

This Offer expires at 17:40 hours CET, on 22 May 2019, unless extended

OFFER MEMORANDUM

12 March 2019

RECOMMENDED CASH OFFER

by

STAR BIDCO B.V.

a wholly-owned subsidiary of

SAXO BANK A/S



**FOR ALL THE ISSUED AND OUTSTANDING ORDINARY AND PRIORITY SHARES WITH A
NOMINAL VALUE OF EUR 0.10 EACH IN THE CAPITAL OF**

BINCKBANK N.V.

BINCK*BANK

This offer memorandum (the **Offer Memorandum**) contains the details of the recommended public offer by Star Bidco B.V. (the **Offeror**), a direct wholly-owned subsidiary of Saxo Bank A/S (**Saxo Bank**), to all holders of issued and outstanding ordinary shares (the **Ordinary Shares**) and issued and outstanding priority shares (the **Priority Shares**, and together with the Ordinary Shares, the **Shares**, and each a **Share**) in each case with a nominal value of EUR 0.10 each in the share capital of BinckBank N.V. (**BinckBank**) (the holders of such Shares, the **Shareholders**), to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in this Offer Memorandum (the **Offer**).

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the **Wft**) in conjunction with Article 8, paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the **Decree**) in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**).

The information required by Article 18, paragraph 2 of the Decree in connection with the Offer is included in the position statement of BinckBank (the **Position Statement**), which is also published on the date of this Offer Memorandum. The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication. The Position Statement will be reviewed by the AFM after publication.

Capitalised terms used in this Offer Memorandum have the meaning set out in section 4 (Definitions) or elsewhere in this Offer Memorandum.

Shareholders tendering their Shares under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and transferred (*geleverd*) an amount in cash of EUR 6.35 cum dividend (the **Offer Price**). In the event any (interim) cash or share dividend or other distribution (each, a **Distribution** and collectively, the **Distributions**) on the Shares is declared by BinckBank after 16 December 2018 and on or prior to the Settlement Date (as defined below) whereby the record date for entitlement to such Distribution is on or prior to the Settlement Date, the Offer Price will be decreased by the full amount of any such Distribution made by BinckBank in respect of each Share (before any applicable withholding tax).

The executive board (*de raad van bestuur*) of BinckBank (the **Executive Board**) and the supervisory board (*de raad van commissarissen*) of BinckBank (the **Supervisory Board**, and together with the Executive Board, the **BinckBank Boards**) unanimously support and recommend the Offer to the Shareholders for acceptance. Reference is made to section 6.8 (Decision making and Recommendation by the BinckBank Boards) and the Position Statement.

The Offer Period under the Offer will commence at 09:00 hours CET, on 13 March 2019 and will expire at 17:40 hours CET, on 22 May 2019, unless the Offeror extends the Offer Period in accordance with section 5.6 (Extension), in which case the closing date shall be the date on which the extended Offer Period expires (such initial or postponed date, the **Closing Date**). The Offeror will announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within three Business Days following the Closing Date, in accordance with Article 16 of the Decree (the **Unconditional Date**).

Any Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Offer Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) and not withdrawn their Shares for acceptance pursuant to the Offer prior to or on the

Closing Date (each of these Shares, a **Tendered Share**) will receive the Offer Price in respect of each Tendered Share, and the Offeror shall acquire each Tendered Share, within five Business Days following the Closing Date (**Settlement**, and the day on which the Settlement occurs, the **Settlement Date**).

If, following the Settlement Date and the Post-Closing Acceptance Period (as defined below), the aggregate number of Tendered Shares, together with (i) the Shares directly or indirectly owned by the Offeror Group (as defined below), (ii) any Shares committed to the Offeror or any member of the Offeror Group in writing and (iii) any Shares to which the Offeror or any member of the Offeror Group is entitled (*gekocht maar nog niet geleverd*) is equal to or greater than 95% of BinckBank's aggregate issued and outstanding ordinary share capital on a fully diluted basis, the Offeror will commence a statutory buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code or the statutory buy-out procedure in accordance with Article 2:359c of the Dutch Civil Code to purchase from the Shareholders that have not tendered their Shares under the Offer as referred to in section 6.13(b) (Buy-Out).

In order to allow the Offeror to acquire full ownership of BinckBank, the Offeror may choose to implement the Post-Closing Merger and Liquidation (as defined below) if (i) the number of Tendered Shares during the Offer Period and the Post-Closing Acceptance Period, together with any Shares owned by the Offeror or any of its Affiliates, is at least 80% of BinckBank's issued and outstanding ordinary share capital on a fully diluted basis as at the Closing Date (or such lower percentage as the BinckBank Boards may agree to) and (ii) the Post-Closing Merger Resolution (as defined below) is in full force and effect. The BinckBank Boards have approved and consented to BinckBank entering into the Post-Closing Merger and Liquidation. Reference is made to section 6.13(c) (Post-Closing Merger and Liquidation).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror, Saxo Bank and BinckBank disclaim all responsibility for any violation of such restrictions by any person. Reference is made to section 2 (Restrictions).

At the date of this Offer Memorandum, BinckBank has convened a general meeting of Shareholders to discuss the Offer in accordance with Article 18, paragraph 1 of the Decree, which will be held at 13:00 hours CET on 23 April 2019 at the office of BinckBank at Barbara Strozilaan 310, 1083 HN Amsterdam, the Netherlands (the **General Meeting**). In addition, certain Resolutions in connection with the Offer will be proposed to the General Meeting. The General Meeting will be combined with BinckBank's annual general meeting of Shareholders. Subject to the terms and conditions of this Offer Memorandum, the BinckBank Boards recommend voting in favour of all Resolutions that will be proposed in connection with the Offer and the Post-Closing Merger and Liquidation. Reference is made to section 6.27 (General Meeting).

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2. RESTRICTIONS

The Offer is being made in and from the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than the Netherlands. Neither the Offeror, nor Saxo Bank, nor BinckBank, nor any of their advisers, nor the Settlement Agent accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully read this section 2 (Restrictions) and section 3 (Important information) of this Offer Memorandum before taking any action. The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restriction may constitute a violation of the law of any such jurisdiction.

2.1 United States of America

The Offer is being made for the securities of BinckBank, a public limited liability company incorporated under Dutch law, and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information of BinckBank included or referred to herein has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission and Part 9 of Book 2 of the Dutch Civil Code for use in the European Union and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**) and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local laws, as well as foreign and other tax laws. Each holder of Shares is urged to consult his or her independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and any claim arising out of the U.S. federal securities laws, since the Offeror and BinckBank are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Offer Memorandum or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with standard Dutch practice, the Offeror and its Affiliates or brokers (acting as agents for the Offeror or its Affiliates, as applicable) may before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase, Shares outside of the United States, from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In addition, the financial advisers to the Offeror may engage in ordinary course trading activities in securities of BinckBank, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of Saxo Bank at www.home.saxo/.

2.2 Canada

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada, or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of Canada. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada. Persons receiving this Offer Memorandum and/or such other documents must not distribute or send them in, into or from Canada, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Offer; so doing will invalidate any purported acceptance of the Offer. The Offeror will not accept any tender by any such use, means, instrumentality or facility from within Canada.

Tender and transfer of Shares constitute a representation and warranty that the person tendering the Shares (i) has not received or sent copies of this Offer Memorandum or any related documents in, into or from Canada and (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality including, without limitation, facsimile transmission, telex and telephone of interstate or foreign commerce, or any facility of a national securities exchange of, Canada. The Offeror reserves the right to refuse to accept any purported acceptance that does not comply with the foregoing restrictions, and any such purported acceptance will be null, void and without effect, if so refused.

3. IMPORTANT INFORMATION

3.1 Introduction

This Offer Memorandum contains important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent advice where necessary. Each holder of Shares is urged to consult its independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

3.2 Responsibility for information

The information and declarations included in sections 1 through 6 (excluding sections 6.8 through 6.11), 8, 9(b), 9(d), 10, 12 and 14 have been solely provided by the Offeror and Saxo Bank. The information included in sections 6.8, 6.9, 7, 9(e) and 13 has been solely provided by BinckBank. The information included on the cover page, pages 1 and 2, sections 6.10, 6.11, 9 (opening), 9(a), 9(c), 11 and 15 has been provided by the Offeror, Saxo Bank and BinckBank jointly.

The Offeror, Saxo Bank and BinckBank are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to the information it has provided, and jointly with respect to the information they have provided jointly.

The Offeror, Saxo Bank and BinckBank confirm, each with respect to the information it has provided, and jointly with respect to the information which they have provided jointly, that to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in section 13 (Financial information BinckBank) has been sourced by BinckBank from the audited financial statements for the financial years 2018, 2017, 2016 and 2015 as published in the annual reports of BinckBank for 2018, 2017, 2016 and 2015, respectively, as further explained in section 13 (Financial information BinckBank). The auditor's report included in section 13.6 (Independent auditor's report of Deloitte on the selected consolidated financial information of BinckBank) for the financial years 2017, 2016 and 2015 and the auditor's report included in section 13.7 (Financial statements for the financial year 2018 including independent auditor's report of Deloitte) of this Offer Memorandum have been sourced by BinckBank from Deloitte, independent auditor of BinckBank.

BinckBank confirms that, to the best of its knowledge, the selected consolidated financial information included in sections 13.3, 13.4 and 13.5 has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading.

No person other than the Offeror, Saxo Bank and BinckBank, and without prejudice to the independent auditor's reports issued by Deloitte included in this Offer Memorandum, and the Fairness Opinions rendered by Lazard to the BinckBank Boards and Rothschild & Co to the Supervisory Board (the full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement), is authorised to provide any information or to make any statements on behalf of the Offeror, Saxo Bank or BinckBank in connection with the Offer or the information contained in the Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror, Saxo Bank or BinckBank, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror, Saxo Bank or BinckBank.

The information included on pages 1 and 2 and in section 12 (Dutch language summary) regards summarised and translated information, and as the case may be, has been derived from the information included in the other sections of this Offer Memorandum.

ABN AMRO Bank N.V. has been engaged by the Offeror as Settlement Agent for the Offer, upon the terms and subject the conditions set out in the agency agreement. Neither the Settlement Agent nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offer Memorandum or for any other statements made or purported to be made either by itself or on its behalf in connection with Offer set forth in this Offer Memorandum. Accordingly, the Settlement Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Offer Memorandum and or any such other statements.

3.3 Accuracy and date of information

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offer Memorandum or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Offeror, BinckBank and/or their respective Affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of either the Offeror, Saxo Bank or BinckBank, each insofar as it concerns them, to make a public announcement pursuant to, respectively, Article 4, paragraph 1 and 3 of the Decree and the European Market Abuse Regulation (596/2014), if applicable.

3.4 Governing law

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*), the Netherlands, and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares may be brought exclusively in such courts.

3.5 Contact details

(a) The Offeror

Star Bidco B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

(b) Saxo Bank

Saxo Bank A/S
Philip Heymans Alle 15
2900 Hellerup

Denmark

(c) BinckBank

BinckBank N.V.
Barbara Strozzi laan 310
1083 HN Amsterdam
The Netherlands

(d) Settlement Agent

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

3.6 Language

This Offer Memorandum is published in the English language and a Dutch language summary is included as section 12 (Dutch Language Summary). In the event of any differences (whether or not in interpretation) between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

3.7 Assignment

On 16 December 2018, Saxo Bank and BinckBank entered into a merger protocol setting out their respective rights and obligations with respect to the Offer (the **Merger Protocol**). Saxo Bank has assigned all of its rights and obligations under the Merger Protocol to the Offeror. Saxo Bank shall remain jointly and severally liable with the Offeror for the proper performance of any and all obligations under the Merger Protocol assigned to the Offeror.

3.8 Availability of information and documents incorporated by reference

Digital copies of this Offer Memorandum are available on the websites of BinckBank (www.binck.com) and Saxo Bank (www.home.saxo). Copies of this Offer Memorandum are also available free of charge at the offices of BinckBank and the Settlement Agent, at the addresses mentioned above. The BinckBank and Saxo Bank websites do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

The current Articles of Association, which are incorporated by reference in this Offer Memorandum, are available on the website of BinckBank (www.binck.com/corporate-governance/articles-of-association). Certain amendments of the Articles of Association will be proposed for adoption in accordance with the drafts of the amended articles of association included in section 14 (Articles of Association), as described in sections 6.15 (Amendments to the Articles of Association) and 6.27 (General Meeting).

Copies of BinckBank's annual reports for the financial years 2018, 2017, 2016 and 2015, all of which are incorporated by reference in this Offer Memorandum, are also available free of charge at the abovementioned offices of BinckBank and the Settlement Agent and on the website of BinckBank (www.binck.com/investors/financial-reports).

3.9 Forward-looking statements

This Offer Memorandum includes certain “forward-looking statements”, including statements relating to the impact of the Offer on the Offeror, Saxo Bank and BinckBank and the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror, Saxo Bank and BinckBank, each with respect to the statements it has provided, believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The forward-looking statements involve unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror, Saxo Bank and BinckBank, and are difficult to predict. These forward-looking statements are not guarantees of future performance. Potential risks and uncertainties include, but are not limited to, (i) the risk that required regulatory approvals may delay the Offer or result in the imposition of conditions that could have a material adverse effect on the Combination or cause the Offeror, Saxo Bank and BinckBank to abandon the Offer, (ii) the risk that the Offer Conditions may not be satisfied, (iii) risks relating to Saxo Bank’s ability to successfully operate BinckBank without disruption to its other business activities, which may result in the Combination not operating as effectively and efficiently as expected, (iv) the possibility that the Offer may involve unexpected costs, unexpected liabilities or unexpected delays, (v) the risk that the businesses of the Offeror, Saxo Bank and BinckBank may suffer as a result of uncertainty surrounding the Offer, (vi) the effects of competition (in particular the response to the Offer in the marketplace) and competitive developments or risks inherent to Saxo Bank’s or BinckBank’s business plans, (vii) the risk that disruptions from the Offer will harm relationships with customers, employees and suppliers, (viii) political, economic or legal changes in the markets and environments in which Saxo Bank and BinckBank do business, (ix) economic conditions in the global markets in which Saxo Bank and BinckBank operate, (x) uncertainties, risk and volatility in financial markets affecting the Offeror, Saxo Bank and BinckBank, and (xi) other factors that can be found in Saxo Bank’s and its subsidiaries’ and BinckBank’s press releases and public filings. Neither the Offeror, Saxo Bank nor BinckBank, nor any of their respective Affiliates and advisers, accepts any responsibility for any financial information contained in this Offer Memorandum relating to the business, results of operations or financial condition of the other or their respective groups. Each of the Offeror, Saxo Bank and BinckBank expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based except as required by Applicable Rules or by any competent regulatory authority.

