabilities	2,888	3,147
	20,163	13,591
The item liabilities in respect of securities transactions not yet settled can fluctuate on a daily basis in line with movements in the market and the total size of the number of transactions.		
22. Accruals and deferred income	**11,507**	**15,579**
This item comprises:		
Accrued interest	2,294	4,337
Employee expenses	4,808	6,270
Stock exchange and clearing costs payable	681	654
Other accruals and deferred income	3,724	4,318
	11,507	15,579
Employee expenses under this heading mostly concern performance-related pay to board members and employees of BinckBank.		

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
23. Equity		**455,221**		**469,523**
This item comprises:				
Issued share capital	7,450		7,450	
Share premium reserve	373,422		373,422	
Treasury shares	(21,539)		(3,954)	
Fair value reserve	7,493		(973)	
Unappropriated profit	24,100		34,210	
Other reserves	64,286		59,361	
Non-controlling interests	9		7	
	455,221		469,523	

	Aantal	Amount	Aantal	Amount
Issued share capital		*7,450*		*7,450*

A total of 74,500,000 ordinary shares were in issue (with a nominal value of € 0.10 per share). The share capital is fully paid up.

Stichting Prioriteit Binck holds 50 priority shares (with a nominal value of € 0.10 per share).

Share premium reserve		*373,422*		*373,422*

The share premium reserve is exempt from tax.

	Number	Amount	Number	Amount
Treasury shares		*(21,539)*		*(3,954)*
Balance as at 1 January	464,117	(3,954)	381,511	(3,335)
Sold to executive board and employees	-	-	(39,491)	345
Issued to executive board and employees	(49,395)	420	-	-
Buy-back of own shares	2,736,491	(18,005)	122,097	(964)
Balance as at 31 December	3,151,213	(21,539)	464,117	(3,954)

As at 1 January 2012, the number of treasury shares held was 464,117, acquired at an average purchase price of € 8.52. In 2012, 2,736,491 shares were repurchased at an average price of € 6.58. In 2012, 49,395 shares were granted to the executive board and employees in connection with the settlement of the remuneration policy with an average purchase price of € 8.50.

The carrying amount of the treasury shares as at year-end 2012 are measured at the average purchase price of € 6.84. The change in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price as at year-end 2012 was € 6.22 (2011: € 8.33).

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
Fair value reserve		*7,493*		*(973)*
The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets.				
This item comprises:				
Unrealised profits	10,436		3,298	
Unrealised losses	(445)		(4,596)	
Tax on unrealised profits and losses	(2,498)		325	
	7,493		(973)	
The movements in the fair value reserve were as follows:				
Balance as at 1 January	(973)		(2,610)	
Movement in fair value	11,289		5,625	
Realisation of revaluations through profit and loss	-		(3,443)	
Tax on the movement in value	(2,823)		(545)	
Balance as at 31 December	7,493		(973)	
Unappropriated profit		*24,100*		*34,210*
Balance as at 1 January	34,210		44,240	
Payment of final dividend	(17,605)		(20,022)	
Addition to other reserves	(16,605)		(24,218)	
Result for the year	24,100		34,210	
Balance as at 31 December	24,100		34,210	
Other reserves		*64,286*		*59,361*
Balance as at 1 January	59,361		49,819	
Payment of interim dividend	(12,365)		(14,831)	
Grant of rights to shares	1,105		-	
Sale of shares to executive board and employees			155	
Shares granted to executive board and employees	(420)			
Appropriation of profit for previous year	16,605		24,218	
Balance as at 31 December	64,286		59,361	
Non-controlling interests		*9*		*7*
Balance as at 1 January	7		(73)	
Capital injection non-controlling interests	722		200	
Result attributable to non-controlling interests	(720)		(120)	
Balance as at 31 December	9		7	
BinckBank has a primary preference on certain retained reserves up to an amount of € 1.1 million. The total measurement of the non-controlling interest is therefore equal to the paid-up nominal share capital plus the part of the retained reserves in excess of the value of BinckBank's primary preference. For a more detailed description see note 36: Related parties.				

Notes to the consolidated income statement

	2012		2011	
		x € 1,000		x € 1,000
24. Net interest income		**32,024**		**38,907**
This includes all income and expense items relating to the lending and borrowing of money, providing they are of a similar nature to interest, as well as interest income on credit balances or interest expense on overdrafts.				
This item comprises:				
Interest income				
Balances with central banks	409		1,237	
Available-for-sale financial assets	24,874		29,093	
Loans and receivables	17,195		23,987	
Other interest income	245		308	
	42,723		54,625	
The interest income recognised on non-performing loans is € 15,000 (2011: € 13,000).				
Interest expense				
Interest on customer deposits measured at amortised cost	10,421		15,450	
Other interest expense	278		268	
	10,699		15,718	
25. Net fee and commission income		**113,663**		**128,447**
Net fee and commission income comprises fees for services as performed for and by third parties in respect of securities transactions and related services.				
This item comprises:				
Fee and commission income				
Commission income	110,583		150,913	
Distribution fees	7,600		7,497	
Custody services	6,207		7,297	
BPO fees	4,477		1,982	
Asset management fees	11,034		5,895	
Other commission income	4,729		3,405	
	144,630		176,989	
The item other fee and commission income includes all-in service fees, charges for foreign currency transactions and transfers, and other securities services.				
Fee and commission expense				
Stock exchange and clearing costs	18,525		31,251	
Return commission to independent investment managers	9,476		13,375	
Other commission expense	2,966		3,916	
	30,967		48,542	
Other commission expense includes fees for the deposit and withdrawal of securities, transfer fees and other management activities.				

	2012		2011	
		x € 1,000		x € 1,000
26. Other income		**11,980**		**13,322**
This item comprises:				
ICT sevices - income	14,943		14,422	
ICT services - direct expenses	(4,678)		(4,185)	
ICT services - net income	10,265		10,237	
Other income	1,715		3,085	
	11,980		13,322	
The item other income includes fees for subscriptions, courses, currency results, and other income and expense items that cannot be accounted for under other items.				
27. Result from financial instruments		**47**		**3,167**
This item comprises:				
Result from SRD (Service de Règlement Différé)				
Result on SRD derivative positions	1,248		11,361	
Result on SRD equity positions	(1,248)		(11,361)	
	-		-	
The SRD receivables and payables are classified as derivatives and are recognised as financial assets and liabilities held for trading. Movements in value are recognised directly in the income statement under result from financial instruments. The corresponding positions in equities are classified as financial assets and liabilities at fair value through profit or loss. Movements in value are also recognised under result from financial instruments. Since BinckBank takes a position in equities which exactly offsets the customers' SRD derivatives position, there is a natural hedge of the price risk.				
Result from other financial instruments				
Available-for-sale financial assets	-		3,443	
Other results from financial instruments	47		(276)	
	47		3,167	
28. Impairment of financial assets		**(2)**		**(268)**
This item comprises:				
Loans and receivables	(2)		(268)	
	(2)		(268)	

	2012	2011
	x € 1,000	x € 1,000
29. Employee expenses	**50,057**	**50,861**
This item comprises:		
Salaries	33,611	32,756
Social insurance contributions	5,390	4,742
Pension costs	2,605	2,873
Profit sharing and performance-related pay	2,045	3,917
Other employee expenses	6,406	6,573
	50,057	50,861
In 2012 employee expenses for research and development and non-capitalised costs for development are included for an amount of € 1,624,000 (2011: € 1,169,000).		
Number of employees (including members of the executive board).		
Average during the financial year	665	667
End of the financial year	639	681
The following expenses are included in employee expenses in relation to associated parties (executive board and supervisory board)		
Salaries	1,317	1,300
Social insurance contributions	219	32
Pension costs	263	260
Performance-related pay	198	795
Severance payments	300	-
Remuneration of supervisory directors	172	158
	2,469	2,545
Details of the remuneration paid to the individual members of the executive board and supervisory board of BinckBank N.V. are disclosed in the remuneration section of the annual report on pages 115-118. At year-end 2012, members of the executive board had no loans collateralised by securities on the general conditions applying to employees (2011: € 302,000).		
Including a non-recurring additional social charge for salaries in excess of € 150,000, as described in the Budget Agreement 2013 Tax Measures (Implementation) Act.		

Implementation of the variable performance fee policy

An amended remuneration policy in accordance with the Regulation for a Controlled Remuneration Policy in the Wft 2011 of DNB was approved by the General Meeting of Shareholders held on 23 April 2012. The amended remuneration policy takes effect with retroactive effect as of 1 January 2011. The effects of payments in shares for 2011 have been recognised in the allocation of shares which took place on 24 April 2012.

Determining the variable performance fee (performance indicators) has not changed under the new remuneration policy. The changes chiefly concern the timing of payments and how the payments are made. The payment is 50% in the form of issued shares and 50% in cash. The full payment is spread over three years, with 50% being paid on the initial determination of the performance delivered in the case of the executive board, and 60% in the case of other Identified Staff. After re-evaluation by the remuneration committee of the performance delivered in the performance period, the remainder is paid pro rata in the three years following the performance year.

In relation to payment of the variable performance fee over 2011, the changed remuneration policy has had no material effect on the result in 2012. In 2012, the accrual for the variable performance fee for 2011 (€ 752,000) for the executive board and Identified Staff that was ultimately settled through the issue of shares was released to the result (the effect after tax is € 564,000). A further employee expense of € 560,000 has been recognised in 2012 in relation to the fair value of the variable performance fee in shares for the performance year 2011. The fair value of payments in shares is not deductible from corporation tax, and therefore the net effect of the new variable performance fee scheme for the 2011 performance year in 2012 comes to € 4,000. An employee expense of € 545,000 has been recognised in 2012 in relation to the fair value of the variable performance fee in shares for the performance year 2012.

The fair value of shares in the future is equal to the fair value at the time of measurement. This fair value is adjusted for:

- 'Missed' dividends, by discounting the value of the shares by a dividend yield; and
- The lock-up period, by adjusting the value for the value of an American call option, calculated using a binomial tree.

The parameters used in the calculation of the fair value of the variable performance fee payable in shares are stated below.

	2012	2011
Share price on initial allocation date	€ 8.33	€ 11.60
Volatility	35.0%	35.0%
Dividend yield	5.3%	4.4%
Risk-free interest rate	2.4%	3.6%
Fair value of share price on allocation date	€ 6.19	€ 8.64

The projected volatility is estimated on the basis of the historical daily volatility of BinckBank shares. The dividend yield is determined by dividing the dividend in the previous financial year (interim and final) by the share price at the end of the previous financial year.

The total variable performance fees for the executive board and Identified Staff are shown in the tables below.

x € 1,000	Total	In cash	Issue of shares (in cash)	Issue of shares (in shares)
Variable performance fee 2012				
N. Bortot	45	23	22	3,620
E. Kooistra	48	24	24	3,821
P. Aartsen	49	25	24	3,922
K. Beentjes	56	28	28	4,525
Overige Identified Staff	442	220	222	35,629
Total	640	320	320	51,517
Variable performance fee 2011				
N. Bortot	184	92	92	11,017
E. Kooistra	184	92	92	11,017
P. Aartsen	199	100	99	11,935
K. Beentjes	229	114	115	13,771
Overige Identified Staff	708	354	354	42,529
Total	1,504	752	752	90,269

The variable performance fee paid in shares is converted at the closing share prices for the performance year in question (2012: € 6.22 and 2011: € 8.33).

The following tables show the amounts paid and yet to be paid in shares and cash to the executive board and Identified Staff. All future payments in shares and cash are subject to the re-evaluation of the performance delivered in the relevant performance year. The performance in 2011 had not yet been revaluated at year-end 2012 and no claw-back has been applied to the variable performance fees paid or yet to be paid. The tables below therefore show the figures according to the performances originally established.

(in numbers)	Total shares to be issued	Shares issued	To be issued after AGM 2013	Shares still to be issued
Variable performance fee in shares 2012				
N. Bortot	3,620	-	1,810	1,810
E. Kooistra	3,821	-	1,911	1,910
P. Aartsen	3,922	-	1,961	1,961
K. Beentjes	4,525	-	2,263	2,262
Overige Identified Staff	35,629	-	21,383	14,246
Total	51,517	-	29,328	22,189
Variable performance fee in shares 2011				
N. Bortot	11,017	5,509	1,836	3,672
E. Kooistra	11,017	5,509	1,836	3,672
P. Aartsen	11,935	5,968	1,989	3,978
K. Beentjes	13,771	6,886	2,295	4,590
Overige Identified Staff	42,529	25,523	5,674	11,332
Total	90,269	49,395	13,630	27,244

x € 1,000	Total to be payed in cash	Paid in cash	To be paid in cash after AGM 2013	Still to be paid in cash
Variable performance fee in cash 2012				
N. Bortot	23	-	11	12
E. Kooistra	24	-	12	12
P. Aartsen	25	-	12	13
K. Beentjes	28	-	14	14
Overige Identified Staff	220	-	133	87
Total	320	-	182	138
Variable performance fee in cash 2011				
N. Bortot	92	46	15	31
E. Kooistra	92	46	15	31
P. Aartsen	100	50	17	33
K. Beentjes	114	57	19	38
Overige Identified Staff	354	213	48	93
Total	752	412	114	226

Under the remuneration policy, the cash payments not yet paid are interest-bearing. BinckBank pays interest according to general conditions of employment at a rate derived from the interest paid to customers of Alex Sparen. The figures shown above are exclusive of interest. A total of € 5,000 in interest on cash payments not yet paid has been recognised in the income statement in 2012. The figures have been discounted using the expected interest due on the variable performance fees in cash not yet paid.

	2012		2011	
		x € 1,000		x € 1,000
30. Depreciation and amortisation		**35,231**		**35,463**
This item comprises depreciation and amortisation on:				
Intangible assets	29,646		30,141	
Property, plant and equipment	5,585		5,322	
	35,231		35,463	
31. Other operating expenses		**37,139**		**43,800**
This item comprises:				
Marketing costs	13,855		15,337	
ICT costs	8,427		10,223	
Audit and professional services	4,597		4,057	
Premises costs	2,487		2,498	
Communication and information costs	7,730		6,377	
Miscellaneous overheads	43		5,308	
	37,139		43,800	
The item miscellaneous overheads includes a non-recurring VAT benefit of € 2.1 million concerning an additional reclaim of VAT for the years subsequent to 2008 (pro rata VAT).				
32. Results per share				
The basic earnings per ordinary share are calculated by dividing the earnings attributable to ordinary shareholders for the period by the weighted average number of shares outstanding during the period.				
The calculation of the earnings per share is based on the following:				
Net result after tax		23,380		34,090
Result attributable to minority shareholders		(720)		(120)
Result attributable to shareholders of BinckBank N.V.		24,100		34,210
Number of shares in issue on 1 January		74,500,000		74,500,000
Less: repurchased shares on 1 January		(464,117)		(381,511)
		74,035,883		74,118,489
Weighted average number of shares relating to (*):				
Issued to executive board and employees		33,968		26,598
Repurchased		(1,268,560)		(2,979)
Average number of shares in issue		72,801,291		74,142,108
(*) The above numbers are based on the total numbers disclosed in note 23, taking account of the date of movement in equity				
Earnings per share (in €)		0.33		0.46

There are no rights outstanding that could lead to a dilution of earnings per share. The diluted earnings per share are therefore the same as the basic earnings per share, and consequently are no longer separately disclosed in these financial statements. No other transactions in ordinary shares or potential ordinary shares that could lead to a dilution were conducted between the reporting date and the date of completion of these financial statements.

	2012	2011
	x € 1,000	x € 1,000
33. Dividend distributed and proposed		
Declared and paid during the year		
Dividend on ordinary shares:		
Final dividend for 2011: € 0.24 (2010: € 0.27)	17,605	20,022
Interim dividend for 2012: € 0.17 (2011: € 0.20)	12,365	14,831
	29,970	34,853
Proposed for approval by the general meeting of shareholders (not recognised as a liability as at 31 December)		
Dividend on ordinary shares:	20,860	17,880
Final dividend for 2012: € 0.28 (2011: € 0.24)		

34. Fair value of financial instruments

BinckBank has classified its financial instruments that are measured in the balance sheet at fair value in a hierarchy of three levels based on the priority of the inputs to the valuation. The fair value hierarchy assigns the highest priority to quoted prices in an active market for similar assets and liabilities and the lowest priority for valuation techniques based on unobservable inputs. An active market for assets and liabilities is a market in which transactions for assets and liabilities occur with sufficient frequency and volume to provide reliable price information on a ongoing basis.

The fair value hierarchy consists of three levels:
Level 1: Fair value is determined on the basis of quoted prices in an active market
Level 2: Measurement techniques using observable market parameters
Level 3: Measurement techniques using input not based on an observable market and which has a more than immaterial effect on the fair value of the instrument.

Observable input concerns market data that are obtained from independent sources. Unobservable input is input based on subjective assumptions by BinckBank with regard to factors used by market participants to determine the price of an asset or liability developed on the basis of best information available in the circumstances. Non-observable input may include factors such as volatility, correlation, spreads to discount rates, default rates, recovery rates, prepayment rates and certain credit spreads.

The fair value of financial instruments measured at fair value is determined as follows:

31 December 2012	Level 1	Level 2	Level 3	Total
	x € 1,000	x € 1,000	x € 1,000	x € 1,000
Financial assets held-for-trading	-	168	-	168
Financial assets at fair value through profit and loss	15,876	-	-	15,876
Available-for-sale financial assets	-	1,515,549	-	1,515,549
Totale assets	**15,876**	**1,515,717**	**-**	**1,531,593**
Financial liabilities held-for-trading	-	65	-	65
Financial liabilities at fair value through profit and loss	1,084	-	-	1,084
Totale liabilities	**1,084**	**65**	**-**	**1,149**
31 December 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
	x € 1,000	x € 1,000	x € 1,000	x € 1,000
Financial assets held-for-trading	-	119	-	119
Financial assets at fair value through profit and loss	15,594	-	-	15,594
Available-for-sale financial assets	-	1,682,452	-	1,682,452
Totale assets	**15,594**	**1,682,571**	**-**	**1,698,165**
Financial liabilities held-for-trading	-	155	-	155
Financial liabilities at fair value through profit and loss	1,013	-	-	1,013
Totale liabilities	**1,013**	**155**	**-**	**1,168**

Level 1: Fair value is determined on the basis of quoted prices in an active market
The fair value of all financial instruments in this category is determined on the basis of quoted prices originating from a stock exchange, broker or data provider providing that these prices reflect current and normally occurring market transactions. In BinckBank's case, this concerns the equity positions relating to SRD receivables and payables.

Level 2: Measurement techniques using observable market parameters
The fair value of all financial instruments in level 2 is determined using a measurement technique for which the input is derived from market prices, however there is no demonstrably active market. In this case the available prices are substantiated mainly using market information such as interest rates and current risk premiums associated with the various credit ratings.

In BinckBank's case, this concerns the following financial instruments:

- Derivatives positions in relation to SRD receivables and payables
  This concerns OTC (Over The Counter) derivatives which are directly agreed with individual customers and not traded in a separate market. The value is directly derived from the market prices of the underlying equities.
- Investment portfolio - bonds
  The investment portfolio concerns current bonds that are mainly traded between professional market participants without the intermediation of a regulated market. Prices are available from brokers on request. Transactions in these bonds are not centrally registered or published by a stock exchange, and BinckBank is thus of the opinion that there is no demonstrably active market. No financial assets were reclassified from level 2 to level 1 in 2011 or 2012.

Level 3: Measurement techniques using input not based on an observable market and which has a more than immaterial effect on the fair value of the instrument.
Any financial instruments in this category are individually assessed. Valuation is based on a management best estimate, taking account of the last known prices and analysis by external valuation agencies. BinckBank has no financial instruments in this category.

Fair value

There are no material differences between the carrying amount and the fair value of any financial instruments in BinckBank's financial statements.

35. Classification of assets & liabilities by expected maturity

The table below shows the assets and liabilities classified by expected remaining life to maturity.

As at 31 December 2012	< 12 months	> 12 months	Total
	x € 1,000	x € 1,000	x € 1,000
Assets			
Cash and balances with central banks	365,362	-	365,362
Banks	135,590	9,326	144,916
Financial assets held-for-trading	168	-	168
Financial assets at fair value through profit and loss	15,876	-	15,876
Available-for-sale financial assets	704,404	811,145	1,515,549
Loans and receivables	323,008	-	323,008
Investment in associates and joint ventures	-	3,384	3,384
Intangible assets	-	263,142	263,142
Property, plant and equipment	-	43,684	43,684
Current tax	6,023	-	6,023
Deferred tax	20,818	-	20,818
Other assets	41,679	-	41,679
Prepayments and accrued income	254,165	-	254,165
Derivatives positions held on behalf of customers			
Total assets	**1,867,093**	**1,130,681**	**2,997,774**
Liabilities			
Banks	20,060	-	20,060
Financial liabilities held-for-trading	65	-	65
Financial liabilities at fair value through profit and loss	1,084	-	1,084
Customer deposits	2,213,049		2,213,049
Provisions	2,400	-	2,400
Current tax	141	-	141
Deferred tax	3,673	16,246	19,919
Other liabilities	19,821	342	20,163
Accruals and deferred income	11,507	-	11,507
Derivatives positions held on behalf of customers	254,165	-	254,165
Total liabilities	**2,525,965**	**16,588**	**2,542,553**
Net	**(658,872)**	**1,114,093**	**455,221**

35. Classification of assets & liabilities by expected maturity (continued)

The table below shows the assets and liabilities classified by expected remaining life to maturity.

As at 31 December 2011	< 12 months	> 12 months	Total
	x € 1,000	x € 1,000	x € 1,000
Assets			
Cash and balanced with central banks	320,214	-	320,214
Banks	269,497	9,458	278,955
Financial assets held-for-trading	119	-	119
Financial assets at fair value through profit and loss	15,594	-	15,594
Available-for-sale financial assets	529,160	1,153,292	1,682,452
Loans and receivables	324,097	-	324,097
Investment in associates and joint ventures	-	3,219	3,219
Intangible assets	-	292,398	292,398
Property, plant and equipment	-	46,229	46,229
Current tax	3,630	-	3,630
Other assets	35,137	-	35,137
Prepayments and accrued income	38,129	-	38,129
Derivatives positions held on behalf of customers	311,282	-	311,282
Total assets	**1,846,859**	**1,504,596**	**3,351,455**
Liabilities			
Banks	28,161	-	28,161
Financial liabilities held-for-trading	155	-	155
Financial liabilities at fair value through profit and loss	1,013	-	1,013
Customer deposits	2,492,503		2,492,503
Provisions	2,940	-	2,940
Current tax	75	-	75
Deferred tax	1,426	15,207	16,633
Other liabilities	13,591	-	13,591
Accruals and deferred income	15,579	-	15,579
Derivatives positions held on behalf of customers	311,282	-	311,282
Total liabilities	**2,866,725**	**15,207**	**2,881,932**
Net	**(1,019,866)**	**1,489,389**	**469,523**

36. Related parties

The consolidated financial statements include the following BinckBank related parties:

	Country	Interest year-end 2012	Interest year-end 2011
Consolidated companies:			
Syntel Beheer B.V.*	Netherlands	100%	100%
Bewaarbedrijf BinckBank B.V.	Netherlands	100%	100%
ThinkCapital Holding B.V.	Netherlands	60%	60%
Joint ventures:			
BeFrank N.V.	Netherlands	50%	50%
Associates:			
TOM Holding N.V.	Netherlands	34.2%	38.5%

** Able Holding B.V. since January 23rd 2013*

The group of related parties consists of consolidated companies, joint ventures, associates, and the executive board and supervisory board of BinckBank. The interest presented is equal to the voting rights held in relation to the company concerned.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on commercial terms and conditions and at market prices.
As at year-end 2012, BinckBank has not recognised any bad debt provisions for receivables from related parties (2011: nil). The judgement concerning the need for such provisions is made each year on the basis of an assessment of the financial position of the individual related parties and the markets in which they operate. No guarantees have been issued or received with regard to related parties.

ThinkCapital Holding B.V.

An additional capital sum of € 1,804,000 was invested by the shareholders in 2012, € 1,082,000 of which was contributed by BinckBank. BinckBank holds a primary preference on certain retained reserves up to an amount of € 1.1 million, followed by a secondary preference of the other shareholders on certain retained reserves up to an amount of € 1.1 million. The results in the financial year are allocated to the shareholders, i.e. BinckBank and the other shareholders, according to the preferences as established in the shareholder agreements. In 2012 BinckBank provided premises, office data systems and administrative services to an amount of € 72,000 (2011: € 72,000). At year-end 2012, BinckBank had a receivable from ThinkCapital Holding B.V. of € 2,000 (2011: € 7,000).

BeFrank N.V.

An additional capital sum of € 2.5 million was invested in the joint venture BeFrank N.V. in 2012. A sum of € 418,000 was charged in relation to ICT and administrative services in 2012 (2011: € 86,000). At year-end 2012, BinckBank had a receivable from BeFrank N.V. of € 186,000.

TOM Holding N.V.

IMC Financial Markets became a shareholder in TOM Holding N.V. in March 2012, with an interest of 9.99%. BinckBank's holding has thus been diluted to 34.2%. During 2012 an additional capital sum of € 1,245,000 was paid into the associate TOM Holding N.V. BinckBank provided premises, office data systems and administrative services to TOM in 2012, for which a fee of € 561,000 was charged. In 2012, € 767,000 was charged to BinckBank by subsidiary companies of TOM Holding N.V. for securities services. At year-end 2012, BinckBank had an account payable to TOM Holding B.V. and its subsidiaries of € 102,000. On 10 December 2012 it was announced that NASDAQ OMX had acquired an interest of 25% in TOM Holding N.V., subject to approval by the relevant regulators. NASDAQ OMX moreover has an option to expand its interest in future to 50.1%. Any dilution effect as a result of this transaction will only be recognised once regulatory approval has been obtained.

No transactions involving the executive board or the supervisory board took place during the year other than under contracts of employment. See note 29 on Employee expenses and the Broad outlines of the remuneration report on page 115-118 in the annual report for further details.

Transactions with consolidated companies are fully eliminated in the consolidated financial statements.

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
37. Off balance sheet commitments		
Contingent liabilities		
Liabilities in respect of contracts of suretyship and guarantees	2,558	3,387
Liabilities in respect of irrevocable facilities	-	-

To meet the requirements of its customers, BinckBank offers products such as contracts of suretyship and guarantees in relation to loans. The underlying value of these products is not presented on the face of the balance sheet. The above figure represents the maximum potential credit risk for BinckBank attached to these products on the assumption that all its counterparties should default on their contractual obligations and all existing collateral should prove worthless. Guarantees include both credit-substituting and non-credit-substituting guarantees. In most cases, guarantees can be expected to expire without a call being made on them and they will not give rise to any future cash flows.

With acquisition of Alex Beleggersbank at the end of 2007, BinckBank also acquired the Alex Bottom-Line product, which is an agreement with the Dutch Shareholders' Association (VEB). If BinckBank terminates the VEB agreement, it will be liable to pay an amount equal to the custody fee and dividend commission paid by each customer of Alex Bottom-Line on entry into the agreement plus the amount of any custody fee and dividend commission additionally paid by each customer on exceeding set limits.

Lease commitments

The company has leases and service contracts for office premises in the Netherlands, Belgium, France, Spain and Italy. It has also entered into operating lease contracts for the vehicle fleet for periods of less than five years. The combined annual expense relating to office rents and operating lease payments for the vehicles at year-end 2012 was € 3.2 million (2011: € 3.0 million).

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
The aged analysis of the outstanding liabilities is as follows:		
Within one year	2,642	3,093
One to five years	2,759	4,138
Longer than five years	262	338

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 results.

Deposit guarantee scheme

The deposit guarantee scheme (DGS) 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 or 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 (DNB) will make up the difference. The total amount paid out by DNB will then be recovered from the banks on a pro rata basis.

The funding of the deposit guarantee scheme was set to be changed from an ex-post basis to an ex-ante basis with effect from 1 July 2013. As a result of the additional resolution charge arising from the nationalisation of SNS Reaal, the Minister has decided to postpone the ex-ante funding to 1 July 2015. The banks will then have to contribute a sum to a fund for the deposit guarantee scheme. The Stichting Depositogarantiefonds will be the owner of the fund and its resources are not refundable. DNB will manage the assets of the deposit guarantee fund and thereby act as the agent of the Stichting. The deposit guarantee fund should increase to 1% of the deposits guaranteed under the DGS in approximately 10 years, which according to the most recent data is approximately € 4 billion. The target output of 1% of the guaranteed deposits is determined by bank.

Investor compensation scheme
The directive regarding the investor compensation schemes (or 'ICSD') has recently been revised. The ICSD was established in 1997 in addition to the Investment Services Directive (now replaced by the MiFID). The ICSD provides for compensation to customers taking investment services from investment firms (including banks) if the investment firm is not able to return money or financial instruments it holds on a customer's behalf. The revision of the ICSD is part of a broader package of measures that also includes the revision of the deposit guarantee scheme directive. At the time of writing this annual report, this process has (temporarily) stalled and thus the actual date on which implementation in Dutch law will occur is not known.

38. Segment information
As an online broker, BinckBank offers its retail customers fast and low-cost access to all the world's major financial markets. 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 fast and low-cost order execution, BinckBank also provides services to professional customers relating to the administrative processing of securities and financial transactions by means of an outsourcing system (BPO), or through the licensing of the related software. The company has offices in the Netherlands, Belgium, France, Spain and Italy.

The managerial responsibility for our subsidiary Syntel B.V. has changed with effect from 1 January 2012. This responsibility has been transferred from the chairman of the executive board to the executive director responsible for the Professional Services business unit. The results of Syntel are therefore no longer reported in the group operations, they are reported under the Professional Services business segment. The new segmentation reflects the revised managerial responsibilities. The comparative figures have been adjusted accordingly.