3.10 Financial advisers

J.P. Morgan Securities plc (**J.P. Morgan**) is acting as financial adviser exclusively for Saxo Bank and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than Saxo Bank for providing the protections afforded to the clients of J.P. Morgan or its affiliates, nor for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum. J.P. Morgan has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Lazard B.V. (**Lazard**) is acting as financial adviser exclusively to BinckBank and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer

Memorandum and will not be responsible to anyone other than BinckBank for providing the protections afforded to the clients of Lazard or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum. Lazard has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Memorandum.

N.M. Rothschild & Sons Ltd. (**Rothschild & Co**) is acting as financial adviser exclusively to the Supervisory Board and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than the Supervisory Board for providing the protections afforded to the clients of Rothschild & Co or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum. Rothschild & Co has given and has not withdrawn its written consent to the references to its name in the form and context in which they appear in this Offer Memorandum.

4. DEFINITIONS

Acceptance Threshold	has the meaning given to it in section 6.6(a)(i);
Admitted Institutions	means those institutions admitted to Euronext Amsterdam (<i>aangesloten instellingen</i>);
Adverse Recommendation Change	the BinckBank Boards or any of their members having revoked or modified, amended or qualified their respective intended Recommendations, and after completion of the Works Council consultation, their respective Recommendations, or having taken any action that prejudices or frustrates the Offer, including any action by any member of the BinckBank Boards in deviation from or inconsistent with the Recommendation which could cause uncertainty as to the status of the Recommendation and having made any public contradictory statements as to their position with respect to the Offer or for the avoidance of doubt having failed to announce or reaffirm their Recommendation, including within one Business Day of a request of the Offeror to do so (including any such revocation, amendment, qualification or prejudicial or inconsistent action or statement);
Affiliate	means in relation to the Offeror, Saxo Bank and/or BinckBank, any direct or indirect subsidiary of the Offeror, Saxo Bank and/or BinckBank or any parent company of the Offeror and any direct or indirect subsidiary of such parent company, in each case from time to time, however, excluding any of the direct or indirect shareholders of Saxo Bank;
AFM	has the meaning given to it on page 1;
Alternative Proposal	has the meaning given to it in section 6.22(a)(i);
Applicable Rules	means all applicable laws and regulations, including without limitation, the applicable provisions of the Wft, the European Market Abuse Regulation (596/2014), the Decree, any rules and regulations promulgated pursuant to the Wft and the Decree, the policy guidelines and instructions of the AFM, the Dutch Works Council Act (<i>Wet op de ondernemingsraden</i>), the Dutch Merger Code (<i>SER Fusiegedrags-regels 2000</i>), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions and any relevant antitrust laws;
Articles of Association	means the articles of association (<i>statuten</i>) of BinckBank, as amended from time to time;

BinckBank	means BinckBank N.V., a public limited liability company (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and its office address at Barbara Strozilaan 310, 1083 HN Amsterdam, the Netherlands and registered with the trade register of the chamber of commerce under number 33162223;
BinckBank Boards	has the meaning given to it on page 1;
BinckBank Group	means BinckBank and its Affiliates from time to time;
BinckBank Holdco	has the meaning given to it in section 6.13(c);
Business Day	means a day other than a Saturday or Sunday on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business;
Buy-Out	has the meaning given to it in section 6.13(b);
CET	means Central European Time;
Closing Date	has the meaning given to it on page 1;
Combination	has the meaning given to it in section 6.4(a);
Conditional Performance Shares	has the meaning given to it in section 7.12(a);
Continuing Members	has the meaning given to it in section 6.16(b);
Decree	has the meaning given to it on page 1;
Deloitte	means Deloitte Accountants B.V.;
Distribution	has the meaning given to it on page 1;
Dutch Central Bank	means the Dutch Central Bank (<i>De Nederlandsche Bank</i>);
Dutch Civil Code	means the Dutch Civil Code (<i>Burgerlijk Wetboek</i>);
Dutch Corporate Governance Code	means the Dutch corporate governance code, as amended from time to time;
Enterprise Chamber	means the Enterprise Chamber (<i>Ondernemingskamer</i>) of the Amsterdam Court of Appeal (<i>Gerechtshof Amsterdam</i>);
Euronext Amsterdam	means the stock exchange of Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V.;
Exchange Ratio	has the meaning given to it in section 6.13(c);
Executive Board	has the meaning given to it on page 1;

Fairness Opinions	has the meaning given to it in section 6.8;
Foundation	has the meaning given to it in section 7.9;
Foundation Irrevocable Undertaking	has the meaning given to it in section 6.10;
General Meeting	has the meaning given to it on page 2;
Governmental Entity	means any European Union, national, provincial, local or foreign governmental or other regulatory authority, agency, commission, court, arbitral tribunal or other legislative, executive or judicial governmental entity;
Identified Staff	has the meaning given to it in section 7.12(a);
Initial Announcement	has the meaning given to it in section 6.1;
Integration Committee	has the meaning given to it in section 6.20(b);
J.P. Morgan	has the meaning given to it in section 3.10;
Lazard	has the meaning given to it in section 3.10;
Liquidation	has the meaning given to it in section 6.13(c);
Liquidation Distribution	has the meaning given to it in section 6.13(c);
Long Stop Date	has the meaning given to it in section 6.6(d);
Matched Offer	has the meaning given to it in section 6.24(e);
Matching Offer Period	has the meaning given to it in section 6.24(d);
Matching Right	has the meaning given to it in section 6.24(d);
Material Adverse Effect	means any event, occurrence, fact, condition or change that, individually or in the aggregate, that becomes known after the date of the Merger Protocol (provided, for the avoidance of doubt, that in the determination at the Unconditional Date of whether a Material Adverse Effect has occurred, any event, occurrence, fact, condition or change that became known prior to the date of the Offer Memorandum may only be taken into account in combination with any event occurrence, fact, condition or change that becomes known after the date of the Offer Memorandum) that has or is reasonably likely to have a material adverse effect on (i) the business, operations, results of operations, or condition (financial or otherwise) of the BinckBank Group, taken as a whole, or (ii) the ability of the Offeror to consummate the Transactions ultimately on the Long Stop Date in accordance with the terms of the Merger Protocol; provided, however, that with respect to clause (i), the following shall not be deemed to

have or contribute to, or be taken into account in determining whether there has been or would reasonably be expected to be, a Material Adverse Effect: any event, occurrence, fact, condition or change caused by or resulting from:

- (a) changes, after the date hereof, in prevailing interest rates, currency exchange rates or other economic, monetary or political conditions in the European Union, including any adverse development regarding the European Union, its member states (including Brexit or one or more other member states leaving such union) or euro zone (including one or more members leaving such zone),
- (b) general changes, after the date hereof, in the European Union securities markets,
- (c) changes or events, after the date of the Merger Protocol, generally affecting the industries in which Saxo Bank and BinckBank operate and not specifically relating to the BinckBank Group, as the case may be,
- (d) general changes, after the date of the Merger Protocol, in accounting requirements applicable to the BinckBank Group, including in the interpretation or the enforcement thereof,
- (e) changes, after the date hereof, in mandatory law of general applicability or enforcement thereof by any Governmental Entity,
- (f) actions or omissions of the Offeror or any action taken by BinckBank with the Offeror's written consent or at the Offeror's direction (or not taken where such consent has been withheld) or compliance by BinckBank with the terms of, or the taking of any action required by, the Merger Protocol;
- (g) any natural disaster, pandemic, any outbreak of major hostilities in which the European Union or its member states are involved or any act of terrorism, sabotage, armed hostilities or military action within the European Union,
- (h) the Transactions, or
- (i) any failure by BinckBank or the BinckBank Group to meet any internal or published projections or forecasts of revenue or earnings predictions, or a change in the trading prices, or

trading volume, of a party's capital stock, provided, however, that, in the case of this paragraph (i), the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect to the extent such cause is not excluded by paragraphs (a) up to and including (h) above,

by itself (it being understood that any facts or circumstances giving rise to or contributing to such change that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account in determining whether there has been or would reasonably be expected to be a Material Adverse Effect), except in the case of paragraphs (a), (b), (c), (d), (e), (g) above and (i) to the extent that the BinckBank Group is disproportionately adversely affected relative to other companies in the industries in which Saxo Bank and BinckBank operate, in which case such event, occurrence, fact, condition or change may be taken into account in determining whether a “Material Adverse Effect” has occurred;

Merger Protocol	means the merger protocol agreed and signed by Saxo Bank and BinckBank on 16 December 2018;
Minority Shareholders	has the meaning given to it in section 6.13(d);
New BinckBank	has the meaning given to it in section 6.13(c);
Non-Financial Covenants	has the meaning given to it in section 6.20;
Non-Financial Covenants Duration	has the meaning given to it in section 6.20(i)(i);
Offer	has the meaning given to it on page 1;
Offer Conditions	means the conditions to the Offer described in section 6.6;
Offer Memorandum	has the meaning given to it on page 1;
Offer Period	means the period during which the Shareholders can tender their Shares to the Offeror, which commences at 09:00 hours CET, on 13 March 2019, and ends at 17:40 hours CET, on the Closing Date;
Offer Price	has the meaning given to it on page 1;
Offeror	means Star Bidco B.V., a private limited liability company (<i>besloten vennootschap</i>) incorporated under the laws of the Netherlands with its corporate seat in Amsterdam, the Netherlands and its office address at Prins Bernhardplein 200, 1097 JB, Amsterdam, the Netherlands and registered with the trade register of the chamber of commerce under number 73878456;

Offeror Group	means the Offeror and its Affiliates from time to time;
Ordinary Shares	has the meaning given to it on page 1;
Person	means a natural person or a partnership, company, association, cooperative, mutual insurance society, foundation or any other body which operates externally as an independent unit or organization;
Persons holding a Qualifying Holding in BinckBank	<p>Each of the following:</p> <ul style="list-style-type: none"> (a) the Offeror; (b) Saxo Bank A/S; (c) Sampo Plc (Finland); (d) Fournais Holding; (e) Kim Fournais; (f) Geely Financials Denmark A/S; (g) Geely Financials International Limited (Hong Kong); (h) Geely Sweden Holding AB (Sweden); (i) Shanghai Geely Zhaoyuan International Investment Co. Ltd. (China); (j) Beijing Geely Wanyuan International Investment Co. Ltd. (China); (k) Beijing Geely Kaisheng International Investment Co. Ltd. (China); (l) Zhejiang Geely Holding Group Company Limited (China); and (m) Li Shu Fu;
Position Statement	has the meaning given to it on page 1;
Post-Closing Acceptance Period	means a period of no more than two weeks after the Offer Period during which the Shareholders that have not yet tendered their Shares under the Offer will be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum;
Post-Closing Measures	has the meaning given to it in section 6.13(d);
Post-Closing Merger	has the meaning given to it in section 6.13(c);

Post-Closing Merger and Liquidation	has the meaning given to it in section 6.13(c);
Post-Closing Merger Proposal	has the meaning given to it in section 6.13(c);
Post-Closing Merger Resolution	has the meaning given to it in section 6.27(b)(iv);
Post-Closing Merger Threshold	has the meaning given to it in section 6.13(c);
Potential Superior Offer	has the meaning given to it in section 6.23;
Priority Shares	has the meaning given to it on page 1;
Qualifying Holding	means a qualifying holding (<i>gekwalficeerde deelneming</i>) as set out in Article 1:1 Wft;
Recommendation	has the meaning given to it in section 6.8;
Reference Date	has the meaning given to it in section 6.3(b)(i);
Regulatory Authority	means the Dutch Central Bank, the European Central Bank as well as any other regulatory authority of any jurisdiction whose laws prohibit the Offeror, Saxo Bank and BinckBank from completing the Transactions before approval or consent is obtained from such regulatory authorities;
Regulatory Clearances	means the Regulatory Merger Clearances and the Regulatory Offer Clearances;
Regulatory Merger Clearances	means the following: <ul style="list-style-type: none"> (a) a declaration of no-objection from the European Central Bank by each of the Persons holding a Qualifying Holding in New BinckBank; (b) a declaration of no-objection from the Dutch Central Bank by BinckBank for the Post-Closing Merger; and (c) a new licence from the European Central Bank by New BinckBank to act as a credit institution within the meaning of Article 4 of the Capital Requirements Regulation (Regulation No 575/2013), if so required by the European Central Bank;
Regulatory Offer Clearances	means the following: <ul style="list-style-type: none"> (a) a declaration of no-objection from the European Central Bank by each of the Persons holding a Qualifying Holding in BinckBank; (b) approval from the Dutch Central Bank on related

	changes in the co-policymakers of BinckBank;
	(c) approval from the Dutch Central Bank on the prospective appointment of new members of the Supervisory Board;
Relevant Persons	has the meaning given to it in section 6.22(a)(i);
Remuneration Policy	has the meaning given to it in section 7.12(a);
Resolutions	has the meaning given to it in section 6.27(b);
Rothschild & Co	has the meaning given to it in section 3.10;
Saxo Bank	means Saxo Bank A/S, a privately owned company (<i>Aktieselskab</i>) incorporated under the laws of the Denmark with its office address at Philip Heymans Alle 15, 2900, Hellerup, Denmark and registered with the Danish Central Business Register under number 15731249;
Settlement	has the meaning given to it on page 2;
Settlement Agent	ABN AMRO Bank N.V.;
Settlement Date	has the meaning given to it on page 2;
Share Sale	has the meaning given to it in section 6.13(c);
Share Sale Price	has the meaning given to it in section 6.13(c);
Shareholder	means a holder of one or more Shares;
Shares	has the meaning given to it on page 1;
Superior Offer	has the meaning given to it in section 6.24;
Supervisory Board	has the meaning given to it on page 1;
Tendered Share	has the meaning given to it on page 1;
Terminating Party	has the meaning given to it in section 6.26(a)(iii);
Transactions	means the Offer and, together with the transactions contemplated in connection therewith and as set out in the Merger Protocol, including, to the extent applicable, the Buy-Out and the Post-Closing Merger and Liquidation;
Unconditional Date	has the meaning given to it on page 1;
U.S. Exchange Act	has the meaning given to it in section 2.1;
Wft	has the meaning given to it on page 1; and
Works Council	means the works council of BinckBank.