A segment is a clearly distinct element of BinckBank that provides services with a risk or return profile that is different from the other segments (a business segment), or which provides services to a particular economic market (market segment) that has a different risk and return profile to that of other segments. In terms of organisation, the operations of BinckBank are divided into two primary business segments. The executive board determines the performance targets, 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 are:

- Retail
- Professional Services

The Retail business unit operates as an (internet) broker for the private customer market. The Professional Services business unit provides brokerage services in securities and derivatives transactions on behalf of professional investors in the Netherlands and abroad, including the provision of the majority of the related administration, and including the subsidiary Syntel. All directly attributable income and expenses are recognised within the Retail and Professional Services business segments, together with the allocated costs of the group activities.

The item Group operations includes the departments directly managed by the executive board and for which the income and expenses are not included in one of the other business segments. This includes ThinkCapital and the results of central Treasury, including the results on sales in the investment portfolio and extraordinary expenses.

The same accounting principles are used for a business segment as those described for the consolidated statement of financial position and income statement of BinckBank. The prices used for transactions between business segments are the prices that would occur under normal market conditions ('at arm's length').

The results of associates and joint ventures are attributed to business segments to the extent that the business segments exercise direct influence on the associates and joint ventures. All other results of associates and joint ventures are recognised at group level.
Investments in intangible assets and property, plant and equipment are attributed to the business segments to the extent that the investments are directly acquired by the business segments. All other investments are recognised at

group level.

Tax is managed at group level and is not attributed to the operating segments.

Syntel charged a sum of € 6.5 million (2011: € 6.7 million) for services provided to BinckBank. These costs have been eliminated in the segment information presented below and replaced by the allocation of the actual costs.

As was the case in 2011, no customer or group of associated customers was responsible for more than 10% of the bank's total income in 2012.

Business segmentation

x € 1,000	Notes	Retail		Professional Services		Group operations		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
Interest income		*37,051*	*47,644*	*5,274*	*6,139*	*398*	*842*	*42,723*	*54,625*
Interest expense		*(9,350)*	*(13,788)*	*(951)*	*(1,573)*	*(398)*	*(357)*	*(10,699)*	*(15,718)*
Net interest income	24	27,701	33,856	4,323	4,566	(0)	485	32,024	38,907
Commission income		*115,435*	*146,224*	*28,930*	*30,607*	*265*	*158*	*144,630*	*176,989*
Commission expense		*(18,190)*	*(32,698)*	*(12,676)*	*(15,716)*	*(101)*	*(128)*	*(30,967)*	*(48,542)*
Net fee and commission income	25	97,245	113,526	16,254	14,891	164	30	113,663	128,447
Other income	26	1,659	2,566	10,279	10,251	42	505	11,980	13,322
Result from financial instruments	27	-	-	-	-	47	3,167	47	3,167
Impairment of financial assets	28	(1)	(268)	(1)	-	-	-	(2)	(268)
Total income from operating activities		**126,604**	**149,680**	**30,855**	**29,708**	**253**	**4,187**	**157,712**	**183,575**
Employee expenses	29	(32,436)	(34,283)	(17,254)	(15,804)	(367)	(774)	(50,057)	(50,861)
Depreciation and amortisation	30	(33,824)	(34,172)	(1,407)	(1,049)	-	(242)	(35,231)	(35,463)
Other operating expenses	31	(32,775)	(37,064)	(5,827)	(5,018)	1,463	(1,718)	(37,139)	(43,800)
Total operating expense		**(99,035)**	**(105,519)**	**(24,488)**	**(21,871)**	**1,096**	**(2,734)**	**(122,427)**	**(130,124)**
Result from operating activities		**27,569**	**44,161**	**6,367**	**7,837**	**1,349**	**1,453**	**35,285**	**53,451**
Share in results of associates and joint ventures	11							(3,580)	(5,848)
Result before tax								**31,705**	**47,603**
Tax	14							(8,325)	(13,513)
Net result								**23,380**	**34,090**
Total assets		2,250,473	2,558,973	419,801	392,218	327,500	400,264	2,997,774	3,351,455
Total liabilities		1,866,455	2,166,145	378,086	359,156	298,012	356,631	2,542,553	2,881,932

The analysis below shows the geographical distribution of income from operating activities and the property, plant and equipment and intangible assets of BinckBank. Income is allocated on the basis of the country of domicile of the branch where the account is opened, and the property, plant and equipment and intangible assets on the basis of the country in which the assets are held.

Segmentation of continued operations by region						
x € 1,000	Netherlands		Other countries		Total	
	2012	2011	2012	2011	2012	2011
Total income from operating activities	132,389	158,901	25,323	24,674	157,712	183,575
Property, plant and equipment, and intangible assets	306,491	338,431	335	196	306,826	338,627

39. Risk management

Introduction

BinckBank conducts its business on the basis of an appropriate balance between risk, return and required capital and strives to accept risks in a conscious and responsible way. Risks are associated with BinckBank's commercial activities, however the exposure to high-risk activities such as proprietary trading, complex products or foreign currencies is limited.

Banks have to hold capital to cover the risks associated with their banking operations. This is facilitated by the Internal Capital Adequacy Assessment Process (ICAAP). ICAAP is a procedure that ensures that an institution:
- acknowledges, measures, aggregates and monitors the risks that the institution incurs;
- has capital cover available that is determined by internal regulations that is sufficient to meet the fundamental risks to which the institution is exposed; and
- has an adequate risk management system that is continuously developed in accordance with the identified risk factors.

BinckBank strives to achieve a moderate risk profile, so that the effects of unexpected events on profit and equity will be limited. BinckBank devotes considerable attention to risk management and employs risk management systems. Control measures, reporting systems and information systems incorporating limits are part of the risk management process. The identification of risks and the creation and updating of appropriate control measures constitute an ongoing process within BinckBank. Risk management is itself an ongoing process which is affected by both changing market conditions and the increasing complexity of legislation and regulation.

The relevant risks for BinckBank and the related control measures are described in detail in the section Risk & capital management in the annual report (page 66).
The note on financial risks in the financial statements is based on the requirements of IFRS 7.

BinckBank's risk management focuses on:
- Pillar I
  - Credit risk
  - Market risk
  - Operational risk
- Pillar II
  - Interest-rate risk
  - Liquidity risk
  - Credit risk
    - Concentration risk
    - Margin risk
    - Counterparty risk

After a general section on risk and capital management, these types of risk are described separately below.

BinckBank's risk profile

BinckBank has a fundamentally different risk profile from that of a traditional Dutch bank. The typical banking operations of BinckBank are relatively simple, and concern the offering of loans collateralised by highly liquid securities portfolios (collateralised lending), providing payment services to fixed contra-accounts at other banking institutions, automated asset management and the interest-rate business relating to the funds entrusted by our customers
These activities are in general classified as relatively low-risk. BinckBank's core business, the settlement of securities transactions, is however a complex process. Each year, BinckBank processes millions of transactions for more than 640,000 accounts in a very large number of financial products on several trading platforms through brokers and stock exchange memberships. Together with the high level of dependence on ICT, this forms a relatively high operational risk.

Risk management organisation

In the current organisation, risk management is concentrated around the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), who collectively manage the various departments involved in the management of risk. Each of these departments has its own by-laws which define its duties and responsibilities in relation to risk management. These by-laws have been coordinated to avoid both duplications and gaps in the risk management mechanisms. The independence of the various functions/departments is safeguarded by segregating the reporting lines.
BinckBank uses the 'three lines of defence' principle, in which the business units have primary responsibility for the management of risk. The first-line departments are supported and monitored by second-line specialist departments such as Finance & control, Legal & compliance and Risk management. The Internal audit department (IAD) forms the third line of defence. The supervisory board, supported by the audit committee, the risk and product development committee and the remuneration committee, collectively with the external regulators and the external auditor form the last link in the Governance Risk Compliance Framework.

Risk management departments and committees

There are a number of consultancy structures and departmental committees in which representatives of the first and second lines are included that are closely involved in the management of certain risks. The committees operate under by-laws that have been approved by the executive board and can issue mandates for individual departments, the most important of which are explained further below.

Treasury committee

The treasury committee is mainly concerned with the management of liquidity risk, credit risk in the investment portfolio and market risk (interest-rate risk and currency risk), and also assesses BinckBank's capital and liquidity adequacy. This committee also sets the lending policy for the interest-rate business.

Investment committee

The investment committee assesses the implementation of the investment policy of the Savings & investment management department. It also monitors yield development and risk and compliance issues, as well as the management of operational risks. The investment committee assesses changes to the investment policy and approves these where necessary.

Risk committees for Retail and Professional Services

Operational and credit risk for the Retail and Professional Services business units is the responsibility of separate risk committees. These bodies focus on the management of risks associated with the structure of the business processes and the credit risk inherent in customer portfolios. Its principal tasks include decision-making on sound and controlled operation, coordinating and stimulating operational risk control and design of the main business processes. Final approval for the introduction of 'new products', as described in the Banking Code, is given by these committees before being dealt with by the risk and product development committee (RPC).

Legal & compliance committee

The purpose of the legal & compliance committee is the management of legal and compliance issues for BinckBank N.V. using KRIs (Key Risk Indicators), including the effects of new legislation and regulation and amendments to terms and conditions and policy documents.

IT security committee
This body focuses on the management of risks associated with information security and the security of the ICT processes.

Risk management department
The Risk management department oversees the correct implementation of the policy regarding the management of credit and market risk in customer portfolios and the monitoring of the existence and operation of the risk control measures. The Risk management department conducts the periodic internal checks of operating processes as part of its management of operational risks. It also monitors the interest-rate risk inherent in the investment portfolio and implements the information security policy for BinckBank.

Finance & control department
The Finance & control department is responsible for the accurate, timely and complete administration and reporting of financial data to internal and external stakeholders. This includes all mandatory reporting to national and international regulators.

Legal & compliance department
The Legal & compliance department is responsible for monitoring compliance with the applicable codes of conduct and the relevant legislation and regulation and is concerned primarily with management of integrity risk. BinckBank places a high priority on integrity and reliability, and emphasizes this through its code of conduct, its insider trading regulations and its whistleblower's charter. The manager of the Legal & Compliance department fulfils the role of corporate secretary.

Internal audit department (IAD)
In line with the definition of Internal Auditing by the Institute of Internal Auditors, the task of IAD is to provide independent and objective certainty. The purpose of the IAD is to perform assurance tasks in order to add value to and improve the functioning of the internal organisation. The IAD thus contributes to the realisation of the organisational targets by means of a systematic and disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes. IAD does not provide consulting services.

The scope or operating area of the IAD includes all activities carried out under the responsibility of BinckBank. Joint ventures and associates are independent entities with their own licence and fall outside the (direct) area of operation of the IAD.

Supervision of activities

Supervisory board
The supervisory board discusses the strategy and the risks associated with the business each year, and, on the basis of reports, assesses the structure and operation of the internal risk management and control systems. Supervision of the provision of financial information by the company is the responsibility of the supervisory board. After evaluation, the supervisory board approves the risk appetite as established by the executive board each year.

Audit committee
The audit committee is responsible for overseeing the structure and operation of the system of internal control and risk management and monitoring the implementation of the external auditor's recommendations and the functioning of the Internal audit department.

Risk and product development committee
The risk and product development committee advises the supervisory board on matters including the risk profile and the degree of risk acceptable to BinckBank. It also monitors the adequacy of the liquidity and the capital, as well as establishing, testing and analysing new products or changes to existing products and services with regard to the duty of care towards the customer. The risk and product development committee is moreover responsible for identifying, analysing and advising on all the other material risks to BinckBank.

Remuneration committee
The remuneration committee prepares decisions regarding the remuneration of members of the executive board and senior management and regarding the principles of the remuneration policy for the other employees of BinckBank. With the help of external advisers, it follows trends and developments with regard to the remuneration policy and regularly checks

that the current remuneration policy is still in accordance with the current market circumstances and current corporate governance provisions.

Risk oversight by the executive board
The chairman of the executive board and the CFO are members of all the risk committees, thus ensuring that they maintain an overview of the risks and control measures. Moreover, the executive board has to approve the by-laws of the various committees each year, thus ensuring cohesion between the various committees and avoiding duplication of tasks.

Capital management
The aim of capital management at BinckBank is to maintain a sound solvency position, seeking constantly to strike the right balance between the equity capital it holds and the risks to which it is exposed. This involves holding capital for the complementary Pillar II risks identified by BinckBank, such as interest-rate risk, concentration risk, margin risk and counterparty risk, in addition to the minimum capital requirements prescribed under Pillar I (credit risk, market risk and operational risk). The adequacy of this retained capital under Pillar II is tested on a regular basis, which may lead to higher or lower internal capital requirements. The testing process is known as the ICAAP (Internal Capital Adequacy Assessment Process).

Capital adequacy
BinckBank continuously assesses the adequacy of its capital. As a result of a lower capital requirement under Pillar II, the solvency ratio has risen from 23.1% as at 31 December 2011 to 25.2% as at 31 December 2012. The current level of Tier I capital is sufficient to continue the growth of our activities and puts BinckBank in a sound position to cope with periods of financial stress. The capital adequacy is assessed on a monthly basis, based on the capital requirements under Pillars I and II and results of a fixed set of stress tests. The results provide information on the adequacy of the capital and the extent to which BinckBank can continue its operations in the event of a stress scenario. The capital requirement under Pillar I is expressed in the BIS ratio. The capital adequacy under Pillars I and II is expressed in the internal solvency ratio.

BinckBank strives to achieve an internal solvency ratio of between 12% and 20% and has determined in its capital policy that if the solvency ratio rises towards the 20% level that surplus capital will be distributed to shareholders in the form of dividend and/or through the purchase of treasury shares.

BinckBank restored its share buy-back programme on 16 December 2011 with the intention of reducing its capital. BinckBank expects to purchase a total of up to € 28.2 million in shares during a period of 18 months, subject to the (projected) internal solvency ratio remaining above 20%. The solvency ratio did not fall below the 20% threshold during 2012, and BinckBank purchased a total of € 18.0 million in shares during the year.

Calculation of equity capital and actual Tier I capital (x € 1,000)	31 December 2012	31 December 2011
Issued and paid-up capital	7,450	7,450
Share premium reserve	373,422	373,422
Treasury shares	(21,539)	(3,954)
Other reserves	71,779	58,388
Unappropriated profit	24,100	34,210
Non-controlling interests	9	7
Total equity	**455,221**	**469,523**
Less: goodwill	(152,929)	(152,929)
Less: other intangible assets	(110,213)	(135,773)
Less: fair value reserve	(7,493)	973
Less: proposed dividend	(20,860)	(17,880)
Core capital	**163,726**	**163,914**
Less: equity investments in financial subsidiaries	(3,384)	(3,219)
Total available capital (A) - Tier I	**160,342**	**160,695**
Credit risk - Pillar I	19,727	18,718
Market risk (= currency risk)	93	120
Operational risk	21,441	22,522
Total required capital (B) - Pillar I	**41,261**	**41,360**
Interest-rate risk	1,454	4,294
Liquidity risk	157	477
Credit risk - Pillar II	7,998	9,455
Concentration risk	*5,256*	*7,054*
Margin risk	*2,242*	*401*
Counterparty risk	*500*	*2,000*
Total required capital - Pillar II	**9,609**	**14,226**
Total required capital (C) - Pillar I + II	**50,870**	**55,586**
BIS ratio (=A/B * 8%)	**31.1%**	**31.1%**
Solvency ratio (= A/C * 8%)	**25.2%**	**23.1%**

Introduction of CRR/CRD IV

Although every effort has been made to reach political agreement regarding CRR/CRD IV in 2012, it is already clear that CRR/CRD IV cannot be applied at this point. Even if political agreement were to be achieved in the first quarter of 2013, the European Parliament would still have to vote on the whole package. First application of the CRD IV on 1 January 2014 currently would seem to be the most likely outcome. As things stand, a plenary vote by the European Parliament is foreseen in early 2013. De Nederlandsche Bank (DNB) is assuming that the earliest publication date for CRD IV will be mid-2013. So 1 January 2014 would seem to be the most obvious date for initial application of both the Directive (CRD) and the Regulation (CRR). Given the fact that negotiations are still ongoing, DNB obviously cannot establish the formal start date for CRD IV and the related Dutch legislation with any certainty. DNB is requiring institutions to continue to strive to meet all the Basel III / CRD IV requirements on time. DNB will continue to monitor adequate preparation and migration to Basel III / CRD IV during 2013, under the 'Basel III monitoring project.'

The main elements of the revised capital requirements for banks are as follows:

1. Stricter requirements for solidity of capital
2. Stricter Tier I capital requirements
3. Holding anti-cyclical capital buffer

1 Stricter requirements for solidity of capital

Under Basel II, the capital held by banks can consist of Tier I, Tier II and Tier III capital. Tier I capital is classified as the strongest, since it consists mainly of equity and retained profits. Under the new banking directive, stricter requirements are set for qualification as Tier I or Tier II capital. Tier III instruments will be phased out. BinckBank is funded only with Tier I capital and therefore does not have to make any changes to its capital structure.

2 Stricter Tier I capital requirements

The reform package will lead to an increase in the minimum core capital of 2% to 4.5%. A bank must also retain an additional buffer (known as a capital conservation buffer) of 2.5% above this 4.5% which must also consist of Tier I capital. A bank may draw on this buffer in times of crisis, but this is only permitted if no dividend is distributed. This is a scenario that a bank will wish to avoid, meaning in practice that a bank will have to hold 7% in Tier I capital (with effect from 2019). Since BinckBank is financed exclusively with Tier I capital and as at 31 December 2012 has a BIS ratio of 31.1%, the expectation is that additional Tier I capital will not be required.

3 Holding anti-cyclical capital buffer

In addition to the new standard of 7%, there will be an anti-cyclical buffer. During the stronger part of the economic cycle, up to 2.5% must be retained. Averaged out over the economic cycle, this represents an additional requirement of 1.25%. The solidity requirements for this capital will be less stringent. The idea is to reserve extra capital during periods of financial prosperity. In view of its current BIS ratio of 31.1%, BinckBank is not expected to have to form additional reserves..

The table below shows the expected impact of the new regulation on the BIS and BinckBank's solvency ratio.

Calculation of capital requirement under Basel II and Basel III			
(x € 1,000)	Basel II 31 December 2012	Basel III 31 December 2012	Delta 31 December 2012
Issued share capital	7,450	7,450	-
Share premium reserve	373,422	373,422	-
Treasury shares	(21,539)	(21,539)	-
Other reserves	71,779	71,779	-
Unappropriated profit	24,100	24,100	-
Non-controlling interests	9	9	-
Total equity	**455,221**	**455,221**	**-**
Less: goodwill	(152,929)	(152,929)	-
Plus: deferred payment obligations associated with goodwill	-	17,860	(17,860)
Less: other intangible assets	(110,213)	-	-
Less: fair value reserve	(7,493)	-	(7,493)
Less: proposed dividend	(20,860)	(20,860)	-
Core capital	**163,726**	**189,079**	**(25,353)**
Less: equity investments in financial subsidiaries	(3,384)	-	(3,384)
Total available capital - (A)	**160,342**	**189,079**	**(28,737)**
Pillar I required capital - Basel II	**41,261**	**41,261**	-
Adjustments to capital requirement under Pillar III * Risk weighting of investments in financial institutions no longer treated as a deductible item but weighted at 250%.	-	**677**	(677)
Pillar I required capital - Basel III - (B)	**41,261**	**41,938**	**(677)**
Required capital - Pillar II	**9,609**	**9,609**	-
Required capital - Pillar I+II - (C)	**50,870**	**51,547**	**(677)**
BIS-ratio (=A/B * 8%)	**31.1%**	**36.1%**	**-5.0%**
Solvency ratio (=A/C * 8%)	**25.2%**	**29.3%**	**-4.1%**

The differences are due to the following adjustments:

- Under Basel II, the gross amount of the goodwill is a deductible item on the capital. Under Basel III, the goodwill will be deducted after deduction of any associated deferred tax liability that will lapse under the relevant accounting standards if the goodwill is reduced or is no longer recognized.
- Under Basel III the unrealised results on financial assets available for sale will be counted towards the Tier 1 capital. DNB has proposed (in August 2012) that for unrealised losses this should be phased in over five years. The above table does not take account of the phasing-in period as proposed by DNB. In the event of a rapid rise in market interest rates, the negative value development of the investment portfolio could have a significant negative impact on BinckBank's Tier I capital.
- Under Basel III, participating interests in financial institutions greater than 10% of the capital of these institutions will only become a deductible item from capital if they represent more than 10% of the core capital. To the extent that they are lower than 10% of the core capital, these items will be treated as a risk-weighted asset with a weight of 250%. In BinckBank's case, this means that all associates will be recognised as risk-weighted assets with a weight of 250%.

Credit risk weighting and capital requirement

This table presents the credit risk weight with the capital requirement according to the standard method of Basel II.

Credit risk standard approach as at 31 December 2012 x € 1.000	Risk weight						Credit risk mitigation		Risk-weighted assets	Capital requirement (8%)
	0%	10%	20%	50%	75%	100%	Substitution	Collateral		
Claims or contingent claims on central governments or central banks	1,060,621	-	-	-	-	-	-	-	-	-
Claims or contingent claims on regional governments or local authorities	6,109	-	-	-	-	-	-	-	-	-
Claims or contingent claims on financial institutions	7,178	551,573	314,808	91,291		-	(1,021)		165,537	13,243
Retail claims or contingent retail claims	254,165	-	-	-	344,854	-	(8,305)	(317,311)	12,860	1,029
Other receivables	4,224	-	-	-	-	68,188	-	-	68,188	5,455
Total	**1,332,297**	**551,573**	**314,808**	**91,291**	**344,854**	**68,188**	**(9,326)**	**(317,311)**	**246,585**	**19,727**

Credit risk standard approach as at 31 December 2011 x € 1.000	Risk weight						Credit risk mitigation		Risk-weighted assets	Capital requirement (8%)
	0%	10%	20%	50%	75%	100%	Substitution	Collateral		
Claims or contingent claims on central governments or central banks	1,002,935	-	-	-	-	-	-	-	-	-
Claims or contingent claims on regional governments or local authorities	37,637	-	-	-	-	-	-	-	-	-
Claims or contingent claims on financial institutions	29,209	950,597	326,310	-		-	(3,921)		160,190	12,815
Retail claims or contingent retail claims	311,282	-	-	-	312,469	-	(5,537)	(293,389)	10,157	813
Other receivables	1,512	-	-	-	-	63,631	-	-	63,631	5,090
Total	**1,382,575**	**950,597**	**326,310**	**-**	**312,469**	**63,631**	**(9,458)**	**(293,389)**	**233,978**	**18,718**

Transferred financial assets and financial assets pledged or received as collateral

Transferred financial assets
As part of its liquidity management, BinckBank has repo facilities with several banks. Securities sold under the repo facilities are transferred to a third party, for which BinckBank receives cash. These transactions are effected subject to conditions based on the ISDA rules with regard to collateral. BinckBank has established that it retains more or less all the risks and rewards of these securities – credit risk and market risk in particular – and therefore continues to recognise them in the balance sheet. Furthermore, it assumes a financial liability with regard to the cash to be repaid.

BinckBank did not use these facilities in either 2012 or 2011, and accordingly no such positions are recognised in the balance sheet.

Financial assets pledged as collateral
Receipts and payments in relation to the settlement of securities transactions with the various parties involved do not occur at exactly the same time on the settlement date. In order to bridge these intra-day time differences, BinckBank has pledged part of its investment portfolio of fixed-income securities as collateral with its custodian. There were no overnight exposures during or at year-end 2012, and therefore no right of pledge was vested.

Financial assets recieved as collateral
BinckBank provides loans and other facilities on the basis of securities pledged by customers as collateral. BinckBank is not entitled to lend the securities received as collateral and may only proceed to selling them if the borrower remains in default. BinckBank has established that all the risks and rewards of these securities are for the customer and therefore has not recognised these securities in the balance sheet.

Pillar I - Credit risk
Credit risk is the risk of a counterparty and/or issuing institution involved in trading in or issuing a financial instrument defaulting on an obligation and thus harming BinckBank financially.

Lending
BinckBank lends to central governments, lower-tier public authorities if guaranteed by central government, central banks and credit institutions with a credit rating equal to or better than F1 (Fitch or equivalent). These are short-term loans with terms ranging from one day to a maximum of one month. BinckBank is exposed to counterparty risk (the risk of default by a counterparty to which credit has been extended). BinckBank extends credit to counterparties within a system of limits for both size and maturity for each counterparty, which are set in advance by the treasury committee.

Adjustment to the investment policy
BinckBank adjusted its investment policy in 2012, by placing a part of its investment portfolio in relatively highly-rated bonds issued by North European banks by the end of the year. As a result of the continuing decline in interest rates in the money and capital markets, the returns generated under the old investment policy, whereby most of the investments were in German central and regional government paper and German Pfandbriefe banks, continually declined during 2012. This led to a danger that the return on the savings would become loss-making. BinckBank made some changes to its investment policy with effect from March 2012. For a part of its investment portfolio (up to 30% and up to € 10 million per counterparty) it will take on a higher credit risk with its investments in order to keep the return on the savings it holds at least at break-even level. Under the new policy, investment is permitted in bonds rated at least single A issued by banks, supranational institutions and government institutions in European countries. The essence of the new policy is to increase the diversity of issuers and countries, and to partly reduce the one-sided exposure to Germany. The revised investment mandate achieves wider diversification across West and North European countries. As at 31 December 2012, the investment portfolio consisted of 41% in German Öffentliche Pfandbriefe, 36% in German regional government paper, 9% of the investments are guaranteed by the German government or German regional government and 13% of the portfolio is invested in bonds issued by banks from North and West European countries. The remainder is invested in bonds issued by the government of Belgium. government and 13% of the portfolio is invested in bonds issued by banks from North and West European countries. The remainder of the investments is invested in bonds issued by the government of Belgium.

Collateralised lending
Via individual customer agreements, BinckBank offers customers loan facilities collateralised by securities. Advances can be used to cover the margin requirement on derivatives positions, purchase securities or furnish bank guarantees

against the securities account. The Risk management department uses automated systems to monitor the loans provided on the basis of real-time prices. The credit risk therefore resides in movements in value of the collateral received.

Pillar I - Credit risk

Maximum credit risk

The table below presents the maximum credit risk associated with the various financial instruments. The maximum credit risk is shown gross, without taking account of the effects of credit risk mitigation provided by set-off agreements and the collateral that has been furnished. The maximum credit risk in derivatives positions for the account and risk of customers is shown by the margin requirement as described above, and is not included in the table below.

	2012	2011
	x € 1,000	x € 1,000
Credit risk		
Cash and balanced with central banks	365,362	320,214
Banks	144,916	278,955
Financial assets held-for-trading	168	119
Financial assets at fair value through profit and loss	15,876	15,594
Available-for-sale financial assets	1,515,549	1,682,452
Loans and receivables	323,008	324,097
	2,364,879	2,621,431
Guarantees	2,558	3,387
	2,367,437	2,624,818
The quality of the loans and advances and the provision for bad debts are shown in the tables below:		
Not yet due	322,985	324,059
Past due	459	462
Total	323,444	324,521
Bad debt provision	(436)	(424)
Net loans and receivables	323,008	324,097
Past due items are residual items remaining after realisation of the collateral (securities and bank guarantees). The provision is formed on a case-by-case basis.		
Loans and receivables by percentage covered:		
Money-market loans	-	34,000
< 25% of the value of the collateral	79,856	75,479
between 25% and 50% of the value of the collateral	136,947	113,255
between 50% and 75% of the value of the collateral	97,415	95,779
> 75% of the value of the collateral	8,767	5,546
Past due	459	462
	323,444	324,521
There are no items in arrears or for which provisions have been recognised in any of the other categories of financial assets.		
Loans and receivables under renewed contracts In the case of existing loans and receivables, it is possible for renewed contracts to be concluded with customers. The new contracts are, however, periodically assessed for compliance and to determine whether future payment is probable.		
Loans and receivables under renewed contracts	35	32

Credit risk on outstanding collateralised loans/margin obligations
In the case of lending against the collateral of financial instruments, the amount of credit advanced depends partly on the liquidity and price of the financial instrument in question. The credit facility for all products that qualify for collateralised lending is determined in accordance with the guidelines set by the risk committees, taking account of the limits set in section 152 of the Market Conduct Supervision (Financial Institutions) Decree (Besluit gedragstoezicht financiële ondernemingen, or 'Bgfo'). BinckBank applies a lower limit haircut of 30% on equities and 20% on bonds. In comparison with the standard approach taken by the regulator to determine the credit risk under Basel II, this is very prudent. BinckBank has retained the right towards its customers to adjust the amount advanced against securities at any time without prior notice. Authorised limits can be translated into a maximum spending limit. This spending limit can be expressed as a cover ratio whereby the minimum requirement reflects a cover ratio of 1. The degree to which the customer exceeds 1 expresses the relative surplus cover in relation to the minimum requirement. Additional cover can be obtained by providing bank guarantees, collateral in the form of securities or by depositing cash. If the cover ratio falls below 1, the customer enters the deficit procedure. If there is no cover ratio (cover is nil) the customer moves from the deficit procedure to the collection procedure. Monitoring of credit risk is conducted by the Risk management department, which uses automated systems to monitor the loans provided on the basis of real-time prices. The credit risk therefore resides in movements in value of the collateral received.

Concentration risk
Concentration risk is a form of credit risk, and occurs in relation to customers with collateralised loans and customers with margin requirements on derivatives positions. Concentration risk arises for example in the case of concentrations in specific stocks by customers with insufficiently diversified investment portfolios. The credit collateralised by securities is in this case too dependent on one or a few issuers. If an issuer were to default, the consequences would be significantly more serious than if the credit had been provided on a more diversified portfolio. The Risk management department monitors for excessive concentrations in customer portfolios on a daily basis. Measures are taken in line with policy if necessary to limit excessive concentrations. In addition, the risk committees may decide to limit the concentration risk associated with a specific stock by reducing the advance provided against the stock in question.