5. INVITATION TO THE SHAREHOLDERS

5.1 Invitation to the Shareholders

The Offeror hereby makes a recommended public cash offer for all Shares. Shareholders are advised to review this Offer Memorandum and in particular sections 2 (Restrictions) and 3 (Important Information) thoroughly and completely and to seek independent financial, tax and/or legal advice where appropriate to reach a balanced and well-informed judgement with respect to the Offer and this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review sections 6.12 (Implications of the Offer being declared unconditional) and 6.13 (Possible Post-Closing Measures and future legal structure). With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and restrictions set out in this Offer Memorandum.

5.2 Offer Price

(a) Consideration

For each Tendered Share, the Offeror offers the Offer Price, being a consideration of EUR 6.35 (cum dividend) in cash, without interest and subject to any withholding of taxes, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

(b) Distributions

The Offer Price includes any Distribution on the Shares that is or may be declared by BinckBank after 16 December 2018 and on or prior to the Settlement Date, and for which the record date for such Distribution occurs on or prior to the Settlement Date. Consequently, if after 16 December 2018 and on or prior to the Settlement Date any Distribution is declared in respect of the Shares and the record date for such Distribution occurs on or prior to the Settlement Date, the Offer Price will be decreased by the full amount of any such Distribution made by BinckBank in respect of each Share (before any applicable withholding tax).

Any adjustment to the Offer Price resulting from a Distribution by BinckBank will be communicated by a press release in accordance with section 5.13 (Announcements) of this Offer Memorandum.

5.3 Acceptance by Shareholders

(a) General

The tender of any Share by a Shareholder constitutes an acceptance of the Offer by the Shareholder. Before taking any action, Shareholders should carefully verify how they hold their Shares: through an Admitted Institution or directly (e.g., individually recorded in BinckBank's shareholders' register). If in doubt, holders of Shares should contact the Settlement Agent at the contact details included in section 3.5(d).

(b) Acceptance by holders of Shares through Admitted Institutions

Shareholders who hold their Ordinary Shares through an Admitted Institution are requested to make their acceptance known through their bank or stockbroker no later than 17:40 hours CET, on the initial Closing Date, unless the Offer Period is extended in accordance with section 5.6 (Extension). The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the

Settlement Agent in a timely manner. Accordingly, Shareholders holding Ordinary Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Admitted Institutions may tender Ordinary Shares for acceptance only to the Settlement Agent and only in writing. In submitting the acceptance, Admitted Institutions are required to declare that (i) they have the tendered Ordinary Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that (a) the Tendered Shares are being tendered in compliance with the restrictions set out in sections 2 (Restrictions) and 3 (Important Information) and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and (iii) they undertake to transfer these Tendered Shares to the Offeror prior to or ultimately on the Settlement Date, provided that the Offer has been declared unconditional (*gestand wordt gedaan*).

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Shares in acceptance of the Offer will constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Offer is declared unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase) and (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Settlement Agent of the Offer Price per Share.

- (c) Acceptance by holders of Shares individually recorded in BinckBank’s shareholders’ register; the Priority Shares

There are no holders of Shares individually recorded in BinckBank’s shareholders’ register, except for the Foundation, being the holder of all Priority Shares. Pursuant to the Foundation Irrevocable Undertaking, the Foundation will tender all Priority Shares into the Offer during the Post-Closing Acceptance Period after their conversion into Ordinary Shares following the amendment to the Articles of Association becoming effective at Settlement. Reference is made to section 6.10 (Irrevocable undertakings of the Executive Board and other Shareholders).

- (d) Acceptance by holders of Shares in bearer form

Holders of Shares in bearer form (*aandelen aan toonder*) are requested to tender these Shares in bearer form through their (custodian) bank or (stock) broker where their custody/cash accounts are administered, to the Settlement Agent.

- (e) Validity of the Tendered Shares; waiver of defects; return of Tendered Shares

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and the Offeror’s determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Offeror’s interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Offeror, the Settlement Agent, or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the terms and conditions of the Offer, including the procedures set forth in this section 5.3(b) (Acceptance by Shareholders).

If any Shares tendered in accordance with the instructions set forth in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of this Offer, the Offeror will cause the Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

(f) Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender, undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered and on the Settlement Date or, with respect to Shares tendered in the Post-Closing Acceptance Period, the settlement date for such Shares, that:

- (i) the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms and conditions of the Offer;
- (ii) such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Shares tendered by it, and has not entered into any other agreement to tender, sell or transfer (*leveren*) the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror under the Offer, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights, rights of pledge, other encumbrances and restrictions of any kind, unless such third party rights and restrictions arise solely and result directly from such Shares being held in book entry form by Euroclear or pursuant to the Articles of Association;
- (iii) such Shares are being tendered in compliance with the restrictions as set out in section 2 (Restrictions) and section 3 (Important Information) and the securities and other applicable laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares;
- (iv) such Shareholder acknowledges and agrees that having tendered its Shares, such Shareholder shall, as from the Settlement Date, be deemed to have waived any and all rights or entitlements that such Shareholder may have in its capacity as shareholder of BinckBank or otherwise in connection with its shareholding in BinckBank vis-à-vis any member of the BinckBank Group and any past or current member of the BinckBank Boards; and
- (v) such Shareholder is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. “Sectoral Sanctions Identifications (SSI) List” or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

(g) **Withdrawal rights**

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender:

- (i) during any extension of the Offer Period in accordance with the provisions of Article 15, paragraph 3 of the Decree;
- (ii) following an announcement of a mandatory public bid in accordance with the provisions of Article 5b, paragraph 5 of the Decree, provided that such Shares were already tendered prior to the announcement and withdrawn within seven Business Days following the announcement;
- (iii) following the filing of a successful request to set a reasonable price for a mandatory public bid by the Offeror in accordance with the provisions of Article 15, paragraph 8 of the Decree, provided that (A) such request was granted, (B) such Shares were already tendered prior to the filing of such request, and (C) withdrawn within seven Business Days following the date on which the judgment of the Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or
- (iv) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made generally available in accordance with the provisions of Article 15a, paragraph 3 of the Decree, provided that such Shares were already tendered prior to the request and withdrawn within seven Business Days following such document being made available.

To withdraw previously tendered Shares, holders of Shares held through Admitted Institutions must instruct the Admitted Institution they initially instructed to tender the Shares to arrange for the withdrawal of such Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent.

Any notice of withdrawal for Shares must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal of Shares must be guaranteed by an Admitted Institution, unless such Shares have been tendered for the account of any intermediary.

5.4 Offer Period

The Offer Period will commence at 09:00 hours CET, on 13 March 2019 and will expire on 22 May 2019 at 17:40 hours CET, unless the Offer Period is extended in accordance with section 5.6 (Extension).

If all conditions to the Offer are satisfied or, as applicable, waived, the Offeror will accept all Tendered Shares not previously withdrawn pursuant to the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a, paragraph 3 of the Decree and in accordance with the procedures set forth in section 5.3 (Acceptance by Shareholders).

5.5 Declaring the Offer unconditional

The obligation of the Offeror to declare the Offer unconditional is subject to the satisfaction or waiver of the Offer Conditions. Reference is made to section 6.6 (Offer Conditions, waiver and satisfaction). The Offer Conditions may be waived, to the extent permitted by law, as set out in section 6.6(b) (Waiver). If the Offeror, Saxo Bank, BinckBank, or each of the Offeror, Saxo Bank

and BinckBank where relevant, wholly or partly waive one or more Offer Conditions according to section 6.6(b) (Waiver), the Offeror will inform the Shareholders as required by the Applicable Rules.

No later than the third Business Day following the Closing Date (such date being the **Unconditional Date**) the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in section 6.6 (Offer Conditions, waiver and satisfaction), to the extent permitted by Applicable Rules. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions set out in section 6.6(a) (Offer Conditions) not having been satisfied or waived, all in accordance with section 6.6(b) (Waiver) and section 6.6(c) (Satisfaction) and Article 16 of the Decree. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will accept all Tendered Shares and will continue the Offer during a Post-Closing Acceptance Period (*na-aanmeldingstermijn*) as set out in section 5.8 (Post-Closing Acceptance Period).

5.6 Extension

If one or more of the Offer Conditions set out in section 6.6 (Offer Conditions, waiver and satisfaction) is not satisfied by the initial Closing Date or waived in accordance with section 6.6(b) (Waiver), the Offeror may, in accordance with Article 15, paragraph 1 and paragraph 2 of the Decree, extend the Offer for a minimum period of two weeks and a maximum period of ten weeks in order to have such Offer Conditions satisfied or waived.

In the event that any Offer Condition is not satisfied or waived on the initial Closing Date, the Offeror may, without BinckBank's consent, extend the Offer Period, provided that such extension of the Offer Period shall be a period of no less than two weeks and no more than ten weeks after the initial Closing Date. Pursuant to the Decree, the Offeror may extend the initial Offer Period once. In addition, the Offer Period may be further extended if the events referred to in Article 15, paragraph 5 of the Decree occur. Further extensions are subject to an exemption from the AFM.

In the event that any Offer Condition is not satisfied or waived on the Closing Date of the extended Offer Period, which could in particular be the case for the Offer Conditions relating to the Regulatory Clearances, the Offeror may request one or more exemptions from the AFM to further extend the Offer Period. In particular, if at the end of the extended Offer Period the Regulatory Clearances have not been obtained, or if the Regulatory Offer Clearances have been obtained but the Regulatory Merger Clearances have not yet been obtained, and the acceptance level is below 95%, the Offer Period may be further extended, subject to an exemption from the AFM as described below. No such further extension will be required if at the end of the extended Offer Period all Offer Conditions except for the Offer Condition relating to the Regulatory Merger Clearances have been satisfied or waived and the acceptance level is at least 95%, in which case the Offer Condition relating to the Regulatory Merger Clearances will be waived automatically in accordance with section 6.6(b).

If the Offeror decides to request an exemption from the AFM it may, subject to receipt of such exemption, extend the Offer Period until such time as the Offeror reasonably believes is necessary to cause the Offer Conditions to be satisfied, but no later than the Long Stop Date. If no exemption is granted by the AFM while not all Offer Conditions have been satisfied before the end of the extended Offer Period (and if such Offer Condition(s) has or have not been waived to the extent legally permitted in accordance with section 6.6(b) (Waiver)), the Offer will be terminated as a

consequence of such Offer Condition(s) not having been satisfied or waived on or before the Unconditional Date.

In case of any extension, all references in this Offer Memorandum to 17:40 hours CET on the Closing Date shall, unless the context requires otherwise, be changed to the latest date and time to which the Offer Period has been so extended.

If the Offer Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional is postponed, a public announcement to that effect will be made ultimately on the third Business Day following the initial Closing Date in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Decree. If the Offeror extends the Offer Period, the Offer will expire on the latest time and date to which the Offeror extends the Offer Period.

During an extension of the Offer Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered in accordance with section 5.3(g) (Withdrawal Rights).

5.7 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and transferred (*geleverd*) their Shares for acceptance pursuant to the Offer on or prior to the Closing Date will receive within five Business Days following the Closing Date the Offer Price in respect of each Tendered Share, as of which moment dissolution or annulment of a Shareholder's tender or transfer (*levering*) shall not be permitted. Settlement will only take place if the Offer is declared unconditional (*gestand wordt gedaan*).

5.8 Post-Closing Acceptance Period

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will, in accordance with Article 17 of the Decree, within three Business Days after declaring the Offer unconditional, publicly announce a Post-Closing Acceptance Period (*na-aanmeldingstermijn*) of no more than two weeks to enable Shareholders who did not tender their Shares during the Offer Period to tender their Shares under the same terms and conditions as the Offer.

The Offeror will publicly announce the results of the Post-Closing Acceptance Period and the total amount and total percentage of Shares held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the third Business Day following the last day of the Post-Closing Acceptance Period. The Offeror shall continue to accept for payment all Shares validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during such Post-Closing Acceptance Period and shall pay for such Shares as soon as reasonably possible and in any case no later than on the fifth Business Day following the last day of the Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, whether validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during the Offer Period or during the Post-Closing Acceptance Period.

5.9 Commission

Admitted Institutions will receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.0011 in respect of each Tendered Share up to a maximum of EUR 1,000 per Shareholder tender.