Margin risk
Customers of BinckBank may take positions in derivative instruments (options and futures) which are traded on a regulated market or licensed multilateral trading facilities. Margin is a financial sum that the writer (or seller) of an uncovered option or future must deposit as security for the risk of his position. Margin is a form of guarantee for potential losses arising as a result of the obligations assumed by the investor. This does not mean that the financial risks are limited to the size of these obligations. There is therefore the risk that the margin maintained by the customer will not be adequate in relation to the obligation he has assumed. The margin requirement may therefore entail a credit risk on the customer. The amount of the margin requirements is partly determined by the margin percentages established by the Risk management department on the basis of the historical volatility of the underlying stock or index. The Risk management department analyses market movements on a daily basis and updates the margin percentages at least once a month. Since the risk associated with written option positions is not adequately expressed in the Pillar I minimum capital requirements, BinckBank has itself imposed an additional capital requirement. This amount expresses the size of customer deficits not covered by securities in the event of a 12.5% decline in the financial markets within a period of five trading days.

Counterparty risk
Counterparty risk applies to the brokerage activities with institutional counterparties to the extent that settlement is not effected through a central counterparty (CCP). This concerns a very limited number of customers that have orders executed via BinckBank on an occasional basis. A maximum limit is established for each counterparty in terms of the total amount still to be settled.

Deficits procedure
Customers with a loan agreement are monitored by Risk management with respect to their available spending limit (ASL). The ASL is the balance of the weighted value of the securities received from the customer less the customer's obligations in the form of collateralised lending and margin requirements. There is a shortfall in the ASL if the securities in the customer's portfolio no longer provide adequate cover for the customer's obligations. As soon as a negative ASL is identified, the deficit procedure is initiated. Use of a deficit procedure is a legal requirement. The deficit procedure used by BinckBank is as follows:

BinckBank checks for each customer whether the securities adequately cover the collateralised loans and/or margin requirements (margin and current orders) on a daily basis. BinckBank does this by calculating the customer's ASL. In the case of a negative ASL, the customer must make up the shortfall within five business days. If there is a shortfall as a result of positions in futures or SRD derivatives, this must be made up within one day. If the customer's ASL is still negative at 15:00 hours on the last day on which the shortfall must be made up, BinckBank will start to sell the customer's securities positions on its own initiative. Securities positions will be closed until the ASL in the customer's account is returned to a positive value.

Risk concentration per economic sector
The following table presents the credit risk by economic sector.

Risk concentration per economic sector as at 31 December 2012 x € 1,000	Central banks	Financial institu-tions	Government/ government guaranteed	Private individu-als	Other private sector	Total
Cash and balanced with central banks	365,362	-	-	-	-	365,362
Banks	-	144,916	-	-	-	144,916
Financial assets held-for-trading	-	-	-	-	168	168
Financial assets at fair value through profit and loss	-	-	-	-	15,876	15,876
Available-for-sale financial assets	-	823,337	692,212	-	-	1,515,549
Loans and receivables	-	-	-	323,008	-	323,008
	365,362	**968,253**	**692,212**	**323,008**	**16,044**	**2,364,879**
Guarantees	-	-	-	2,304	254	2,558
	365,362	**968,253**	**692,212**	**325,312**	**16,298**	**2,367,437**
Risk concentration per economic sector as at 31 December 2011 x € 1,000	Central banks	Financial institu-tions	Government/ government guaranteed	Private individu-als	Other private sector	Total
Cash and balanced with central banks	320,214	-	-	-	-	320,214
Banks	-	278,955	-	-	-	278,955
Financial assets held-for-trading	-	-	-	-	119	119
Financial assets at fair value through profit and loss	-	-	-	-	15,594	15,594
Available-for-sale financial assets	-	1,016,466	665,986	-	-	1,682,452
Loans and receivables	-	-	34,000	290,097	-	324,097
	320,214	**1,295,421**	**699,986**	**290,097**	**15,713**	**2,621,431**
Guarantees	-	-	-	3,133	254	3,387
	320,214	**1,295,421**	**699,986**	**293,230**	**15,967**	**2,624,818**

Risk categories of financial assets

Assessment of the creditworthiness of the financial assets and liabilities is based on credit ratings provided by rating agencies. Cash and loans to banks are classified on the basis of the short-term credit rating of rating agencies. The item Unrated banks concerns the remaining receivable arising from the implementation of the deposit guarantee scheme in relation to DSB. For the investment portfolio, the long-term rating is used. Loans and receivables concern credit provided against securities to private individuals and SME customers. These are not rated by credit rating agencies. Collateralised lending is not assessed on the basis of a rating, but on the quality of the collateral in securities.

Risk categories of financial assets as at 31 December 2012 x € 1,000	Short-term rating		Long-term rating			Unrated	Total
	F1+	F1	AAA	Between AA+ and AA-	Between A+ and A-		
Cash and balanced with central banks	365,362	-					365,362
Banks	-	135,590				9,326	144,916
Financial assets held for trading			-	-	-	168	168
Financial assets at fair value through profit and loss			-	-	-	15,876	15,876
Available-for-sale financial assets			856,738	354,751	89,973	214,087	1,515,549
Loans and receivables						323,008	323,008
Held-to-maturity financial assets			-	-	-		-
Total	**365,362**	**135,590**	**856,738**	**354,751**	**89,973**	**562,465**	**2,364,879**

Risk categories of financial assets as at 31 December 2011 x € 1,000	Short-term rating		Long-term rating			Unrated	Total
	F1+	F1	AAA	Between AA+ and AA-	Between A+ and A-		
Cash and balanced with central banks	320,214	-					320,214
Banks	-	269,497				9,458	278,955
Financial assets held for trading			-	-	-	119	119
Financial assets at fair value through profit and loss			-	-	-	15,594	15,594
Available-for-sale financial assets			1,331,852	216,606	-	133,994	1,682,452
Loans and receivables						324,097	324,097
Held-to-maturity financial assets			-	-	-		-
Total	**320,214**	**269,497**	**1,331,852**	**216,606**	**-**	**483,262**	**2,621,431**

Risk concentration per country

The following table presents the credit risk, analysed by country.

Geographical distribution as at 31 December 2012 x € 1,000	Supra-national	Nether-lands	Germany	Belgium	France	Other EU countries	Non-EU countries	Total
Cash and balanced with central banks	-	361,680	-	2,635	1,047	-	-	365,362
Banks	-	117,859	-	3,959	1,494	12,532	9,072	144,916
Financial assets held-for-trading	-	-	-	-	168	-	-	168
Financial assets at fair value through profit and loss	-	-	-	-	15,876	-	-	15,876
Available-for-sale financial assets	-	75,105	1,307,789	11,926	25,819	63,559	31,351	1,515,549
Loans and receivables	-	292,003	2,113	5,121	724	2,863	20,184	323,008
Held-to-maturity financial assets	-	-	-	-	-	-	-	-
Total	**-**	**846,647**	**1,309,902**	**23,641**	**45,128**	**78,954**	**60,607**	**2,364,879**
% distribution	0%	36%	55%	1%	2%	3%	3%	100%

Geographical distribution as at 31 December 2011 x € 1,000	Supra-national	Nether-lands	Germany	Belgium	France	Other EU countries	Non-EU countries	Total
Cash and balanced with central banks	265,000	46,886	-	6,309	2,019	-	-	320,214
Banks	-	262,557	-	172	5,220	2,586	8,420	278,955
Financial assets held-for-trading	-	-	-	-	119	-	-	119
Financial assets at fair value through profit and loss	-	-	-	-	15,594	-	-	15,594
Available-for-sale financial assets	-	74,414	1,608,038	-	-	-	-	1,682,452
Loans and receivables	-	293,571	894	6,206	595	2,169	20,662	324,097
Held-to-maturity financial assets	-	-	-	-	-	-	-	-
Total	**265,000**	**677,428**	**1,608,932**	**12,687**	**23,547**	**4,755**	**29,082**	**2,621,431**
% distribution	10%	26%	62%	0%	1%	0%	1%	100%

BinckBank changed its investment policy in 2012. The essence of the new policy is to increase the diversity of issuers and countries, and to reduce the one-sided exposure to Germany.

BinckBank invests mainly in German central and lower-tier government paper, which under the Wft have a solvency weight of 0%, and in German Öffentliche Pfandbriefe, which under the Wft have a solvency weight of 10%. The German Öffentliche Pfandbrief is a particular type of bond which offers additional security to the holder under the German Pfandbriefe legislation (Pfandbriefgesetz). Against the debt that the issuer of the bonds has to the holders, the issuer has a claim against one or more central or lower public authorities, known as the cover pool. The security consists in the fact that the issuer (the bank) has given the holders of the bonds a separate claim on the claim it has received from these central or lower public authorities that they can exercise if the issuer of the bonds fails to meet its obligations. This would entail a suspension of payments or a bankruptcy. A separate position is created for the holders of the covered bonds within the issuing bank (legally and also organisationally). This gives the holders of the covered bonds a separate and stronger position because they hold a preference in the conditions of the loan: they will be the first to be paid, and other creditors will have to wait their turn until this has been accomplished. In most cases, the lending conditions of the bond designate a party that will act as the representative of the bondholders in the event of a suspension of payments or bankruptcy.

In the case of failure to pay interest or make repayments on the bonds in time, this representative (who is normally referred to as the ‘trustee’) requests the bank’s debtors to make their payments to them, the trustee, from then on instead of to the bank. (The payments are as it were conditionally ‘redirected’, on condition that suspension of payments or bankruptcy has occurred). The advantage of this construction for the bondholders is that they are less affected by the suspension of payments or bankruptcy of the bank (known as ‘bankruptcy remoteness’). As long as there is a positive difference between the total of the cover pool and what the bank has to pay to the bondholders, the bondholders will not suffer a loss (apart from possibly to some extent due to delays in payments). The higher quality is usually expressed in the higher rating of the covered bond. It should be noted that occasions in which the collateralisation structure actually had to be used are extremely rare. The last time this happened was in 1901. Of course, it is essential that the construction is legally ‘watertight’. The loan conditions are thus usually rather lengthy.

Pfandbriefe cover pools are dynamic. Their composition can and usually does change over time, depending on the maturities of existing and newly issued Pfandbriefe.

The Pfandbriefe Act states that Pfandbriefe banks must test that the surplus value in the cover pool is at least 2% on a daily basis. German Pfandbriefe banks must report their positions in the cover pool of the issued Pfandbriefe on a quarterly basis. For German Offentliche Pfandbriefe, the following criteria must be reported:

- The valuation of the cover pool and the associated surplus cover;
- The maturity profile of the cover pool compared to that of the outstanding Pfandbriefe;
- The percentage of derivatives used in the cover pool;
- The distribution across countries.

Valuation of the cover pool

Three different methods for the valuation of the assets in the cover pool are used:

- 'Nennwert' or face value is used for reporting country and maturity distribution;
- 'Barwert' or net present value is used to test whether the surplus cover is still at the minimum level of 2%;
- 'Risikobarwert' or risk-adjusted net cash value is the result of stress tests of the calculated net cash value for interest-rate and currency shocks.

Net present value

The net present value is calculated by discounting all future cash flows against the current yield curve. For European paper, the euro swap curve must be used. This is a generic euro yield curve for the whole eurozone which does not reflect country-specific aspects. The calculated NPV may differ from the actual market value of the assets. This will be the case if the current interest rate for an asset is not the same as the swap interest rate. Pfandbriefe banks are not obliged to report on the basis of market values or estimates thereof. This aspect is however considered by market parties, such as credit rating agencies. In order to ensure a rating of AAA, in some cases it will therefore be necessary to maintain a surplus cover of more than the legal minimum 2%.

Risk-adjusted net present value

The net present value is calculated in order to determine the surplus value and for the conduct of (weekly) mandatory stress tests. These involve the use of various scenarios calculated on the basis of a sudden shift in the yield curve and/or exchange rates. If the result of the stress test shows that the surplus cover is insufficient, additional assets must be paid in to cover the difference. The stress tests can be conducted using three different methods:

- A static approach using a prescribed parallel shift in the yield curve and prescribed movements in exchange rates;
- A dynamic approach based on market volatility over a recent period, for which legal minimum levels are set; and
- On the basis of internal risk models that must be approved by the German financial markets regulator BaFin.

The Pfandbriefe bank must publish its preferred stress testing method.

BinckBank's approach

In its assessment of the surplus value in the cover pools, BinckBank looks initially at the surplus value reported on the basis of net present values. At year-end 2012, according to the latest available cover pool report BinckBank's positions in German Öffentliche Pfandbriefe had surplus values of between 4.8% and 46.7%.

This is compared to the exposure in the cover pool to countries that BinckBank has designated as 'weak'. BinckBank monitors the country risk in the cover pool in two ways. First, the surplus cover in the cover pool is compared to the reported exposure to weaker countries. The intention here is to establish whether surplus cover still exists if the exposure to weaker countries is deducted. Pfandbriefe for which more than 20% of the cover pool consists of weaker countries are no longer purchased. We also look at the credit ratings of these Pfandbriefe, which includes the opinion of the rating agencies regarding the country risk in the Pfandbriefe in question.

Pillar I – market risk

The only market risk to which BinckBank is exposed under Pillar I is currency risk. Currency risk is the risk presented by movements in the value of items denominated in foreign currencies due to movements in exchange rates. It is BinckBank's policy not to take active foreign-exchange trading positions. Currency positions can therefore only arise as a result of the facilitation of investment transactions by customers. The policy is to hedge currency positions arising from operating activities on the same day they occur. The Treasury department hedges currency positions during each trading day up until 22:00 hours. Currency positions arising after 22:00 hours are hedged on the next subsequent trading day. BinckBank considers this residual risk on currency positions to be acceptable.

Pillar I – operational risk

Operational risk is generally the result of deficiencies in the daily processing and settlement of transactions with customers or other parties or in the procedures and actions designed to ensure prompt detection of errors, quantitative or qualitative deficiencies or limitations in human resources, deficient decision-making due to inadequate management information and non-compliance with internal control procedures.

BinckBank uses the standardised approach (SA) to calculate its operational risk under Pillar I. Under the SA, the operating income in the three preceding financial years is divided into various business lines with preset capital requirements of between 12% and 18%.

Standardised Approach as at 31 December 2012

Business Line	Operational income			Risk weighting	Capital requirement
	2010	2011	2012		
Retail brokerage	120,285	126,659	99,995	12%	13,878
Retail banking	43,587	38,907	32,024	12%	4,581
Agency services	12,605	12,219	14,742	15%	1,978
Asset management	8,369	5,790	10,951	12%	1,004
Total	184,846	183,575	157,712		21,441

Standardised Approach as at 31 December 2011

Business Line	Operational income			Risk weighting	Capital requirement
	2009	2010	2011		
Retail brokerage	129,896	120,285	126,659	12%	15,074
Retail banking	43,825	43,587	38,907	12%	5,053
Agency services	8,758	12,605	12,219	15%	1,679
Asset management	3,743	8,369	5,790	12%	716
Total	186,222	184,846	183,575		22,522

The internal target is for annual losses on normal activities due to operational risks not to exceed 1% of gross commission income. 'Losses due to operational risks' here means:

- The financial result of out-trades and reimbursement of customers; and
- Other direct loss due to faults in ICT systems, automated information processing and operating processes.

Losses due to operational risk in 2012 amounted to 0.62% of total gross commission income and thus remained within the internal limit. Operational losses in 2011 came to 1.17%.

The assessment and control system for operational risk at BinckBank meets the following conditions:

- Establishment of clearly allocated responsibilities;
- Measurement, assessment and updating of current operational risk in the operational risk committee.
- Maintaining and reporting the loss database to the operational risk committee;
- The assessment and control system is regularly subjected to an independent expert analysis; and
- The results of the periodic checks are discussed monthly by the operational risk committee and additionally an annual risk assessment is conducted to establish the risk appetite in the presence of the executive board, the directors of the business units and the heads of the support departments.

Risk can only be managed by means of an adequate management reporting process. At BinckBank, this process meets the following conditions:

- Reporting of the effectiveness or otherwise of the controls to the business unit responsible on a regular basis, with an additional monitoring function reserved for the IAD. The IAD monitors that the controls are implemented by the second line of defence correctly, comprehensively and in a timely manner. The reporting by the monitor and ineffectiveness of controls are also reported to the operational risk committee; and
- The effectiveness of the controls is discussed by the operational risk committee. Appropriate measures are taken on this basis in the event of an unacceptable risk. The operational risk committee also gives its approval for new products and services to be introduced by BinckBank, whereby the emphasis is on the identification and management of the risk and the establishment of the relevant key controls for the product or service in question in the risk management system.

Pillar II – interest-rate risk

Interest-rate risk is the risk associated with changes in interest rates and their impact on the ability and or the result of BinckBank. Interest-rate risk affects items in the balance sheet recognised under Banks, Loans and receivables, Interest-bearing securities, Other liabilities and Customer deposits. BinckBank manages this risk in relation to its banking operations by actively matching the maturities of its assets and liabilities within certain limits.

Duration schedule as at 31 December 2012 x € 1,000	< 1 month	> 1 month < 1 year	> 1 year < 2 years	> 2 year < 5 years	> 5 years	Non-interest bearing	Total
Assets							
Cash and balanced with central banks	365,362	-	-	-	-	-	365,362
Banks	135,590	-	-	-	-	9,326	144,916
Financial assets held-for-trading	-	-	-	-	-	168	168
Financial assets at fair value through pprofit and loss	-	-	-	-	-	15,876	15,876
Available-for-sale financial assets	193,954	916,154	207,748	197,693	-	-	1,515,549
Loans and receivables	323,008	-	-	-	-	-	323,008
	1,017,914	**916,154**	**207,748**	**197,693**	**-**	**25,370**	**2,364,879**
Liabilities							
Banks	20,060	-	-	-	-	-	20,060
Financial liabilities held-for-trading	-	-	-	-	-	65	65
Financial liabilities at fair value through profit and loss		-	-	-	-	1,084	1,084
Customer deposits	2,213,049					-	2,213,049
	2,233,109	**-**	**-**	**-**	**-**	**1,149**	**2,234,258**

Duration schedule as at 31 December 2011 x € 1,000	< 1 month	> 1 month < 1 year	> 1 year < 2 years	> 2 years < 5 years	> 5 years	Non-interest bearing	Total
Assets							
Cash and balanced with central banks	320,214	-	-	-	-	-	320,214
Banks	264,497	5,000	-	-	-	9,458	278,955
Financial assets held-for-trading	-	-	-	-	-	119	119
Financial assets at fair value through pprofit and loss	-	-	-	-	-	15,594	15,594
Available-for-sale financial assets	131,265	864,789	568,594	117,804	-	-	1,682,452
Loans and receivables	324,097	-	-	-	-	-	324,097
	1,040,073	**869,789**	**568,594**	**117,804**	**-**	**25,171**	**2,621,431**
Liabilities							
Banks	28,161	-	-	-	-	-	28,161
Financial liabilities held-for-trading	-	-	-	-	-	155	155
Financial liabilities at fair value through profit and loss	-	-	-	-	-	1,013	1,013
Customer deposits	2,492,503	-	-	-	-	-	2,492,503
	2,520,664	**-**	**-**	**-**	**-**	**1,168**	**2,521,832**

Sensitivity analysis of interest-rate risk

Interest-rate risk exists because of the possibility that changes in market interest rates can have a negative effect on future profitability. The interest-rate risk of the banking operations can best be illustrated by means of a sensitivity analysis. The sensitivity of the bank's result and equity to parallel shifts in the yield curve is reported to the treasury committee on a monthly basis.

Risk of a gradual parallel movement of the yield curve

A gradual movement in market interest rates (the yield curve) has an effect on the future interest income from collateralised lending and the investment portfolio, and on the interest BinckBank pays on savings and investment accounts. BinckBank manages this risk in relation to its banking operations by actively matching the maturities of its assets and liabilities within certain limits.

In these simulations at total level in euros the effect on the result of gradual movements in the yield curve of +200, +100, -100 and -200 basis points is shown during a period of one year after the balance sheet date with an unchanged interest base.

The effect on the result before tax over periods of one and two years after the balance sheet date is shown in the table below.

Sensitivity analysis of interest-rate result		
	Effect on the result	
Gradual parallel yield-curve movement in basis points	**31 December 2012**	**31 December 2011**
	x € 1,000	x € 1,000
Over a period of 1 year		
+200 basis points	1,956	64
+100 basis points	978	32
-100 basis points	(762)	(1,503)
-200 basis points	(1,049)	(1,922)
Over a period of 2 years		
+200 basis points	14,972	7,365
+100 basis points	7,486	3,683
-100 basis points	(4,023)	(7,068)
-200 basis points	(4,702)	(11,250)

Risk of a sudden parallel movement of the yield curve

In addition to gradual movements in the yield curve, sudden movements can also occur, known as interest-rate shocks. In BinckBank's case, interest-rate shocks are reflected in changes in value in the investment portfolio. BinckBank has an investment portfolio made up of fixed-income securities which is diversified across various maturities. The actual investments in the portfolio are selected by the treasury committee. The portfolio is susceptible to gains and losses due to movements in the yield curve and the creditworthiness of the institutions issuing or guaranteeing the bonds.

The effective interest rate on the fixed-income portfolio classified as available for sale is 1.21% (2011: 1.72%).

The effect on equity of an interest-rate shock of 100 basis points is shown in the table below (before tax):

	Effect on capital	
Sudden parallel yield-curve movement in basis points	**31 December 2012**	**31 December 2011**
	x € 1,000	x € 1,000
100 basis points	(10,264)	(13,796)
-100 basis points	10,264	13,796

The above figures relate only to a movement in the unrealised result. This can only lead to losses if BinckBank is forced to liquidate all or part of its investment portfolio, for instance due to substantial withdrawals by customers associated with an interest-rate shock.

Pillar II – liquidity risk

Liquidity risk is the risk that BinckBank will not be able to meet its financial obligations. BinckBank gives high priority to the management of this risk, to ensure that it always holds enough liquid reserves and can always meet its financial obligations. Liquidity risk management is designed so that the effects of BinckBank-specific stress factors – such as negative publicity, increased trading activity by customers (net purchases) and variation of competitors' interest rates – can be absorbed.

The table below shows the value of the undiscounted liabilities classified by remaining contractual maturity.

Remaining contractual maturity of liabilities (undiscounted) as at 31 December 2012 x € 1,000	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Liabilities						
Banks	20,060	-	-	-	-	20,060
Customer deposits	2,215,343	-	-	-	-	2,215,343
Financial liabilities held-for-trading	-	65	-	-	-	65
Financial liabilities at fair value through profit and loss	-	1,084	-	-	-	1,084
Total	**2,235,403**	**1,149**	**-**	**-**	**-**	**2,236,552**
Remaining contractual maturity of liabilities (undiscounted) as at 31 December 2011 x € 1,000	**On demand**	**< 3 months**	**> 3 months < 1 year**	**> 1 year < 5 years**	**> 5 years**	**Total**
Liabilities						
Banks	28,161	-	-	-	-	28,161
Customer deposits	2,496,840	-	-	-	-	2,496,840
Financial liabilities held-for-trading	-	155	-	-	-	155
Financial liabilities at fair value through profit and loss	-	1,013	-	-	-	1,013
Total	**2,525,001**	**1,168**	**-**	**-**	**-**	**2,526,169**

If customers withdraw their assets en masse or customer assets are used collectively to invest, there is a risk that BinckBank will be unable to meet its obligations to creditors. BinckBank's liquidity risk policy therefore focuses primarily on managing this aspect of liquidity risk.

The matching or otherwise of maturities of financial assets and liabilities is of fundamental importance to BinckBank. It is unusual for banks to achieve complete maturity matching of assets and liabilities because transactions are frequently not predictable and are also extremely diverse in nature. The maturities of assets and liabilities and the scope for replacing interest-bearing liabilities as and when they mature in an economically acceptable manner are important factors in the assessment of the bank's liquidity and the extent to which the bank is exposed to movements in interest rates and exchange rates.

At the end of December BinckBank had an ample position in immediately available liquid assets. BinckBank also has repo facilities with external banks to safeguard its liquidity position. Should these measures not be adequate, BinckBank can use its Target 2 facility at the central bank to raise additional cash secured by the investment portfolio (marginal lending facility). This avoids a situation in which due to high cash outflows, BinckBank is forced to liquidate its investment portfolio at distressed levels.

BinckBank's liquidity policy includes checks, warning limits and additional measures in the event of high cash outflow due to customer withdrawals or investments. The liquidity policy is formulated in a liquidity contingency plan.

The following table presents the fair value of the financial assets and liabilities based on expected remaining maturity. Assets maturing within one week are treated as being available on demand. Customer deposits are treated as available on demand in the table. In practice, a longer maturity is allocated to these products. The positions as at year end are representative of the positions during the year. In addition, the loan facilities and possibilities for liquidation of the interest-bearing securities are shown. This concerns securities which can be traded in an active market or used as collateral for marginal lending from DNB.

Maturity calendar as at 31 December 2012 x € 1,000	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Assets						
Cash and balanced with central banks	365,362	-	-	-	-	365,362
Banks	144,916	-	-	-	-	144,916
Financial assets held-for-trading	-	168	-	-	-	168
Financial assets at fair value through profit and loss	-	15,876	-	-	-	15,876
Available-for-sale financial assets	79,864	109,494	515,046	811,145	-	1,515,549
Loans and receivables	323,008	-	-	-	-	323,008
Held-to-maturity financial assets	-	-	-	-	-	-
	913,150	**125,538**	**515,046**	**811,145**	**-**	**2,364,879**
Guarantees	-	455	250	258	1,595	2,558
	913,150	**125,993**	**515,296**	**811,403**	**1,595**	**2,367,437**
Liabilities						
Banks	20,060	-	-	-	-	20,060
Financial liabilities held-for-trading	-	65	-	-	-	65
Financial liabilities at fair value through profit and loss	-	1,084	-	-	-	1,084
Customer deposits	2,213,049	-	-	-	-	2,213,049
	2,233,109	**1,149**	**-**	**-**	**-**	**2,234,258**
Liquidity surplus / deficit on basis of contractual maturities	**(1,319,959)**	**124,844**	**515,296**	**811,403**	**1,595**	**133,179**
Credit, lending facilities and possibilities for liquidation	1,435,685	(109,494)	(515,046)	(811,145)	-	-
Liquidity surplus / deficit taking account of credit, lending facilities and possibilities for liquidation	**115,726**	**15,350**	**250**	**258**	**1,595**	**133,179**

Maturity calendar as at 31 December 2011 x € 1,000	On demand	< 3 months	> 3 months < 1 year	> 1 year < 5 years	> 5 years	Total
Assets						
Cash and balanced with central banks	320,214	-	-	-	-	320,214
Banks	278,955	-	-	-	-	278,955
Financial assets held-for-trading	-	119	-	-	-	119
Financial assets at fair value through profit and loss	-	15,594	-	-	-	15,594
Available-for-sale financial assets	-	144,611	384,549	1,153,292	-	1,682,452
Loans and receivables	290,097	34,000	-	-	-	324,097
Held-to-maturity financial assets	-	-	-	-	-	-
	889,266	**194,324**	**384,549**	**1,153,292**	**-**	**2,621,431**
Guarantees	-	47	155	346	2,839	3,387
	889,266	**194,371**	**384,704**	**1,153,638**	**2,839**	**2,624,818**
Liabilities						
Banks	28,161	-	-	-	-	28,161
Financial liabilities held-for-trading	-	155	-	-	-	155
Financial liabilities at fair value through profit and loss	-	1,013	-	-	-	1,013
Customer deposits	2,492,503	-	-	-	-	2,492,503
	2,520,664	**1,168**	**-**	**-**	**-**	**2,521,832**
Liquidity surplus / deficit on basis of contractual maturities	**(1,631,398)**	**193,203**	**384,704**	**1,153,638**	**2,839**	**102,986**
Credit, lending facilities and possibilities for liquidation	1,682,452	(144,611)	(384,549)	(1,153,292)	-	-
Liquidity surplus / deficit taking account of credit, lending facilities and possibilities for liquidation	**51,054**	**48,592**	**155**	**346**	**2,839**	**102,986**

40. Events after balance sheet date

Able

BinckBank launched the new brand name Able by means of a press release on January 23rd 2013. BinckBank Professional Services and Syntel – BinckBank's subsidiary – are joining forces and will operate under the new name of Able from now on. Able is an independent business that specialises in the design, development and processing of software platforms for investment and savings. Able offers a high level of automation to asset managers, banks, insurers and pension institutions that will enable them to permanently reduce their processing costs by up to half. The new autonomous company is operating in the Netherlands and Belgium, and aims to expand into Europe in the longer term.

Nationalization SNS Reaal

The Dutch government nationalised SNS Reaal on the basis of the Intervention Act on 1 February 2013. A one-time resolution levy into the treasury will be imposed on banks amounting to a total of € 1 billion. This levy will not be deductible for the purpose of corporation tax. The contribution of the various banks will be related to the total sum of the deposits guaranteed under the deposit guarantee scheme held with them on 1 February 2013. The exact amount of the contribution of BinckBank N.V. is not currently known. Based on the available data as used for the last contribution to the deposit guarantee scheme, it could be approximately € 4.5 – 5.0 million.