No costs will be charged to Shareholders by the Offeror or by BinckBank for the transfer and payment of each Tendered Share if an Admitted Institution is involved. However, Shareholders may be charged certain fees by their banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer and payment of the Tendered Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

5.10 Dividends

Following the Settlement Date, the current dividend policy of BinckBank may be discontinued. Any Distribution made in respect of Shares not tendered under the Offer after the Settlement Date will pro rata be deducted from the price per share for the purpose of establishing such price in the Buy-Out, the Post-Closing Merger, any other statutory merger, or any other measure contemplated by section 6.13 (Possible Post-Closing Measures and future legal structure).

5.11 Withholding

The Offeror is entitled to deduct and withhold from the Offer Price such amounts as the Offeror is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax or social security law. To the extent that amounts are so withheld by the Offeror, such amounts shall be treated for all purposes as having been paid to the Shareholders on behalf of which such deduction and withholding was made by the Offeror.

5.12 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer that is made by or on behalf of a Shareholder, even if it has not been effected in the manner as set out in section 5.3 (Acceptance by Shareholders).

5.13 Announcements

Any announcement contemplated by this Offer Memorandum will be issued by press release. Any press release issued by the Offeror or Saxo Bank will be made available on the website www.home.saxo. Any press release issued by BinckBank will be made available on the website www.binck.com/press.

Subject to any applicable requirements of the Applicable Rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described in this section 5.13 (Announcements).

5.14 Indicative timetable

Expected date and time (All times are CET)	Event
12 March 2019	Press release announcing the availability of this Offer Memorandum and the commencement of the Offer
09:00 hours CET, 13 March 2019	Commencement of the Offer Period
13:00 hours CET, 23 April 2019	General Meeting, at which meeting the Offer, among other matters, will be discussed

Expected date and time (All times are CET)	Event
17:40 hours CET, 22 May 2019	Initial Closing Date: deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with Article 15 of the Decree as described in section 5.6 (Extension)
No later than three Business Days after the Closing Date	Unconditional Date: the date on which the Offeror will publicly announce whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>) in accordance with Article 16 of the Decree
No later than five Business Days after the Closing Date	Settlement Date: the date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share
No later than three Business Days after the Unconditional Date	Post-Closing Acceptance Period: if the Offer is declared unconditional, the Offeror will announce a Post-Closing Acceptance Period for a period of no more than two weeks in accordance with Article 17 of the Decree

6. EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Background and public announcements

Saxo Bank and BinckBank have had a good relationship for several years. In recent years, Saxo Bank and BinckBank have also regularly discussed the possibilities for cooperation, including by exploring a potential cooperation in one or more specific countries and/or a combination of their two businesses by entering into a strategic transaction. However, until recently these discussions did not lead to any concrete understanding on the structure, terms and conditions of such a potential transaction. On 18 May 2018, Saxo Bank's CEO sent an initial letter of interest to BinckBank's CEO and the chairman of the Supervisory Board. Since that letter, constructive confidential discussions between Saxo Bank and BinckBank in relation to a potential transaction between the parties have been on-going. These discussions gained momentum after Saxo Bank completed the changes to its own shareholder structure following the receipt of all the required regulatory approvals for those transactions in September 2018. As from October 2018, Saxo Bank and its advisers have performed a due diligence investigation in connection with a potential Combination. Over a period of time Saxo Bank and BinckBank and their advisers participated in expert sessions and other meetings, including presentations, a meeting between Saxo Bank and the Supervisory Board and meetings with the Dutch Central Bank. Meanwhile, constructive discussions between Saxo Bank and BinckBank and their respective advisers on the terms and conditions of a potential Combination were proceeding. Also, the Works Council was kept apprised as the discussions with Saxo Bank progressed towards the conclusion of the Merger Protocol. The Works Council has also been closely involved in the discussions on the principles for a social plan.

Following press coverage in the media, BinckBank announced on 14 December 2018 that it was in advanced discussions with Saxo Bank regarding a potential combination of the businesses of BinckBank and Saxo Bank. At that moment, the Executive Board and the Supervisory Board were still reviewing and considering Saxo Bank's proposal. On that same date, Saxo Bank confirmed that constructive and advanced discussions between the parties were on-going. Reference is made to sections 11.1 (Press release BinckBank dated 14 December 2018) and 11.2 (Press release Saxo Bank dated 14 December 2018).

On 17 December 2018, Saxo Bank and BinckBank jointly announced that they reached conditional agreement in connection with a recommended public offer by Saxo Bank for all the Shares at an offer price of EUR 6.35 (cum dividend) in cash for each Share, subject to customary conditions, and that Saxo Bank has committed financing in place (the **Initial Announcement**). Reference is made to section 11.3 (Initial Announcement dated 17 December 2018).

Following the Initial Announcement, Saxo Bank acquired a certain number of Shares. Reference is made to Saxo Bank's press release as published on its website (www.home.saxo) and section 6.11 (Respective cross-shareholdings Saxo Bank – BinckBank). On 14 January 2019, Saxo Bank and BinckBank jointly announced that (i) Saxo Bank and BinckBank were making good progress on the preparations of the Offer, (ii) Saxo Bank expected to submit a request for review and approval of the Offer Memorandum with the AFM early February 2019, and (ii) based on the required steps and subject to the necessary approvals, Saxo Bank and BinckBank anticipated that the Offer would close at the end of the second quarter or in the first half of the third quarter of 2019. Reference is made to section 11.5 (Four weeks announcement dated 14 January 2019).

6.2 The Offer

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestanddoening*), Shareholders who have tendered and transferred their Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

6.3 Substantiation of the Offer Price

(a) General

In establishing the Offer Price, the Offeror carefully considered the history and prospects of BinckBank, analyses of historical financial information derived from BinckBank's annual and interim accounts, information included in the virtual data room, information derived from various management and expert sessions, market reports and press releases as well as possible long-term developments in profitability, brokerage statistics (e.g. customer assets, trading activity), capital and balance sheet. In this context, the Offeror also took into account BinckBank's risk profile compared to private and publicly listed comparable companies based on its capital and liquidity position, as well as its risk sensitivities. In addition, the Offeror took into account historical market values of the Shares traded on Euronext Amsterdam, as set forth below.

(b) Analysis

The Offer Price has been based on the following financial analyses:

- (i) an analysis of the closing price over the last twelve months prior to announcement of the transaction, from market close on 14 December 2017 until market close on 14 December 2018 (**Reference Date**). During this twelve months period, the closing price of the Ordinary Shares ranged from EUR 4.16 to EUR 5.76 and the average closing price of the shares over this period was EUR 4.79. The volume weighted average prices of the Ordinary Shares for the one, two and three month period prior to and including 14 December 2018 were EUR 4.47, EUR 4.43 and EUR 4.60 respectively;
- (ii) a trading multiple analysis based on Saxo Bank's projections of BinckBank's future earnings compared to selected publicly-traded companies and their securities. Companies selected for comparison with BinckBank are brokerage companies Avanza, Comdirect and Fineco, as well as the EURO STOXX Banks index as a whole. Earnings per share estimates for this analysis were based on median FactSet consensus estimates for the next twelve months post the Reference Date (**NTM EPS**). The next twelve month price-to-EPS multiple at the Reference Date (**NTM P/E multiple**) for brokerage companies Avanza, Comdirect and Fineco was 27.8x, 20.6x and 19.9x, respectively. The NTM P/E multiple of the EURO STOXX Banks index as a whole was 7.7x. By comparison, BinckBank's NTM P/E multiple based on median FactSet consensus NTM EPS and the closing price of EUR 4.72 at the Reference Date was 12.1x, and 16.3x as implied by the Offer Price of EUR 6.35;
- (iii) an analysis of price targets of equity research analysts for the Ordinary Shares over the last twelve months prior to and including the Reference Date. Over this period, the target prices issued by four equity research analysts ranged from EUR 4.00 to EUR 5.50 (with a median of EUR 4.65). At the Reference Date, the median analyst price target stood at EUR 4.55. The research analysts are ABN AMRO, ING Bank, KBC Securities and Kepler Cheuvreux;
- (iv) a standalone dividend discount model analysis for BinckBank based on a bottom-up operating model; and
- (v) an analysis of selected precedent and transaction premiums and multiples as described in section 6.3(c) (Bid Premia).

In its assessment of the value and risk profile of BinckBank, the Offeror has taken into account:

- (i) BinckBank's CET 1 capital ratio, which was 32.2% as of 30 September 2018. This compares to 29.6% for Saxo Bank as of October 2018. For reference, as of 30 September 2018, Avanza, Comdirect and Fineco reported a CET1 ratio of respectively 17.7%, 43.7% and 20.5%; and
- (ii) expected meaningful negative impacts from the alignment of BinckBank's investment portfolio with Saxo's own asset liability management strategy.

(c) Bid Premia

The Offer represents:

- (i) a premium of 35% to the closing price per Ordinary Share on Euronext Amsterdam on the Reference Date;¹
- (ii) a premium of 42% to the average volume weighted price per Ordinary Share on Euronext Amsterdam for the one month period prior to and including the Reference Date;
- (iii) a premium of 43% to the average volume weighted price per Ordinary Share on Euronext Amsterdam for the two month period prior to and including the Reference Date;
- (iv) a premium of 38% to the average volume weighted price per Ordinary Share on Euronext Amsterdam for the three month period prior to and including the Reference Date;
- (v) a premium of 33% to the average volume weighted price per Ordinary Share on Euronext Amsterdam for the twelve month period prior to and including the Reference Date; and
- (vi) a premium of 40% to the median of equity research analyst price targets at the Reference Date (median of EUR 4.55).

By comparison, the median control premium to the unaffected share price is 43% for one-month and 34% for one-day for 100% public cash offers of companies listed on Euronext Amsterdam with equity values equal or in excess of EUR 450 million that were announced in a period of five years prior to the Reference Date. The closing share price for one month and one day is based on the earlier of transaction announcement or material, public speculation of a transaction, if any. Selected transactions are: Refresco – PAI Partners consortium; Gemalto – Thales; Delta Lloyd – NN Group; USG People – Recruit; Ten Cate – Gilde consortium; TNT Express – FedEx; Exact – Apax Partners; and Nutreco – SHV.

6.4 Rationale for the Offer

(a) Key elements of strategic rationale

The online trading and investment sector is currently facing multiple challenges including challenging competition, increased regulation, low interest rates, considerable technology investment requirements and changing customer behaviour. Such dynamics necessitate pro-active and decisive strategic actions. Scale, diversification, state of the art technology, relentless customer focus and multi-asset capabilities are becoming ever more important to deliver customer and shareholder value. Saxo Bank and BinckBank believe that the combination of both companies represents a powerful response to market dynamics.

¹ The closing price of the Ordinary Shares on the Reference Date is EUR 4.72, as per Bloomberg.

By combining their businesses, Saxo Bank and BinckBank have the intention to create a powerful overlap between BinckBank's mission, vision and ambition and Saxo Bank's business foundation, drawing on the considerable strengths of both parties. There is a strong cultural fit between Saxo Bank and BinckBank, which share a vision of democratising trading and investments and a philosophy centred around customer service, transparency, simplicity and innovation.

Key elements of the strategic rationale for, and the strength of, the integration of the business of Saxo Bank and the business of BinckBank (the **Combination**) include:

- (i) facilitating Saxo Bank's drive for further scale and efficiency;
 - (ii) strengthening the joint geographical footprint of the Combination with limited overlap, benefitting from BinckBank's leading market positions in online brokerage markets in the Netherlands, Belgium and France;
 - (iii) maintaining and ultimately enhancing BinckBank's market position, leveraging on its strong brand name, large and loyal customer base and deep understanding of the investor segment;
 - (iv) merging two complementary product offerings and customer bases, covering the full retail client spectrum from mass retail to high-end;
 - (v) achieving a more balanced revenue mix, both in terms of business and geography, which is better placed to withstand market volatility;
 - (vi) leveraging on Saxo Bank's expertise in the field of customer acquisition cost; and
 - (vii) building further on the current cooperation in Spain.
- (b) Expected synergies

Saxo Bank currently estimates to realise various types of synergies and dis-synergies as a result of the Offer, such as cost synergies, integration and retention charges, dis-synergies associated with investment portfolio alignment and tax dis-synergies.

Saxo Bank anticipates cost synergies to occur in a range of areas, including IT & operations, corporate functions, front office and partners/service providers. BinckBank's head office in Amsterdam will become the mid-European hub for the mid-European market for Saxo Bank. In France, the Saxo Bank and BinckBank's offices will be merged into one office. In Italy, it is intended that BinckBank's business will be integrated into Saxo Bank's operations through the Banca Generali/Saxo Bank partnership. In Belgium and Spain it is the intention that offices at current locations will be maintained. Saxo Bank expects to incur integration charges in order to achieve the anticipated synergies resulting from combining both companies. The integration charges will consist of redundancy costs, investments and advisory costs.

As of Settlement, a social plan will be effective for at least three years, applicable to employees with an employment agreement with BinckBank at the time of the Initial Announcement who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation resulting from the Combination. BinckBank will offer redundant employees an alternative function or a settlement agreement. The principles of the social plan have been agreed between Saxo Bank, BinckBank and the Works Council, whereby Saxo Bank has accepted the proposal as agreed between the Works Council and the Executive Board with the approval of the Supervisory Board. Saxo Bank and BinckBank will comply with Dutch statutory dismissal rules and employee consultation requirements with respect to any possible redundancies. Certain identified staff, key staff and other key employees will be offered a retention package to ensure motivation and

commitment as well as business continuity after Settlement, to the extent required subject to approval of the Dutch Central Bank. The principles of the retention package have been agreed between Saxo Bank, BinckBank and the Works Council. It is currently not expected that the Transactions will have an impact on the continued employment or the employment conditions of directors or employees of the Offeror or Saxo Bank.