Company balance sheet (before appropriation of profit)

	Note	31 December 2012	31 December 2011
		x € 1,000	x € 1,000
Assets			
Cash and balanced with central banks	c	365,362	320,211
Banks	d	140,690	270,905
Loans and receivables	e	323,008	324,097
Bonds and other fixed-income securities	f	1,515,549	1,682,452
Equities and other non-fixed-income securities	g	16,044	15,713
Investment in associates and joint ventures	h	12,386	11,170
Intangible assets	i	262,868	292,148
Property, plant and equipment	j	43,043	45,805
Current tax	k	5,792	3,374
Other assets	m	15,925	33,763
Prepayments and accrued income	n	40,923	37,659
Derivatives positions held on behalf of customers	22	254,165	311,282
Total assets		**2,995,755**	**3,348,579**
Liabilities			
Banks	d	20,060	28,161
Customer deposits	o	2,213,049	2,492,503
Current tax	k	141	75
Deferred tax	l	19,919	16,633
Other liabilities	p	21,197	14,008
Accruals and deferred income	q	9,612	14,246
Derivatives positions held on behalf of customers	22	254,165	311,282
Provisions	r	2,400	2,155
Total liabilities		**2,540,543**	**2,879,063**
Issued share capital		*7,450*	*7,450*
Share premium		*373,422*	*373,422*
Treasury shares		*(21,539)*	*(3,954)*
Revaluation reserve		*7,493*	*(973)*
Other reserves		*64,286*	*59,361*
Unappropriated profit		*24,100*	*34,210*
Equity	s	**455,212**	**469,516**
Total liabilities		**2,995,755**	**3,348,579**

Company income statement

	2012	2011
	x € 1,000	x € 1,000
Share in results in associates and joint ventures (after tax)	639	(2,189)
Other results (after tax)	23,461	36,399
Net result	**24,100**	**34,210**

Company statement of changes in equity

x € 1,000	Note	Issued share capital	Share premium reserve	Treasury shares	Revalua-tion reserve	Legal reserves	Other reserves	Unappro-priated profit	Total equity
1 January 2012		**7,450**	**373,422**	**(3,954)**	**(973)**	**-**	**59,361**	**34,210**	**469,516**
Unrealised gain on available-for-sale assets (after tax)	s	-	-	-	8,466	-	-	-	8,466
Realisation of revaluations through profit and loss	s	-	-	-	-	-	-	-	-
Result recognised directly in equity		-	-	-	*8,466*	-	-	-	*8,466*
Result for the year		-	-	-	-	-	-	24,100	24,100
Total income and expense		-	-	-	8,466	-	-	24,100	32,566
Payment of final dividend FY11	s	-	-	-	-	-	-	(17,605)	(17,605)
Payment of interim dividend FY12	s	-	-	-	-	-	(12,365)	-	(12,365)
Grant of rights to shares	s	-	-	-	-	-	1,105	-	1,105
Issue of shares to executive board and employees	s	-	-	420	-	-	(420)	-	-
Buy-back shares	s	-	-	(18,005)	-	-	-	-	(18,005)
Transfer of retained earnings to other reserves		-	-	-	-	-	16,605	(16,605)	-
31 December 2012		**7,450**	**373,422**	**(21,539)**	**7,493**	**-**	**64,286**	**24,100**	**455,212**

x € 1,000	Note	Issued share capital	Share premium reserve	Treasury shares	Revalua-tion reserve	Legal reserves	Other reserves	Unappro-priated profit	Total equity
1 January 2011		**7,450**	**373,422**	**(3,335)**	**(2,610)**	**-**	**49,819**	**44,240**	**468,986**
Unrealised gain on available-for-sale assets (after tax)	s	-	-	-	5,080	-	-	-	5,080
Realisation of revaluations through profit and loss	s	-	-	-	(3,443)	-	-	-	(3,443)
Result recognised directly in equity		-	-	-	1,637	-	-	-	1,637
Result for the year		-	-	-	-	-	-	34,210	34,210
Total income and expense		-	-	-	1,637	-	-	34,210	35,847
Payment of final dividend FY10	s	-	-	-	-	-	-	(20,022)	(20,022)
Payment of interim dividend FY11	s	-	-	-	-	-	(14,831)	-	(14,831)
Grant of rights to shares	s	-	-	-	-	-	-	-	-
Sale of shares to executive board and employees	s	-	-	345	-	-	155	-	500
Buy-back shares	s	-	-	(964)	-	-	-	-	(964)
Transfer of retained earnings to other reserves		-	-	-	-	-	24,218	(24,218)	-
31 December 2011		**7,450**	**373,422**	**(3,954)**	**(973)**	**-**	**59,361**	**34,210**	**469,516**

Notes to the company financial statements

a. General

Company information
BinckBank N.V. is a company established in the Netherlands with its domicile in Amsterdam, whose shares are publicly traded. BinckBank N.V. provides conventional and internet broking services in securities and derivatives transactions for private and professional investors. In the following pages, the name 'BinckBank' will be used to refer to BinckBank N.V. and its various subsidiaries.

The company financial statements for BinckBank for the period ending on 31 December 2012 have been prepared by the executive board and approved for publication pursuant to the resolution of the executive board and the supervisory board dated 7 March 2013.

Amsterdam,

Executive board:
K.N. Beentjes (chairman)
E.J.M. Kooistra (CFO)
P. Aartsen
N. Bortot (up and including December 31st 2012)

Supervisory board:
C.J.M. Scholtes (chairman)
J.K. Brouwer
L. Deuzeman
A.F.M. van Westerloo

b. Accounting principles

General information
The company financial statements of BinckBank N.V. have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. As the income statement of BinckBank N.V. for 2012 is included in the consolidated financial statements, a summary income statement is sufficient in accordance with Section 402 of Book 2 of the Dutch Civil Code.

The option described in Section 362 of Book 2 of the Dutch Civil Code of applying the same principles in the company financial statements as in the consolidated financial statements has been used. The principles in the company financial statements are therefore the same as those stated for the consolidated financial statements, with the exception of the following:

Associates
The investments in group companies are recognised at net asset value. The reporting dates of these companies are the same and the accounting principles applied to their financial reporting are in accordance with those applied by BinckBank for similar transactions and events in similar circumstances.

Notes to the company balance sheet

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
c. Cash and balanced with central banks		**365,362**		**320,211**
This item includes all cash in legal tender, including bank notes and coins in foreign currency, and any credit balances available on demand from the central banks in countries where BinckBank has offices.				
d. Banks				
Due from banks		**140,690**		**270,905**
This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by bank regulators.				
This item comprises:				
Credit balances available on demand	131,335		156,009	
Call money	29		105,438	
Receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank	9,326		9,458	
	140,690		270,905	
The call money receivables have original maturities of less than three months. Interest is received on these balances at a variable rate based on EONIA or EURIBOR.				
For the receivable from DNB in relation to the Deposit Guarantee Scheme for DSB Bank, see note 7 to the consolidated statement of financial position.				
Due to banks		**20,060**		**28,161**
BinckBank has sweeping arrangements with various banks whereby the debit and credit balances in a large number of bank accounts are regulated with a fixed treasury contra-account. This is only visible on the statement for the next business day; therefore at year-end BinckBank has an obligation to a single bank account for a very short period.				
e. Loans and receivables		**323,008**		**324,097**
This item comprises receivables from private sector customers, including overnight loans and overdrafts collateralised by securities and bank guarantees (collateralised loans). All loans and receivables have a remaining duration of less than one year.				
The analysis is as follows:				
Receivable from government institutions	-		34,000	
Receivables collateralised by securities	319,139		287,115	
Receivables collateralised by bank guarantees	3,846		2,944	
Other receivables	459		462	
Loans and receivables, gross	323,444		324,521	
Less: impairment provision	(436)		(424)	
	323,008		324,097	

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
The interest rate is based on EURIBOR or EONIA. Other receivables refers to remaining amounts receivable after execution of collateral (securities and bank guarantees).		
f. Bonds and other fixed-income securities	**1,515,549**	**1,682,452**
This concerns the investment portfolio that consists completely of financial assets available for sale.		
Financial assets at fair value through profit and loss		
This item comprises:		
Government bonds / government-guaranteed bonds	693,400	676,838
Other bonds	822,149	1,005,614
	1,515,549	1,682,452
This item concerns a portfolio of interest-bearing securities with remaining maturities of between 0 and 3 years. At year-end 2012 the effective yield was 1.21% (2011: 1.72%).		
g. Equities and other non-fixed-income securities	**16,044**	**15,713**
The trading portfolio comprises:		
SRD derivatives payables	168	119
Equity positions in relation to SRD obligations	15,876	15,594
	16,044	15,713
BinckBank offers SRD (Service de Règlement Différé) contracts in France. For further information regarding this financial instrument, see note 8 to the consolidated financial statements.		

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
h. Investment in associates and joint ventures	**12,386**	**11,170**
This item comprises:		
Group companies	9,002	7,951
Other associates	1,093	1,510
Joint ventures	2,291	1,709
	12,386	11,170
Movements during the year were as follows:		
Balance as at 1 January	11,170	303,711
Capital increases and acquisitions	4,827	7,400
Dividends and capital refunds	(4,250)	(297,752)
Result in associates and joint ventures	639	(2,189)
Balance as at 31 December	12,386	11,170

The item investment in associates and joint ventures includes among others investments in TOM Holding N.V., BeFrank N.V. and ThinkCapital Holding B.V.

The item dividends, capital payments and dissolutions in 2012 relates to the dividends received from Syntel Beheer B.V.

Overview of group companies

The following statement lists the group companies.

	Place	Country	Interest year-end 2012	Interest year-end 2011
Bewaarbedrijf BinckBank B.V.	Amsterdam	Netherlands	100%	100%
Syntel Beheer B.V.	Reeuwijk	Netherlands	100%	100%
ThinkCapital Holding B.V.	Amsterdam	Netherlands	60%	60%

For the other capital holdings, see note 11 to the consolidated statement of financial position on associates and joint ventures.

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
i. Intangible assets	**262,868**	**292,148**

The movements in 2012 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2012	6,281	50,457	78,635	3,846	152,929	292,148
Investments	-	-	-	202	-	202
Disposals - cost	-	-	-	(4,859)	-	(4,859)
Disposals - cumulative amortisation	-	-	-	4,859	-	4,859
Amortisation	(6,281)	(8,409)	(13,106)	(1,686)	-	(29,482)
Balance as at 31 December 2012	**-**	**42,048**	**65,529**	**2,362**	**152,929**	**262,868**
Cumulative cost	31,405	84,095	131,058	6,964	152,929	406,451
Cumulative amortisation and impairments	(31,405)	(42,047)	(65,529)	(4,602)	-	(143,583)
Balance as at 31 December 2012	**-**	**42,048**	**65,529**	**2,362**	**152,929**	**262,868**
Amortisation period (years)	5	10	5 - 10	5		

The movements in 2011 were as follows:

	Brand name	Core deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2011	12,562	58,866	91,741	4,250	152,929	320,348
Investments	-	-	-	1,713	-	1,713
Disposals - cost	-	-	-	(414)	-	(414)
Disposals - cumulative amortisation	-	-	-	414	-	414
Amortisation	(6,281)	(8,409)	(13,106)	(2,117)	-	(29,913)
Balance as at 31 December 2011	**6,281**	**50,457**	**78,635**	**3,846**	**152,929**	**292,148**
Cumulative cost	31,405	84,095	131,058	11,621	152,929	411,108
Cumulative amortisation and impairments	(25,124)	(33,638)	(52,423)	(7,775)	-	(118,960)
Balance as at 31 December 2011	**6,281**	**50,457**	**78,635**	**3,846**	**152,929**	**292,148**
Amortisation period (years)	5	10	5 - 10	5		

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
j. Property, plant and equipment	**43,043**	**45,805**

The movements in 2012 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2012	28,915	7,339	9,541	10	45,805
Investments	-	313	2,415	-	2,728
Disposals - cost	-	-	(1,630)	-	(1,630)
Disposals - cumulative depreciation	-	-	1,630	-	1,630
Depreciation and amortisation	(620)	(1,024)	(3,844)	(2)	(5,490)
Balance as at 31 December 2012	**28,295**	**6,628**	**8,112**	**8**	**43,043**
Cumulative cost	29,827	8,979	20,103	12	58,921
Cumulative depreciation and impairments	(1,532)	(2,351)	(11,991)	(4)	(15,878)
Balance as at 31 December 2012	**28,295**	**6,628**	**8,112**	**8**	**43,043**
Depreciation period in years	50	5 - 10	5	5	

The movements in 2011 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2011	24,665	7,852	10,999	4	43,520
Investments	4,829	435	2,176	12	7,452
Disposals - cost	-	-	(322)	(18)	(340)
Disposals - cumulative depreciation	-	-	322	18	340
Depreciation and amortisation	(579)	(948)	(3,634)	(6)	(5,167)
Balance as at 31 December 2011	**28,915**	**7,339**	**9,541**	**10**	**45,805**
Cumulative cost	29,827	8,666	19,318	12	57,823
Cumulative depreciation and impairments	(912)	(1,327)	(9,777)	(2)	(12,018)
Balance as at 31 December 2011	**28,915**	**7,339**	**9,541**	**10**	**45,805**
Depreciation period in years	50	5 - 10	5	5	

The investment in real estate includes prepayments in relation to a leasehold (operating lease) which expires on 15 April 2056. In 2012, an amount of € 256,000 in relation to amortisation of the leasehold is included in depreciation and amortisation (2011: € 242,000).

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
k. Current tax				
Current tax assets		5,792		3,374
Current tax liabilities		(141)		(75)
Net asset / (liability)		**5,651**		**3,299**
The balance at year-end relates to the last two financial years.				
l. Deferred tax				
Composition				
Deferred tax assets		-		-
Deferred tax liabilities		(19,919)		(16,633)
Net asset / (liability)		**(19,919)**		**(16,633)**
Origin of deferred tax assets and liabilities:				
Available-for-sale financial assets	(2,497)		(824)	
Goodwill and other intangible assets	(13,685)		(10,948)	
Depreciation period differences for non-current assets	(3,379)		(3,997)	
Other assets / (liabilities)	(358)		(864)	
Net asset / (liability)	**(19,919)**		**(16,633)**	
m. Other assets		**15,925**		**33,763**
This item comprises:				
Trade receivables	191		325	
Receivables relating to securities sold, but not yet delivered	14,236		31,447	
Other receivables	1,498		1,991	
	15,925		33,763	
- of which receivables from group companies	31		7	
"Trade receivables, receivables relating to securities sold but not yet delivered and other receivables have maturities of less than one year. The item receivables arising from securities sold but not yet delivered can fluctuate on a daily basis in line with movements in the market and the total size of the number of transactions."				
n. Prepayments and accrued income		**40,923**		**37,659**
This item comprises:				
Interest receivable	26,196		28,678	
Commission receivable	10,450		5,960	
Other prepayments and accrued income	4,277		3,021	
	40,923		37,659	
The other prepaid sums mainly concern prepaid IT licences and maintenance agreements.				