Saxo Bank also envisaged some dis-synergies, mainly associated with investment portfolio alignment and taxes. Saxo Bank anticipates to align BinckBank's investment portfolio with its own asset liability management strategy. Apart from the switch costs, the envisaged changes are expected to reduce the investment yield of BinckBank. In addition, the Offer is expected to result in tax dis-synergies due to the loss of the Dutch innovation box benefit and the Danish Controlled Foreign Company taxation rules.

6.5 Financing of the Offer

The Offer values 100% of the Shares at EUR 424 million. Saxo Bank will pay the Offer Price fully in cash, which it will finance from its available cash resources and through equity financing of EUR 100 million. As such, Saxo Bank has received binding equity commitment letters from Fournais Holding A/S, Geely Financials Denmark A/S and Sampo Plc for an aggregate amount of EUR 100 million, which are fully committed.

Saxo Bank and BinckBank will ensure that after settlement BinckBank will remain prudently financed to safeguard business continuity also taking into account any dividends paid out, execute the business plan and support the success of the business, including in respect of the capital ratio, the liquidity coverage ratio and the net stable funding ratio of BinckBank.

Reference is also made to the Initial Announcement in which the certainty of funds was announced in accordance with Article 7, paragraph 4 of the Decree.

6.6 Offer Conditions, waiver and satisfaction

(a) Offer Conditions

Notwithstanding any other provisions of the Offer, the obligation of the Offeror to declare the Offer unconditional (*het bod gestand doen*) is subject to the following conditions precedent being satisfied or waived, as the case may be, on or before the Long Stop Date (the **Offer Conditions**):

Acceptance Threshold

- (i) the number of Tendered Shares, together with (i) the Shares directly or indirectly owned by the Offeror Group, (ii) any Shares committed to the Offeror or any member of the Offeror Group in writing and (iii) any Shares to which the Offeror or any member of the Offeror Group is entitled (*gekocht maar nog niet geleverd*), representing at least the Acceptance Threshold on the Closing Date;

for purposes of this section 6.6(a)(i), **Acceptance Threshold** means either:

- (A) 95% of BinckBank's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a fully diluted basis as at the Closing Date; or
- (B) 80% of BinckBank's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a fully diluted basis as at the Closing Date if (i) the Offer Condition in section 6.6(a)(xiii) (No order) is satisfied

or waived and (ii) the Post-Closing Merger Resolution being in full force and effect on the Closing Date;

No breach by BinckBank

- (ii) on or before the Unconditional Date BinckBank not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for BinckBank, Saxo Bank, the Offeror or the Offer; and (ii) is incapable of being remedied (to the extent necessary) within ten Business Days after receipt by BinckBank of a written notice from the Offeror (or, if earlier, on or before the Long Stop Date) or has not been remedied (to the extent necessary) by BinckBank within ten Business Days after receipt by BinckBank of a written notice from the Offeror (or, if earlier, on or before the Unconditional Date);

No breach by Saxo Bank and/or the Offeror

- (iii) on or before the Unconditional Date neither Saxo Bank nor the Offeror having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for BinckBank, Saxo Bank, the Offeror or the Offer; and (ii) is incapable of being remedied (to the extent necessary) within ten Business Days after receipt by Saxo Bank of a written notice from BinckBank (or, if earlier, on or before the Unconditional Date) or has not been remedied (to the extent necessary) by Saxo Bank within ten Business Days after receipt by Saxo Bank of a written notice from BinckBank (or, if earlier, on or before the Unconditional Date);

No Adverse Recommendation Change

- (iv) no Adverse Recommendation Change having occurred on or before the Unconditional Date, other than as permitted by the Merger Protocol, as disclosed in this Offer Memorandum;

No Material Adverse Effect

- (v) no Material Adverse Effect having occurred on or before the Unconditional Date which is continuing on the Unconditional Date;

No Superior Offer

- (vi) no Superior Offer having been announced within the meaning of Article 5, paragraph 1 of the Decree or made in accordance with Article 10 of the Decree on or before the Unconditional Date;

No third party mandatory offer

- (vii) no third party, unrelated to Saxo Bank, on or before the Unconditional Date, either (i) is obliged and has announced, within the meaning of Article 5 paragraph 3 of the Decree, to make, or (ii) has made, a mandatory offer pursuant to Article 5:70 Wft for all Shares of BinckBank with a consideration that is at least equal to the Offer Price;

No suspension of trading on Euronext Amsterdam

- (viii) trading in the Shares on Euronext Amsterdam not having been suspended or ended on or before the Unconditional Date as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules);

No AFM notification

- (ix) no notification having been received from the AFM on or before the Unconditional Date stating that pursuant to Article 5:80 paragraph 2 of the Wft, one or more investment firms are not allowed to cooperate with the Offer;

Regulatory Offer Clearances

- (x) all Regulatory Offer Clearances having been obtained on or before the Closing Date;

Regulatory Merger Clearances

- (xi) all Regulatory Merger Clearances having been obtained on or before the Closing Date;

Foundation Irrevocable Undertaking

- (xii) the Foundation Irrevocable Undertaking being in full force and effect on the Closing Date and the relevant parties being fully compliant therewith; and

No order

- (xiii) on or before the Unconditional Date (i) no order, stay, judgment, injunction or decree having been issued by any Governmental Entity, and (ii) no Governmental Entity of competent jurisdiction having enacted any law, regulation, statute, injunction or other rule or order (whether temporary, preliminary or permanent) that is in effect and prohibits, or materially delays or restrains, the making, closing and/or Settlement of the Offer in accordance with the Merger Protocol, the Post-Closing Merger and/or the other Transactions.

(b) Waiver

The Offer Conditions (other than the Offer Conditions set out in sections 6.6(a)(iii) (No breach by Saxo Bank and/or the Offeror), 6.6(a)(ix) (No AFM notification), 6.6(a)(x) (Regulatory Offer Clearances), 6.6(a)(xi) (Regulatory Merger Clearances) and 6.6(a)(xiii) (No order)) are for the sole benefit of the Offeror and may be waived (either in whole or in part) by the Offeror at any time, in its sole discretion, by written notice to BinckBank; provided, however, that a waiver of the Offer Condition set out in section 6.6(a)(i) (Acceptance Threshold) will require the approval of the BinckBank Boards (which will not be unreasonably withheld or delayed) in the event that the Tendered Shares together with (i) the Shares directly or indirectly owned by the Offeror Group, (ii) any Shares committed to the Offeror, or any member of the Offeror Group in writing and (iii) any Shares to which the Offeror or Saxo Bank is entitled (*gekocht maar nog niet geleverd*), but (iv) excluding any Shares held by BinckBank at the Closing Date) represent at the Closing Date less than 67% of the aggregate issued and outstanding ordinary share capital of BinckBank on a fully diluted basis.

The Offer Condition set out in section 6.6(a)(iii) (No breach by Saxo Bank and/or the Offeror) is for the sole benefit of BinckBank and may be waived (either in whole or in part) by BinckBank at any time, in its sole discretion, by written notice to Saxo Bank.

The Offer Conditions set out in sections 6.6(a)(x) (Regulatory Offer Clearances), 6.6(a)(xi) (Regulatory Merger Clearances) and 6.6(a)(xiii) (No order) are for the benefit of each of Saxo Bank, the Offeror and BinckBank and may be waived (either in whole or in part) only by Saxo Bank, the Offeror and BinckBank jointly by written agreement.

The Offer Condition set out in section 6.6(a)(ix) (No AFM notification) cannot be waived.

In the event that the Tendered Shares together with (i) the Shares directly or indirectly owned by the Offeror Group, (ii) any Shares committed to the Offeror, or any member of the Offeror Group in writing and (iii) any Shares to which the Offeror or Saxo Bank is entitled (*gekocht maar nog niet geleverd*) represent at least 95% of BinckBank's aggregate issued and outstanding share capital on a fully diluted basis as at the Closing Date, the Offer Conditions set out in sections 6.6(a)(xi) (Regulatory Merger Clearances) and 6.6(a)(xiii) (No order) shall automatically (deemed to) be waived to the extent the relevant governmental or court order solely relates to the Post-Closing Merger.

Neither Saxo Bank nor the Offeror may invoke any of the Offer Conditions if the non-satisfaction of such Offer Condition(s) is caused by its own breach of any of its obligations under the Merger Protocol.

(c) Satisfaction

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

With respect to section 6.6(a)(v) (No Material Adverse Effect), in the event that the Offeror determines that this Offer Condition is not satisfied and BinckBank disagrees, the Offeror or BinckBank will, subject to the applicable provisions of the Merger Protocol, submit such disagreement to a binding advice (*bindend advies*) procedure under Article 7:900 et seq. of the Dutch Civil Code. The President of the Enterprise Chamber will be binding adviser, or if this person is not able (for whatever reason) to timely provide the binding advice, the binding adviser shall be another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either the Offeror or BinckBank. The binding advice will be rendered within 10 Business Days after the dispute having been referred to the binding adviser or such shorter period as the Offeror and BinckBank may agree, it being understood that the binding adviser shall be instructed to render its binding advice no later than noon CET on the Business Day before the Unconditional Date. The binding advice will be final and binding on the Offeror and BinckBank and each of them shall fully comply with the binding advice and the content thereof.

Each of the Saxo Bank, the Offeror and BinckBank shall use its best efforts to procure the satisfaction of each Offer Condition as soon as reasonably possible. Saxo Bank shall have the primary responsibility for obtaining the Regulatory Clearances, with the assistance of its advisers. A Regulatory Clearance shall be deemed to have been granted if the relevant Regulatory Authority grants an approval which is subject to one or more conditions, unless acceptance of or compliance with such conditions would have a material adverse effect on the Offeror Group (which, for this purpose would include the BinckBank Group) and/or the BinckBank Group. Reference is made to section 6.7 (Background of the Regulatory Clearances) for more information about the Regulatory Clearances.

(d) Long Stop Date

The Offer Conditions must be satisfied or waived on or before the Long Stop Date. The **Long Stop Date** is 17 December 2019, provided that if the Regulatory Clearances have not been obtained by 1 December 2019, each of the Offeror and BinckBank may notify each other on or before 10 December 2019 that the Long Stop Date shall be 1 April 2020. The Offeror, Saxo Bank and BinckBank reserve their rights to jointly agree to further extend the Long Stop Date, in which case such extension shall be announced in accordance with section 5.13 (Announcements) and all references in this Offer Memorandum to the Long Stop Date shall be deemed to refer to such extended Long Stop Date. Any extension of the Offer Period beyond the first extension of ten weeks is subject to an exemption from the AFM as further described in section 5.6 (Extension).

6.7 Background of the Regulatory Clearances

The (indirect) acquisition of 10% or more of the issued capital or 10% or more of the voting rights of a bank with its registered office in the Netherlands (a Qualifying Holding), requires prior approval from the European Central Bank in the form of a declaration of no objection (Article 3:95(1)(b) Wft). A declaration of no objection will be granted by the European Central Bank unless (i) the integrity of the applicant is not beyond doubt, (ii) the persons that, on the basis of the Qualifying Holding, will determine the day-to-day policy of the company in which a Qualifying Holding is required, are considered to be not suitable, (iii) the financial soundness of the applicant, taking into account the activities of the company in which a Qualifying Holding is acquired, is not safeguarded, (iv) the company in which a Qualifying Holding is acquired will not be able to continue to comply with applicable prudential rules and regulations, (v) there are good reasons to suspect that, in connection with the intended acquisition or increase, money was or is being laundered or terrorism was or is being financed or that an attempt was made or is being made to launder money or finance terrorism within the meaning of the Money Laundering and Terrorist Financing (Prevention) Act or that the intended acquisition or increase could increase the risk thereof, and (vi) incomplete or incorrect information has been submitted by the applicant. In assessing an application for a declaration of no objection, the European Central Bank will take into account the 'Joint guidelines on the prudential assessment of acquisitions and increase of qualifying holdings in the financial sector' (JC/GL/2016/01).

Each person that will acquire a Qualifying Holding in BinckBank must apply for a declaration of no objection pursuant to Article 3:95(1)(b) Wft. This application must be submitted to the Dutch Central Bank. The Dutch Central Bank will prepare a draft decision. The Dutch Central Bank will then send the application together with its draft decision to the European Central Bank. The European Central Bank must decide upon this application within 60 business days as of the date on which the Dutch Central Bank has confirmed the proper receipt of the application and confirmed that the application is complete. This decision-making period may be extended by the Dutch Central Bank up to 30 business days.

A bank with a seat in the Netherlands must obtain prior approval in the form of a declaration of no objection from the Dutch Central Bank on a financial or corporate restructuring (Article 3:96(1)(e) Wft). The Post-Closing Merger qualifies as a financial or corporate restructuring as meant in Article 3:96(1)(e) Wft, which means that BinckBank must obtain a declaration of no objection from the Dutch Central Bank by submitting an application thereto with the Dutch Central Bank. The Dutch Central Bank must decide upon this application within 60 business days as of the date on which the Dutch Central Bank has confirmed the proper receipt of the application and confirmed that the application is complete. This decision-making period may be extended by the Dutch Central Bank up to 20 business days.

As a result of the Post-Closing Merger, BinckBank will merge into New BinckBank (please refer to section 6.13(c) (Post-Closing Merger and Liquidation)). Following the Post-Closing Merger, New BinckBank requires a license to act as a credit institution within the meaning of Article 4 of the Capital Requirements Regulation (Regulation No 575/2013). The European Central Bank will likely require New BinckBank to apply for a new license to act as a credit institution. The European Central Bank must decide within six months that the application is complete. The European Central Bank must decide within six months of receipt of the application for a license or, where the application is incomplete, within six months of receipt of the complete information. A decision to grant or refuse the application must, in any event, be taken within 12 months of the receipt of the application.

Saxo Bank and BinckBank have, with the exception of (i) the application for a declaration of no objection from the Dutch Central Bank on a financial or corporate restructuring (Article 3:96(1)(e) Wft) and (ii) the application for New BinckBank's license to act as a credit institution, if so required

by the European Central Bank, applied for the relevant Regulatory Clearances from the European Central Bank and the Dutch Central Bank. As soon as the Dutch Central Bank has confirmed that the applications submitted to it are complete, the respective formal assessment review periods will start running.

Saxo Bank is primarily responsible for obtaining the Regulatory Clearances as soon as possible. Saxo Bank has agreed to compensate BinckBank for loss of management time and other costs and expenses in case of certain delays in obtaining the Regulatory Clearances in accordance with the following. If the Offeror has not received confirmation from each of the Regulatory Authorities, other than the European Central Bank in relation to the new license for New BinckBank to which this fee arrangement shall not apply, by 30 June 2019 that it has submitted all information required for commencement of the period during which the Regulatory Authorities will decide upon the Regulatory Clearances, Saxo Bank shall pay a monthly fee of EUR 500,000 net in cash as compensatory damages to BinckBank without defences or set-off of any kind, unless the failure to receive such confirmation from the Regulatory Authorities is caused by a breach of BinckBank of its obligations under the Merger Protocol to cooperate with the preparation and making of the required regulatory filings. The fee shall be paid on the first Business Day of each month (first payment on 1 July 2019) until Settlement occurs or, if earlier, the Merger Protocol is terminated in accordance with section 6.26 (Termination).

No competition law clearances are required to be obtained in connection with the Offer.

6.8 Decision making and Recommendation by the BinckBank Boards

The Executive Board, as well as the Supervisory Board (with and without the Executive Board being present) have frequently met to discuss the developments, discussions, process and preparations in relation to the Offer throughout the process since receipt of Saxo Bank's initial letter of interest. The Executive Board was also in regular contact with the Dutch Central Bank. Furthermore, the Works Council was kept apprised as the discussions with Saxo Bank progressed towards the conclusion of the Merger Protocol. The Works Council has also been closely involved in the discussions on the principles for a social plan.

The members of the BinckBank Boards considered whether a conflict of interests exists between any of them and BinckBank, and they have established that such was not the case.

Consistent with their further fiduciary responsibilities, the BinckBank Boards, with the support of their financial and legal advisers, have carefully and extensively reviewed the Offer. In addition, the BinckBank Boards received a fairness opinion dated 16 December 2018 from Lazard indicating that, as of such date and based upon and subject to the matters set forth in the fairness opinion, (i) the Offer Price is fair, from a financial point of view, to the Shareholders (other than the Offeror, BinckBank or any of their respective Affiliates), and (ii) the Share Sale Price in the Share Sale set forth in section 6.13(c) (Post-Closing Merger and Liquidation) is fair, from a financial point of view, to BinckBank Holdco. Furthermore, on 16 December 2018, Rothschild & Co furnished a fairness opinion to the Supervisory Board indicating that, as of such date and based upon and subject to the matters set forth in that fairness opinion, (i) the Offer Price to be paid by the Offeror and received by the holders of Shares (other than ordinary shares held in treasury or owned by the Offeror and its Affiliates) is fair from a financial point of view, (ii) the Exchange Ratio in the Post-Closing Merger set forth in section 6.13(c) (Post-Closing Merger and Liquidation) is fair from a financial point of view to the Minority Shareholders, and (iii) the aggregate value of the Share Sale Price paid in the Share Sale set forth in section 6.13(c) (Post-Closing Merger and Liquidation) is fair from a financial point of view to BinckBank Holdco (both fairness opinions, the **Fairness Opinions**).

With reference to the above, after having reviewed with the support of their legal and financial advisers the terms and conditions of the Combination and the Offer and any other actions

contemplated in the Merger Protocol, including in particular the Offer Price and the arrangements and agreements set out in, sections 6.4 (Rationale for the Offer), 6.5 (Financing of the Offer), 6.19 (Corporate governance and regulatory regime following Settlement) and the Non-Financial Covenants, and having taken the interests of all of BinckBank's stakeholders into account, the BinckBank Boards unanimously conclude that the Offer is in the long term interests of BinckBank, the sustainable success of its business and its clients, employees, shareholders and other stakeholders. Accordingly, the BinckBank Boards unanimously decided to (i) support the Offer, (ii) recommend that the Shareholders accept the Offer and tender their Shares in the Offer, and (iii) recommend that the Shareholders vote in favour of the Resolutions (the **Recommendation**).

BinckBank published a Position Statement pursuant to article 18 of the Decree, which sets forth the Recommendation. The full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement.

The BinckBank Boards may only withdraw, amend or qualify the Recommendation as set forth in section 6.24 (Superior Offer).

6.9 Shareholdings of the members of the BinckBank Boards

(a) Information on Shares

As of the date of this Offer Memorandum, no Shares are held by members of the Supervisory Board.

As of the date of this Offer Memorandum, Shares are held by the members of the Executive Board as shown in the following table.

Name	Total number of Shares held	Type of shares
Vincent Germyns	119,120	Ordinary
Evert Kooistra	142,005	Ordinary
Steven Clausing	36,278	Ordinary

A certain amount of Shares held by the members of the Executive Board is subject to a retention period (Vincent Germyns: 16,831 Shares, Evert Kooistra: 19,522 Shares and Steven Clausing: 5,256 Shares), reference is made to section 7.12 (BinckBank remuneration policy) for the terms and conditions of this retention period.

It is expected that following the General Meeting, Shares are held by the members of the Executive Board as follows:

Name	Total number of Shares held	Type of shares
Vincent Germyns	128,480	Ordinary
Evert Kooistra	150,396	Ordinary
Steven Clausing	44,636	Ordinary

Shares held by the members of the Executive Board under a retention period following the General Meeting is expected to be as follows: Vincent Germyns: 18,013, Evert Kooistra 17,475 and Steven Clausing 8,172. Please refer to section 7.12 (BinckBank remuneration policy) for the terms and conditions of this retention period.

(b) Share transactions in the year prior to the date of this Offer Memorandum

The table below provides an overview of all transactions in Shares effectuated by members of the BinckBoards in the year prior to the date of this Offer Memorandum.

Date	Transaction type	Total number of Shares	Type of shares	Volume weighted average price (EUR)
Vincent Germyns				
23 April 2018	Purchase	4,842	Ordinary	5.16
25 April 2018	Delivery of 2017 performance Shares	9,360	Ordinary	5.08
23 July 2018	Purchase	4,977	Ordinary	5.02
22 October 2018	Purchase	5,479	Ordinary	4.56
Evert Kooistra				
23 April 2018	Purchase	3,873	Ordinary	5.16
25 April 2018	Delivery of 2017 performance Shares	9,084	Ordinary	5.08
23 July 2018	Purchase	3,981	Ordinary	5.02
22 October 2018	Purchase	4,383	Ordinary	4.56
Steven Clausing				
23 April 2018	Purchase	2,905	Ordinary	5.16
25 April 2018	Delivery of 2017 performance Shares	3,102	Ordinary	5.08
23 July 2018	Purchase	2,986	Ordinary	5.02
22 October 2018	Purchase	3,288	Ordinary	4.56

As publicly announced through a press release dated 26 April 2016, the members of the Executive Board have committed themselves individually to purchase Shares for a set amount from their

personal funds and for their own account each time after the publication of the quarterly results of BinckBank. Each quarter, Vincent Germyns purchased Shares for EUR 25,000, Evert Kooistra purchased Shares for EUR 20,000 and Steven Clausing purchased Shares for EUR 15,000 (reference is made to the overview included above). The purpose of this arrangement was to create shareholder alignment. In view of the number of Shares currently held by the members of the Executive Board (reference is made to section 6.9(a) (Information on Shares)) the objective of creating shareholder alignment is considered to have been realised. Therefore, BinckBank and the members of the Executive Board members have agreed to terminate this arrangement with immediate effect as of 4 February 2019.

6.10 Irrevocable undertakings of the Executive Board and other Shareholders

Each of the members of the Executive Board holds a certain number of Shares as described in section 6.9(a) (Information on Shares), together representing approximately 0.5% of BinckBank's issued and outstanding ordinary share capital. Each of the members of the Executive Board has irrevocably undertaken to tender their respective Shares under the Offer, as well as any additional Shares acquired up to and including the Closing Date (except to the extent any such Shares are subject to a retention period pursuant to BinckBank's remuneration policy and such retention period has not been waived on or prior to the Unconditional Date), and to vote on the Shares in favour of the Resolutions in the General Meeting, in each case subject to the conditions that the Offer is declared unconditional, that the Offer is made against at least the Offer Price and that the Merger Protocol has not been terminated in accordance with its terms.

If and when Settlement occurs, it is expected that Mr Germyns will receive a cash amount of EUR 815,848, Mr Kooistra will receive a cash amount of EUR 955,014, and Mr Clausing will receive a cash amount of EUR 283,438 in consideration for their respective Shares (as expected to be held by each of them following the General Meeting) tendered under the Offer. The Offeror, Saxo Bank or BinckBank have not provided any information relevant for a Shareholder in connection with the Offer that is not included in this Offer Memorandum.

The Foundation has irrevocably undertaken to accept the Offer in respect of the Priority Shares it holds, subject to the condition precedent of the amended Articles of Association becoming effective at Settlement, and to cooperate with certain actions in relation to the Post-Closing Merger, the composition of the Supervisory Board following Settlement and the amendments of the Articles of Association, all as set out in this Offer Memorandum (the **Foundation Irrevocable Undertaking**). If and when the amended Articles of Association become effective at Settlement, all 50 Priority Shares will be converted into 50 Ordinary Shares, which shares will be tendered by the Foundation during the Post-Closing Acceptance Period. The Offeror and Saxo Bank have not provided information to the Foundation which is not included in the Offer Memorandum.

The irrevocable parties will tender their shares under the same terms and conditions as the other Shareholders.

6.11 Respective cross-shareholdings Saxo Bank – BinckBank

As at the date of this Offer Memorandum, Saxo Bank directly holds 518,503 Ordinary Shares representing approximately 0.77% of the aggregate number of issued share capital and approximately 0.78% of the aggregate number of issued and outstanding share capital of BinckBank.

In the year preceding the date of the Offer Memorandum, Saxo Bank executed the following transactions in relation to BinckBank securities:

Date	Transaction	Total number of	Type of shares	Volume
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	type	Shares		weighted average price (EUR)
17 December 2018	Purchase	518,503	Ordinary	6.15

The highest price per Share paid in any transaction listed in the table above was EUR 6.18 per Share.

Saxo Bank and its Affiliates or brokers (acting as agents for Saxo Bank or its Affiliates, as applicable) reserve the right to, to the extent permissible under applicable law or regulation, from time to time after the date the Offer Memorandum, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, Shares that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase has to be made public in the Netherlands, such information will be disclosed by means of a press release to inform Shareholders of such information.

As at the date of this Offer Memorandum, neither BinckBank nor any of its Affiliates directly or indirectly holds any shares in the capital of the Offeror or Saxo Bank.

6.12 Implications of the Offer being declared unconditional

It is likely that the Offer, if and when it is declared unconditional, has implications for the Shareholders who did not tender their Shares. Therefore, Shareholders considering not tendering their Shares under the Offer should carefully review the sections of this Offer Memorandum that further explain the intentions of the Offeror and/or Saxo Bank, such as this section 6.12 (Implications of the Offer being declared unconditional) and section 6.13 (Possible Post-Closing Measures and future legal structure), which describe certain implications to which such Shareholders will be subject if the Offer is declared unconditional and settled. These risks are in addition to the exposure of such Shareholders to the risks inherent to the business of BinckBank, as such business and the structure of BinckBank may change from time to time after the Settlement Date.

(a) Intentions following the Offer being declared unconditional

If the Offer is declared unconditional, the Offeror, Saxo Bank and BinckBank intend to as soon as possible:

- (i) procure delisting of the Shares from Euronext Amsterdam and terminate the listing agreement between BinckBank and Euronext Amsterdam in relation to the listing of the Shares;
- (ii) implement the mitigated large company regime (*gemitigeerd structuurregime*) instead of the large company regime (*volledig structuurregime*) currently applicable to BinckBank; and
- (iii) have the Offeror or Saxo Bank acquire all Shares not yet owned by it, whether pursuant to a Buy-Out as set out in section 6.13(b) (Buy-Out), or by implementing the Post-Closing Merger and Liquidation or any other Post-Closing Measure resulting in BinckBank becoming a wholly-owned subsidiary of Saxo Bank, or Saxo Bank otherwise becoming 100% owner of the BinckBank business, and cause Saxo Bank to operate as a wholly-owned subsidiary within the Combination. See section 6.13 (Possible Post-Closing Measures and future legal structure).

(b) Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly. As a result the liquidity and market value of the Shares that were not tendered under the Offer, or were tendered and validly withdrawn, may be adversely affected. Saxo Bank does not intend to compensate for such adverse effect by, for example, setting up a liquidity mechanism for the Shares that are not tendered following the Settlement Date and the Post-Closing Acceptance Period.

Should the Offer be declared unconditional, Saxo Bank and BinckBank intend to procure the delisting of the Shares on Euronext Amsterdam as soon as possible under Applicable Rules. This may further adversely affect the liquidity and market value of any Shares not tendered.

If the Offeror acquires 95% or more of the Shares, it will be able to procure delisting of the Shares from Euronext Amsterdam in accordance with applicable (policy) rules. However, the listing of the Shares on Euronext Amsterdam will also terminate after a successful Post-Closing Merger as set out in section 6.13(c) (Post-Closing Merger and Liquidation) or any other measures or procedures set out in section 6.13 (Possible Post-Closing Measures and future legal structure).

6.13 Possible Post-Closing Measures and future legal structure

(a) General

Following Settlement, the Offeror and Saxo Bank may choose to implement (or cause to be implemented) certain restructuring measures, including but not limited to the Post-Closing Measures mentioned in sections 6.13(b) (Buy-Out) and 6.13(c) (Post-Closing Merger and Liquidation).