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
o. Customer deposits		**2,213,049**		**2,492,503**
This item comprises:				
Demand deposits savings accounts	424,388		518,954	
Demand deposits current accounts	1,788,661		1,973,549	
	2,213,049		2,492,503	
p. Other liabilities		**21,197**		**14,008**
This item comprises:				
SRD derivative payables	65		155	
Equity positions in relation to SRD obligations	1,084		1,013	
Liabilities in respect of securities transactions not yet settled	10,182		2,230	
Tax and social security contributions	2,319		2,896	
Amounts owed to group companies	124		124	
Trade payables	5,301		5,833	
Other liabilities	2,122		1,757	
	21,197		14,008	
BinckBank offers SRD (Service de Règlement Différé) contracts in France. For further information regarding this financial instrument, see note 8 to the consolidated financial statements. The item liabilities in respect of securities transactions not yet settled can fluctuate on a daily basis in line with movements in the market and the total size of the number of transactions.				
q. Accruals and deferred income		**9,612**		**14,246**
This item comprises:				
Accrued interest	2,294		4,337	
Employee expenses	4,272		5,520	
Stock exchange and clearing costs payable	681		654	
Other accruals and deferred income	2,365		3,735	
	9,612		14,246	
Employee expenses under this heading mostly concern performance-related pay to board members and employees of BinckBank.				

	31 December 2012	31 December 2011
	x € 1,000	x € 1,000
r. Provisions	**2,400**	**2,155**
This item comprises:		
Provision for legal disputes	1,388	197
Other provisions	1,012	1,958
	2,400	2,155
The movement in the provision for legal disputes was as follows:		
Balance as at 1 January	197	664
Additions	1,388	197
Charged to the provision	(197)	(71)
Releases	-	(593)
Balanswaarde per 31 december	1,388	197
The provision is an estimate of the potential loss for BinckBank as a result of legal proceedings instituted against BinckBank.		
The movements in the other provisions were as follows:		
Balance as at 1 January	1,958	604
Additions	432	1,358
Charged to the provision	(722)	-
Releases	(656)	(4)
Balance as at 31 December	1,012	1,958
The item other provisions includes provisions in relation to individual payments that will fall due on termination of employment agreements.		

	31 December 2012		31 December 2011	
	x € 1,000		x € 1,000	
s. Equity	**455,212**		**469,516**	
Issued share capital	*7,450*		*7,450*	
A total of 74,500,000 ordinary shares were in issue (with a nominal value of € 0.10 per share). The share capital is fully paid up.				
Stichting Prioriteit Binck holds 50 priority shares (with a nominal value of € 0.10 per share).				
Treasury shares	*373,422*		*373,422*	
The share premium reserve is exempt from tax				
Buy-back of own shares	*(21,539)*		*(3,954)*	
	Number	Amount	Number	Amount
Situation at opening date	464,117	(3,954)	381,511	(3,335)
Sold to executive board and employees	-	-	(39,491)	345
Issued to executive board and employees	(49,395)	420	-	-
Buy-back of own shares	2,736,491	(18,005)	122,097	(964)
Situation at end of financial year	3,151,213	(21,539)	464,117	(3,954)

As at 1 January 2012, the number of treasury shares held was 464,117, acquired at an average purchase price of € 8.52. In December 2012, 2,736,491 shares were repurchased at an average price of € 6.58. In 2012, 49,395 shares were granted to the executive board and employees in connection with the settlement of the remuneration policy.

The carrying amount of the treasury shares as at year-end 2012 was measured at the average purchase price of € 6.84. The change in equity in respect of treasury shares reflects the amounts bought and sold. The quoted share price as at year-end 2012 was € 6.22 (2011: € 8.33).

	31 December 2012		31 December 2011	
		x € 1,000		x € 1,000
Revaluation reserve		*7,493*		*(973)*
Balance as at 1 January	(973)		(2,610)	
Unrealised result on available-for-sale financial assets	11,289		5,625	
Realisation of revaluations through profit and loss	-		(3,443)	
Tax on unrealised gains and losses on available-for-sale financial assets	(2,823)		(545)	
Balance as at 31 December	7,493		(973)	
The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets. In the determination of the freely available profit, any negative revaluation reserve is deducted from the reserves available for distribution.				
Other reserves		*64,286*		*59,361*
Balance as at 1 January	59,361		49,819	
Payment of interim dividend	(12,365)		(14,831)	
Grant of rights to shares	1,105		-	
Shares sold or issued to executive board and employees	(420)		155	
Appropriation of profit for previous year	16,605		24,218	
Balance as at 31 December	64,286		59,361	
Unappropriated result		*24,100*		*34,210*
Balance as at 1 January	*34,210*		*44,240*	
Payment of final dividend	(17,605)		(20,022)	
Addition to other reserves	(16,605)		(24,218)	
Result for the year	24,100		34,210	
Balance as at 31 December	24,100		34,210	

t. Employee data	2012	2011
Number of employees (including executive directors)		
Average during the financial year	540	551
End of the financial year	505	560
Employee expenses in the financial year – executive and supervisory directors	x € 1,000	x € 1,000
Salaries	1,317	1,300
Social insurance contributions	219	32
Pension costs	263	260
Performance-related pay	198	795
Severance payments	300	-
Remuneration of supervisory directors	172	158
Total	**2,469**	**2,545**
The social insurance contributions include a sum of € 174,000 in connection with the crisis levy on the salaries of executive directors, as described in the Budget Agreement 2013 Tax Measures (Implementation) Act.		

The information on the remuneration of members of the executive board and members of the supervisory board is given in the consolidated financial statements (page 142).

	Ernst & Young Accountants	Ernst & Young Other services	Total
	x € 1,000	x € 1,000	x € 1,000
u. Note on audit expenses			
The following fees were charged to the company, its subsidiaries and other consolidated entities by the audit firm Ernst & Young Accountants LLP and other divisions of Ernst & Young as referred to in Section 2:382a of the Netherlands Civil Code:			
2012			
Audit of the financial statements, including audit of statutory financial statements and other statutory audits of subsidiary companies and consolidated entities	745	-	745
Other audit services	90	-	90
Other non-audit services	-	-	-
	835	-	835
2011			
Audit of the financial statements, including audit of statutory financial statements and other statutory audits of subsidiary companies and consolidated entities	690	-	690
Other audit services	101	-	101
Other non-audit services	44	-	44
	835	-	835

	2012	2011
	x € 1,000	x € 1,000
v. Off balance sheet commitments		
Contingent liabilities		
Liabilities in respect of contracts of suretyship and guarantees	2,434	3,264
Liabilities in respect of irrevocable facilities	-	-

To meet the requirements of its customers, BinckBank offers products such as contracts of suretyship and guarantees in relation to loans. The underlying value of these products is not presented on the face of the balance sheet. The above figure represents the maximum potential credit risk for BinckBank attached to these products on the assumption that all its counterparties should default on their contractual obligations and all existing collateral should prove worthless. Guarantees include both credit-substituting and non-credit-substituting guarantees. In most cases, guarantees can be expected to expire without a call being made on them and they will not give rise to any future cash flows.

With acquisition of Alex Beleggersbank at the end of 2007, BinckBank also acquired the Alex Bottom-Line product, which is an agreement with the Dutch Shareholders' Association (VEB). If BinckBank terminates the VEB agreement, it will be liable to pay an amount equal to the custody fee and dividend commission paid by each customer of Alex Bottom-Line on entry into the agreement plus the amount of any custody fee and dividend commission additionally paid by each customer on exceeding set limits.

Lease commitments

The company has leases on office premises in the Netherlands, Belgium, France, Spain and Italy. It has also entered into operating lease contracts for the vehicle fleet for periods of less than five years. The combined annual expense relating to office rents and operating lease payments for the vehicles at year-end 2012 was € 2.0 million (2011: € 2.0 million).

	2012	2011
	x € 1,000	x € 1,000
The aged analysis of the outstanding liabilities is as follows:		
Within one year	1,521	2,001
One to five years	837	1,845
Longer than five years	29	47

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 results.

Deposit guarantee scheme

The deposit guarantee scheme (DGS) 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 or 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 (DNB) will make up the difference. The total amount paid out by DNB will then be recovered from the banks on a pro rata basis.

The funding of the deposit guarantee scheme was set to be changed from an ex-post basis to an ex-ante basis with effect from 1 July 2013. As a result of the additional resolution charge arising from the nationalisation of SNS Reaal, the Minister has decided to postpone the ex-ante funding to 1 July 2015. The banks will then have to contribute a sum to a fund for the deposit guarantee scheme. The Stichting Depositogarantiefonds will be the owner of the fund and its resources are not refundable. DNB will manage the assets of the deposit guarantee fund and thereby act as the agent of the Stichting. The deposit guarantee fund should increase to 1% of the deposits guaranteed under the DGS in approximately 10 years, which according to the most recent data is approximately € 4 billion. The target output of 1% of the guaranteed deposits is determined by bank.

Investor compensation scheme

The directive regarding the investor compensation schemes (or 'ICSD') has recently been revised. The ICSD was established in 1997 in addition to the Investment Services Directive (now replaced by the MiFID). The ICSD provides for compensation to customers taking investment services from investment firms (including banks) if the investment firm is not able to return money or financial instruments it holds on a customer's behalf. The revision of the ICSD is part of a broader package of measures that also includes the revision of the deposit guarantee scheme directive. At the time of writing this annual report, this process has (temporarily) stalled and thus the actual date on which implementation in Dutch law will occur is not known.

Independent auditor’s report

To: the General Meeting of Shareholders of BinckBank N.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of BinckBank N.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2012, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2012, company income statement and company statement of changes in equity for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management’s responsibility

Management of BinckBank N.V. is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with International Financial Reporting Standards as accepted in the European Union and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of BinkBank N.V. as at December 31, 2012 and of its result for the year then ended in accordance with International Financial statements as accepted in the European Union and in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, March 7th 2013

Ernst & Young Accountants LLP

Signed by N.G.D. Warmer RA

Provisions of the articles of association regarding priority shares (articles 15 and 21)

The rights attached to the priority shares include the right to make non-binding nominations for appointment to the company's supervisory board and executive board and to take various other actions. The priority shares are held by Stichting Prioriteit Binck, Amsterdam. This foundation's board, which consists of three members, is appointed by the supervisory board and executive board of the company.

The board members of Stichting Prioriteit Binck are:
C.J.M. Scholtes
J.K. Brouwer
K.N. Beentjes

Provisions of the articles of association in respect of profit appropriation (article 32)

1. The company may only make distributions to the shareholders if the company's equity exceeds its issued and paid-up share capital plus the reserves required to be held by law or by the articles of association.
2. Firstly – and only insofar as profits allow – an amount equal to six percent (6%) of the nominal value of the priority shares will be distributed on these shares.
3. The foundation will determine the extent to which the remaining profits will be transferred to reserves. Profits remaining after application of subsection 2 and the first sentence of this subsection will be at the disposal of the general meeting of shareholders. Any amounts not distributed will be transferred to the company's reserves.
4. Withdrawals from distributable reserves may be made pursuant to a resolution by the general meeting of shareholders, subject to the prior consent of the foundation.
5. The executive board may resolve to allow the company to make interim distributions, providing it demonstrates in the form of an interim statement of assets and liabilities as referred to in Section 105(4), Book 2 of the Netherlands Civil Code that it complies with item 1 above and subject to the prior consent of the foundation. The distributions referred to in this subsection may be made in cash, in shares in the company's equity or in marketable rights thereto.
6. The general meeting of shareholders may resolve to declare that distributions on shares other than interim distributions as referred to in subsection 5 of this article (whether at the shareholders' discretion or otherwise) may, instead of being made in cash, be made fully or partly (whether at the shareholders' discretion or otherwise) in:
   a. ordinary shares (which will, if desired and possible, be charged to the share premium reserve) or marketable rights to ordinary shares, or
   b. equity instruments of the company or marketable rights thereto.

   A resolution as referred to in the previous sentence may only be passed after being proposed by the executive board and approved by the supervisory board.

   A proposal to pass a resolution as referred to in b will be submitted only after consultation with Euronext Amsterdam N.V.
7. No distribution will be made to the company in respect of shares it holds in its own capital or on shares for which the company holds depositary receipts.
8. The calculation of the profit distributable on shares will disregard shares that are not eligible, pursuant to subsection 7, for such distribution.
9. Once a resolution to make a distribution has been passed, the amount will be declared payable within fourteen days. An entitlement to receive a distribution will lapse five years after the date on which the amount is declared payable, and the said amount will then revert to the company.

Proposal for profit appropriation

On the proposal of the foundation, no transfer will be made to the reserves. The entire profit will be made available to the shareholders. The proposal is to distribute a final dividend of € 0.28 per ordinary share. A sum of € 9,125,000 will be withdrawn from the other reserves for this purpose.

The profit appropriation and the proposed dividend distribution will then be as follows:

The profit appropriation will then be as follows:	
x € 1,000	
Profit in 2012	24,100
Less: Paid interim dividend	(12,365)
At shareholders' disposal	11,735
Plus: withdrawal from the general reserves	9,125
Proposed dividend	20,860

**This proposal is not reflected in the balance sheet.*

Principal subsidiaries

Bewaarbedrijf BinckBank B.V.
Barbara Strozzilaan 310
1083 HN Amsterdam
Telephone (020) 522 03 30

Able Holding B.V.
Reeuwijkse Poort 114
2811 MX Reeuwijk
Telephone (0182) 398 888
www.able.eu

Executive Board:
H. Krijgsman
K.N. Beentjes

ThinkCapital Holding B.V.
Barbara Strozzilaan 310
1083 HN Amsterdam
Telephone (020) 314 96 70
www.thinkcapital.nl

Executive Board:
M. Rozemuller
G. Koning

Foreign offices

BinckBank Belgium
De Keyserlei 58
2018 Antwerpen
Belgium
Telephone +32 3 303 3133
www.binck.be

BinckBank France
102-106, rue Victor Hugo
92300-Levallois-As atret CEDEX
France
Telephone +33 170 36 70 62
www.binck.fr

BinckBank Italy
Via Ventura 5
20134 Milano
Italy
Telephone +39 02 217 11 380
www.binck.it

BinckBank Spain
Trading name: Alex Vermogensbank Spanje
Urbanizacion Marbella Real, local 15
Carretera de Cadiz, km 178,7
29602 Marbella
Malaga
Spain
Telephone +34 952 92 4011
www.alexspanje.com

BinckBank N.V.
Barbara Strozzilaan 310
1083 HN Amsterdam
The Netherlands

Correspondence address
P.O. Box 75047
1070 NA Amsterdam
The Netherlands

Tel: +31 (0)20 522 03 30
Fax: +31 (0)20 320 41 76

Internet: www.binck.com

BinckBank N.V., established in Amsterdam and entered in the Trade Register of the Amsterdam Chamber of Commerce under no. 33 16 22 23.

Investor Relations
Tel: +31 (0)20 522 03 72
Email: IR@binck.nl

Colophon
Photography
Edith Paol, Amsterdam

BinckBank N.V.
Barbara Strozzilaan 310
1083 HN Amsterdam
The Netherlands

P.O. Box 75047
1001 NA Amsterdam
The Netherlands

t +31 20 606 26 66
f +31 20 320 41 76
e info@binck.nl
i www.binck.nl