Furthermore, Saxo Bank reserves the right to use any legally permitted method to acquire all of the Shares (or full ownership of BinckBank's business) and to optimize the corporate, financing and tax structure of BinckBank once it is part of the Saxo Bank Group. No decision in respect of pursuing any restructuring measures as set out in this section 6.13 (Possible Post-Closing Measures and future legal structure) has been taken by the Offeror and Saxo Bank and no such decision is envisaged to be taken prior to the Offer being declared unconditional. The Offeror will, however, decide to implement the Buy-Out in the event set out in section 6.13(b) (Buy-Out) and expects to implement the Post-Closing Merger and Liquidation in the event set out in section 6.13(c) (Post-Closing Merger and Liquidation).

(b) Buy-Out

In the event that following the Settlement Date or the settlement of the Shares tendered during the Post-Closing Acceptance Period, the Offeror has acquired (i) 95% or more of BinckBank's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) and at least 95% of the voting rights in respect of BinckBank's issued and outstanding ordinary share capital or (ii) at least 95% of BinckBank's aggregate issued and outstanding share capital (*geplaatst en uitstaand kapitaal*), the Offeror, as soon as possible, will initiate a buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a of the Dutch Civil Code or in accordance with Article 2:359c of the Dutch Civil Code (the **Buy-Out**) in order to acquire the remaining Shares not tendered and not held by the Offeror, Saxo Bank or BinckBank. BinckBank shall provide the Offeror with any assistance as may be required, including, if needed, joining such proceedings as co-claimant or defendant.

In a Buy-Out, any remaining minority shareholders of BinckBank will be offered the Offer Price for their Shares unless there would be financial, business or other developments or circumstances that

would justify a different price (including a reduction resulting from the payment of any Distribution) in accordance with, respectively, Article 2:92a, paragraph 5 or Article 2:359c, paragraph 6 of the Dutch Civil Code.

No Dutch dividend withholding tax (*dividendbelasting*) is due upon a disposal of the Shares under the Buy-Out. The Dutch income tax and U.S. federal income tax consequences of the Buy-Out are the same as the Dutch income tax and U.S. federal income tax consequences, respectively, of the Offer. For more information reference is made to section 10 (Tax aspects of the Offer and possible Post-Closing Measures).

(c) Post-Closing Merger and Liquidation

If the Offeror has declared the Offer unconditional (*gestand gedaan*) and (i) the number of Shares having been tendered for acceptance during the Offer Period and the Post-Closing Acceptance Period together with (x) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (y) any Shares committed to the Offeror or any of its Affiliates in writing and (z) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent at least 80% of BinckBank's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a fully diluted basis as at the Closing Date (such percentage, or such lower percentage as the BinckBank Boards may agree to, the **Post-Closing Merger Threshold**) and (ii) the Post-Closing Merger Resolution has been adopted, the Offeror may choose to implement the Post-Closing Merger, in order to ensure full integration of the businesses of BinckBank and Saxo Bank, subject to the Regulatory Merger Clearances having been obtained. The Offeror expects to implement the Post-Closing Merger in the event that following the Settlement Date or the settlement of the Shares tendered during the Post-Closing Acceptance Period, the Offeror has not acquired (i) 95% or more of BinckBank's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) and at least 95% of the voting rights in respect of BinckBank's issued and outstanding ordinary share capital or (ii) at least 95% of BinckBank's aggregate issued and outstanding share capital (*geplaatst en uitstaand kapitaal*), subject to the Regulatory Merger Clearances having been obtained.

If the Offeror has declared the Offer unconditional (*gestand gedaan*) and (i) the number of Shares having been tendered for acceptance during the Offer Period and the Post-Closing Acceptance Period together with (x) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (y) any Shares committed to the Offeror or any of its Affiliates in writing and (z) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent less than 80% of BinckBank's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) and (ii) the Post-Closing Merger Resolution has been adopted, then the BinckBank Boards shall have the right to re-evaluate the Post-Closing Merger and Liquidation in light of the then prevailing circumstances and the BinckBank Boards and the individual members of the BinckBank Boards shall no longer be under the obligation, but shall still have the right, to cooperate with the Post-Closing Merger and Liquidation.

Rationale of Post-Closing Merger

The reason for conditioning the Offeror's option to implement Post-Closing Merger on at least 80% of BinckBank's issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) having been acquired by the Offeror (or such lower percentage the Boards may agree to) and its Affiliates and not 95% or any other percentage higher than 80%, is to limit the risk that the Offer is not consummated (to the detriment of BinckBank, and the sustainable success of its business, which is promoted by the joint strategy, but also to the detriment of the vast majority of the Shareholders and the other stakeholders of BinckBank, as none of the benefits of the Offer would arise, and to the detriment of Saxo Bank for the same reasons, while each of them would have

incurred significant transaction costs) and consequently to enhance deal certainty, weighed against the interests of a relatively small number of Minority Shareholders.

Saxo Bank and BinckBank consider it important (i) to enhance the sustainable success of the business of the BinckBank Group as part of the Saxo Bank Group and to integrate the BinckBank Group in the Saxo Bank Group as soon as possible (ii) for the Saxo Bank Group to acquire 100% of the Shares or BinckBank's assets and operations. This importance is based, *inter alia*, on:

- (i) the fact that having a single shareholder and operating without a public listing increases BinckBank Group's ability to achieve goals and implement the actions of the proposed strategy of BinckBank Group as part of the Saxo Bank Group; and
- (ii) the ability of BinckBank and Saxo Bank to terminate the listing of the Shares from Euronext Amsterdam and to achieve an efficient capital structure (both from a tax, financing and capital requirements perspective), including the ability to form a fiscal unity between the Offeror and BinckBank or, as applicable, New BinckBank, which are important factors in achieving the premium reflected in the Offer Price.

In light of the above, including the deal certainty considerations and the fact that the Offeror's willingness to pursue the strategic rationale, to pay the Offer Price and to pursue the Transactions is predicated on the acquisition of 100% of the Shares, and in light of the willingness of the Offeror to reduce the Acceptance Threshold to the Post-Closing Merger Threshold if there is a pre-wired restructuring on fair and reasonable terms, BinckBank expressed its support for the Post-Closing Merger and Liquidation as contemplated in this section and the other Post-Closing Measures as contemplated in section 6.13(d) (Other measures).

The business rationale for the Post-Closing Merger and Liquidation lies largely with the considerable synergy potential of the Combination. Reference is made to section 6.4 (Rationale for the Offer). Realising the synergies is highly dependent on a clear strategy going forward with a swift execution. The existence of a Minority Shareholder base would require incremental interactions with such Shareholders necessary for properly considering their interests, which will likely affect both the clarity of, and ability to, execute such synergies. The Offeror and Saxo Bank would therefore likely not achieve the contemplated synergies under such circumstances, at least not to the same extent and within the contemplated timeframe.

If a substantial majority of Shareholders wishes to benefit from the exit opportunity presented by the Offer, the BinckBank Boards consider it their fiduciary duty, taking into account the interests of BinckBank and all of its stakeholders, to investigate and propose to the Shareholders a transaction structure on the basis of which such exit opportunity would indeed be available while at the same time reducing, to the extent possible, the adverse consequences of such alternative structure (if any) for the Shareholders and other stakeholders.

As a pre-wired agreed Post-Closing Measure was a fundamental requirement of Saxo Bank to lower the Acceptance Threshold, in order to obtain certainty of acquiring the full ownership of BinckBank and thus be in a position to pay the Offer Price, the BinckBank Boards believe that agreeing to such transaction structure, subject to the agreed conditions (including approval by the Shareholders at the General Meeting), takes best into account the sustainable success of the business of the BinckBank Group and all of its stakeholders.

Description of the Post-Closing Merger and Liquidation

The Post-Closing Merger comprises of a statutory triangular merger (*juridische driehoeksfusie*) in accordance with Article 2:309 et seq of the Dutch Civil Code of BinckBank with BinckBank's direct wholly-owned subsidiary BinckBank Holdco B.V. (**BinckBank Holdco**) and BinckBank Holdco's

direct wholly-owned subsidiary New BinckBank N.V. (**New BinckBank**), whereby each Shareholder will come to hold a number of shares in the capital of BinckBank Holdco equal to the number of BinckBank shares held by such shareholder immediately prior to the completion of the statutory merger (the **Post-Closing Merger**). The various steps which are envisaged by the Post-Closing Merger are set out in more detail below.

Prior to the date of this Offer Memorandum, BinckBank has incorporated BinckBank Holdco as a wholly-owned subsidiary of BinckBank and BinckBank Holdco has incorporated New BinckBank as a wholly-owned subsidiary of BinckBank Holdco. Also, the Executive Board has prepared, and the BinckBank Boards have resolved to adopt and sign a merger proposal (the **Post-Closing Merger Proposal**) for a statutory triangular merger (*juridische driehoeksfusie*) of BinckBank (as disappearing company) with and into New BinckBank (as acquiring company), with BinckBank Holdco allotting shares to BinckBank's shareholders in accordance with Article 2:309 et seq of the Dutch Civil Code.

At the date of this Offer Memorandum, BinckBank has filed the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules with the trade register of the Dutch Chamber of Commerce. Copies of the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules are available at the offices of BinckBank. BinckBank announced in a Dutch national newspaper that the filing is made and that such copies are made available.

Subject to the Offeror declaring the Offer unconditional and after Settlement having occurred and provided that (i) the number of Shares validly tendered in accordance with the terms of the Offer (including Shares tendered during the Post-Closing Acceptance Period) and not properly withdrawn, together with the Shares owned by the Offeror or any of its Affiliates is at least equal to the Post-Closing Merger Threshold and (ii) the Post-Closing Merger Resolution is in full force and effect, the Offeror may resolve to continue to pursue the Post-Closing Merger and Liquidation, in which case, prior to the date the Post-Closing Merger is effective:

- (i) BinckBank as sole shareholder of BinckBank Holdco will (i) resolve to dissolve (*ontbinden*) and liquidate (*vereffenen*) BinckBank Holdco in accordance with Article 2:19 of the Dutch Civil Code (the **Liquidation**) subject to the completion of the Share Sale and the Post-Closing Merger and following the completion of the Share Sale and (ii) appoint in consultation with the Offeror a liquidator (*vereffenaar*) of BinckBank Holdco in accordance with Article 2:19 of the Dutch Civil Code and (iii) appoint the Offeror, or an Affiliate of the Offeror, as the custodian of the books and records of BinckBank in accordance with Article 2:24 of the Dutch Civil Code, in each case subject to and with effect as of the Share Sale being completed;
- (ii) the Offeror shall enter into a share sale agreement with BinckBank Holdco pursuant to which all issued and outstanding shares in the capital of New BinckBank will be sold and, pursuant to a notarial deed, transferred to the Offeror subject to and upon completion of the Post-Closing Merger (the **Share Sale**) against payment of a purchase price equal to the Offer Price (the **Share Sale Price**); and
- (iii) the Offeror and BinckBank shall to the extent required to effect the Post-Closing Merger in an orderly fashion, in consultation with Euronext Amsterdam and the AFM, request for a two day suspension of trading of the Shares on Euronext Amsterdam before effectuating the Post-Closing Merger.

BinckBank Holdco and New BinckBank shall effectuate the Post-Closing Merger by means of the execution of a notarial deed of merger at such date as determined by the Offeror, subject to the following. If it is decided that the Post-Closing Merger will be pursued, the Offeror shall prior to effectuating the Post-Closing Merger use its reasonable best efforts to timely obtain an exemption

from the AFM, to the extent required, and the Offeror shall on the basis of such exemption (if applicable) place a standing order on Euronext Amsterdam to purchase Shares not already held by the Offeror or any of its Affiliates against a price equal to the Offer Price in euro, for a period of at least two weeks following the Post-Closing Acceptance Period, provided that such exemption is (i) obtainable within a reasonable time following submission of a request for exemption submitted to the AFM within a reasonable period after Settlement to allow that the standing order can be implemented within one week after the Post-Closing Acceptance Period and (ii) is granted on conditions reasonably acceptable to the Offeror, after consultation with BinckBank. In case the AFM denies the request for such exemption, the Offeror and BinckBank shall nevertheless proceed to implement the Post-Closing Merger or, if possible at that time because the number Shares owned by the Offeror together with any of its Affiliates is at least 95% of BinckBank's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a fully diluted basis, the Buy-Out.

Immediately following completion of the Post-Closing Merger, (i) the total number of outstanding shares in the capital of BinckBank Holdco will be equal to the total number of Shares outstanding immediately prior to the completion of the Post-Closing Merger and (ii) each holder of Shares immediately prior to the completion of the Post-Closing Merger will hold a number of shares in the capital of BinckBank Holdco equal to the number of Shares held by such holder of Shares immediately prior to the completion of the Post-Closing Merger (the **Exchange Ratio**). As soon as possible after completion of the Post-Closing Merger, the Offeror and BinckBank Holdco will effectuate the Share Sale. It is contemplated that the liquidator will, as soon as practicably possible after completion of the Share Sale, arrange for an advance liquidation distribution to the shareholders of BinckBank Holdco, whereby such advance liquidation distribution (x) is intended to take place on or shortly following the date the Share Sale is completed and (y) shall result in a payment per share in the capital of BinckBank Holdco equal to the Offer Price, without any interest and subject to withholding taxes and other taxes (the **Liquidation Distribution**, and together with the Post-Closing Merger, the Share Sale and the Liquidation, the **Post-Closing Merger and Liquidation**).

(d) Other measures

If the Offeror declares the Offer unconditional, then it shall be entitled to effect or cause to be effected any other restructuring of the BinckBank Group in accordance with the Applicable Rules for the purpose of achieving an optimal operational, legal, financial and/or tax structure, some of which may have the effect of diluting the shareholding of any remaining holders of Shares that were not tendered pursuant to the Offer or in the Post-Closing Acceptance Period (the **Minority Shareholders**) of BinckBank (**Post-Closing Measures**), including:

- (i) a sale of all, or substantially all, of the assets and liabilities of BinckBank to the Offeror or an Affiliate of the Offeror;
- (ii) a subsequent public offer for any Shares held by Minority Shareholders;
- (iii) a statutory cross-border or domestic (bilateral or triangular) statutory merger (*juridische (drie)hoeks-fusie*) in accordance with article 2:309 et seq of the Dutch Civil Code between BinckBank, the Offeror and/or any other Affiliate of the Offeror;
- (iv) a statutory legal demerger (*juridische splitsing*) of BinckBank in accordance with article 2:334a et seq of the Dutch Civil Code;
- (v) a contribution of cash and/or assets by the Offeror or by any of its Affiliates in exchange for shares in the share capital of BinckBank, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of Minority Shareholders may be excluded;

- (vi) a distribution of proceeds, cash and/or assets to the shareholders of BinckBank or share buybacks;
- (vii) a sale and transfer of assets and liabilities by the Offeror or any of its Affiliates to any member of BinckBank Group, or a sale and transfer of assets and liabilities by any member of BinckBank Group to the Offeror or any of its Affiliates;
- (viii) the conversion of BinckBank into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);
- (ix) any transaction between BinckBank and the Offeror or their respective Affiliates on terms that are not at arm's length;
- (x) any transaction, including a sale and/or transfer of any material asset, between BinckBank and its Affiliate or between BinckBank and the Offeror or their respective Affiliates with the objective of using any carry forward tax losses available to BinckBank, the Offeror or any of their respective Affiliates;
- (xi) any transactions, restructurings, share issuances, procedures and/or proceedings in relation to BinckBank and/or one or more of its Affiliates required to effect the aforementioned objectives; or
- (xii) any combination of the foregoing.

In effecting any Post-Closing Measure, due consideration will be given to the requirements of Applicable Laws, including the fiduciary duties of the BinckBank Boards to promote the sustainable success of BinckBank, its business and also to consider the interests of all stakeholders including any Minority Shareholders, and the requirement of the Supervisory Board to form their independent view of the relevant matter. In this regard, the Supervisory Board shall continue to have the right to engage, for the account of BinckBank, their own financial and legal advisers, if and to the extent they believe that the advice of such advisers is necessary to assist them in reviewing and assessing any matter that comes before the Supervisory Board.

If any proposed Post-Closing Measure could reasonably be expected to lead to a dilution of the shareholdings of the remaining Minority Shareholders or any other form of potential unequal treatment which could prejudice or negatively affect the value of the Shares held by the remaining Minority Shareholders or their reasonable interests, other than (i) pursuant to a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, (ii) any shares issued to a third party not being an Affiliate of the Offeror or BinckBank, (iii) the Buy-Out, or (iv) the Post-Closing Merger and Liquidation, then the affirmative vote of at least one Continuing Member shall be required prior to the implementation of any such Post-Closing Measure.

If Settlement has occurred and BinckBank is not delisted within a reasonable period thereafter through the Buy-Out, the Post-Closing Merger or otherwise, Saxo Bank and BinckBank shall negotiate in good faith to enter into a relationship agreement on reasonable terms and conditions, including on the provision of information by BinckBank to the Offeror in connection with consolidation and other legitimate purposes.

(e) Dividend policy

The Shareholders should be aware that BinckBank may or may not pay dividends in the future. Future dividends paid may be of a one-off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's tax and financial preferences from time to time.

Any Distribution made in respect of Shares after the Settlement Date will be deducted for the purpose of establishing the value per Share in any statutory merger, takeover buy-out procedure or other measure contemplated by this section 6.13 (Possible Post-Closing Measures and future legal structure).

(f) Tax treatment of distributions

The Offeror, Saxo Bank and BinckBank give no assurances and have no responsibility with respect to the tax treatment of Shareholders with respect to any distributions made by BinckBank or any successor entity to BinckBank on the Shares, which may include dividends, interest, repayments of principal, repayments of capital and liquidation distribution.

6.14 Role and veto right of Continuing Members

(a) Role of Continuing Members

As from the Settlement Date, the Supervisory Board will include two Continuing Members for at least the Non-Financial Covenants Duration, provided that such members meet the suitability and integrity standards as set out in Articles 3:8 and 3:9 Wft, and that the collective of the Supervisory Board is suitable. The Continuing Members shall be particularly tasked with monitoring the compliance with the Non-Financial Covenants and with monitoring the fair treatment of minority Shareholders of BinckBank. The Continuing Members are considered independent within the definition of the Dutch Corporate Governance Code.

(b) Veto rights of Continuing Members

If any proposed Post-Closing Measure could reasonably be expected to lead to a dilution of the shareholdings of the remaining Minority Shareholders or any other form of unequal treatment which could prejudice or negatively affect the value of the Shares held by the remaining Minority Shareholders or their reasonable interests, other than (i) pursuant to a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, (ii) any shares issued to a third party not being an Affiliate of Saxo Bank, the Offeror or BinckBank, (iii) the Buy-Out, or (iv) the Post-Closing Merger and Liquidation, then the affirmative vote of at least one Continuing Member shall be required prior to the implementation of any such Post-Closing Measure.

6.15 Amendments to the Articles of Association

Saxo Bank intends to have the Articles of Association amended in the following instances: (i) following Settlement, and (ii) following termination of the listing of the Shares on Euronext Amsterdam.

The main amendment to the Articles of Association following Settlement entails that BinckBank shall apply the mitigated structure regime (*gemitigeerd structuurregime*) instead of the full large company regime (*volledig structuurregime*). The mitigated large company regime offers the same governance structure as the full large company regime, being a two tier board structure composed of the Executive Board and the Supervisory Board. The only difference between the two regimes is that under the current full large company regime the members of the Executive Board are appointed by the Supervisory Board and in the mitigated large company regime the members of the Executive Board will be appointed and dismissed by the general meeting of Shareholders.

In addition, pursuant to the amendment of the Articles of Association effectuated at Settlement, the Priority Shares will be converted into Ordinary Shares after which they will be tendered by the Foundation in the Post-Closing Acceptance Period. As part of this change, all references to the

Priority Shares in the Articles of Association will be removed. Also, certain changes will be implemented to reflect that BinckBank will have Saxo Bank as a large majority Shareholder and that Saxo Bank will have a certain measure of control on the internal organisation of BinckBank.

The further amendment to the Articles of Association following termination of the listing of the Shares on Euronext Amsterdam will amend provisions applicable to listed companies. This includes the limitation on the maximum term for which the general meeting can delegate the authority issue shares and exclude pre-emptive rights, the possibility to issue bearer shares, maximum appointment terms for members of the Supervisory Board, the registration date that determines who is authorized to attend and vote at general meetings, the convocation period of 42 days for general meetings and consultation of Euronext Amsterdam for amendments to the articles of association.

6.16 Composition of the BinckBank Supervisory Board

At the Settlement Date, the Supervisory Board will be composed of:

- (a) three members of the Supervisory Board selected by Saxo Bank, being Mr S. Kyhl, Mr S. Blaafalk and Mr F. Reisbøl, the latter qualifying as independent within the meaning of the Dutch Corporate Governance Code, provided that such members meet the suitability and integrity standards as set out in Articles 3:8 and 3:9 Wft, and that the collective of the Supervisory Board is suitable; and
- (b) Mr J.W.T. van der Steen and Mr J.G. Princen as two current members of the Supervisory Board, qualifying as independent within the meaning of the Dutch Corporate Governance Code, to continue to serve on the Supervisory Board (including their successors, the **Continuing Members**), provided that they meet the suitability standards as set out in Article 3:8 Wft, and that the collective of the Supervisory Board is suitable.

Mr Van der Steen will serve as chairman of the Supervisory Board. Mr Princen has been nominated upon the enhanced recommendation of the Works Council. The Continuing Members (or after their replacement, their successors) will continue to serve on the Supervisory Board for at least the Non-Financial Covenants Duration. The Continuing Members will not receive any compensation in relation to the Offer being declared unconditional.

6.17 Composition of the BinckBank Executive Board

At Settlement, the Executive Board will be composed of three members, consisting of the current members of the Executive Board, being Mr V.J.J. Germyns, Mr E.J.M. Kooistra and Mr S.J. Clausing.

6.18 Compensation to the members of the BinckBank Boards in connection with termination/resignation

None of the members of the Supervisory Board who resign with effect from Settlement are entitled to a contractual severance payment or any other form of compensation on termination of service.

6.19 Corporate governance and regulatory regime following Settlement

For the Non-Financial Covenants Duration, BinckBank shall continue to comply with the Dutch Banking Code and, as long as it remains listed on Euronext Amsterdam, also with the Dutch Corporate Governance Code (except for (i) current deviations from the aforementioned codes in accordance with the “explain” requirement in respect of such deviations, and (ii) deviations from the aforementioned codes that find their basis in the Merger Protocol, as disclosed in this Offer Memorandum). Reference is made to BinckBank’s annual report for the financial year 2018 for

information regarding the current deviations from the Dutch Corporate Governance Code. No other future deviations are currently expected.

Saxo Bank and BinckBank envisage that BinckBank will keep its license to act as a credit institution within the meaning of article 4 of the Capital Requirements Regulation (Regulation No 575/2013) for at least three years from Settlement. Now that the Danish Financial Supervisory Authority carries out consolidated supervision on the Offeror Group pursuant to article 18 f the Capital Requirements Regulation (Regulation No 575/2013), BinckBank will be subject to consolidated supervision by the Danish Financial Supervisory Authority following Settlement.

6.20 Non-Financial Covenants

Saxo Bank and the Offeror shall, in accordance with the terms and subject to the conditions of the Merger Protocol, comply with the principles and agreements set out in sections 6.13 (Possible Post-Closing Measures and future legal structure), 6.14 (Role and veto right of Continuing Members), 6.19 (Corporate governance and regulatory regime following Settlement) and this section 6.20 (Non-Financial Covenants) (collectively, the **Non-Financial Covenants**).

(a) Strategy

Strategy and synergies

- (i) The strategic rationale is to create a combined company with a common philosophy and DNA, a strong geographical footprint, diversified revenue streams, enhanced customer service and experience for BinckBank's customers, access to an industry leading technology platform and new and exciting career opportunities for all employees.
- (ii) By combining their businesses, Saxo Bank and BinckBank have the intention to create a shared mission and ambition between BinckBank's mission, vision and ambition and the Saxo Bank's business foundation, drawing on the considerable strengths of both Saxo Bank and BinckBank, as further elaborated on in the Initial Announcement.
- (iii) Key elements of the strategic rationale for, and the strength of, the integration of the business of Saxo Bank and the business of BinckBank include:
 - facilitating the Saxo Bank's and BinckBank's drive for further scale and efficiency;
 - strengthening the joint geographical footprint of Saxo Bank and BinckBank with limited overlap, benefitting from BinckBank's leading market positions in online brokerage markets in the Netherlands, Belgium and France;
 - maintaining and ultimately enhancing BinckBank's market position, leveraging on its strong brand name, large and loyal customer base and deep understanding of the investor segment;
 - merging two complementary product offerings and customer bases, covering the full retail client spectrum from mass retail to high-end and institutional clients;

- achieving a more balanced revenue mix, both in terms of business and geography, which is better placed to withstand market volatility;
- leveraging on both BinckBank's and Saxo Bank's expertise in the field of customer acquisition cost; and
- building further on cooperation in Spain.

Business plan

Saxo Bank and BinckBank shall each respect and support the realisation of the combined three-year business plan with the key elements as set out below.

(i) Combination and business plan

- With the Combination, Saxo Bank and BinckBank create a leading, technology driven company within online brokerage, trading and investors, based on Saxo Bank's technology platform and leveraging BinckBank's competencies within the investor segment and client service.
- Saxo Bank and BinckBank will continue to target traders, investors and wholesale clients and enhance the client experience through digitalisation.
- Through careful planning and not before all product and service gaps are closed, all clients will be migrated to the Saxo Bank platform.
- The Combination will have more scale, and will continue to de-risk the business model through digitalisation and streamlining the treasury book of BinckBank.
- The Combination will continue to build out a strong capital position as a key objective.

(ii) Business model

Saxo Bank operates a global, multi-asset facilitator model, where it

- unbundles the value chain through its open architecture and sources the best ideas, products, liquidity and services from the best providers in the market;
- runs one global technology stack and one global set of business processes, to ensure scalability of the core engine; and
- distributes the products and services to its clients (traders, investors and wholesale partners) through its platforms and channels (SaxoTraderPRO and GO, Saxo Investor, OpenAPI and FIXAPI).

(iii) Key strategic priorities

The main strategic priorities of the Combination are the following:

- fully digitalise the entire value chain;
- create a world class sales and service organization; and

- industrialise our combined wholesale offering.

(iv) Direct market strategy

- The Combination will have selective geographic focus with clear prioritisation of individual markets (mass or normal) for each client segment.
- In mass-market, the target is to offer the full Saxo Bank's and BinckBank's client experience to as many clients as possible and fully support the launch and growth of Saxo Investor.
- For normal markets, the target is to acquire as many traders or investors in select segments as possible through targeted marketing and sales efforts.
- Specifically, for the Netherlands and Belgium, the Combination will continue to be a dominant force and the market will be a key market, leveraging BinckBank's extensive experience.
- With respect to the Greater China region, a dedicated China strategy is being developed and will be fully aligned with the overall business plan.

(b) Integration

Integration Committee

In order to facilitate the integration of the Combination, an integration committee will be established as of the Settlement Date consisting of four members, two of which will be current senior executives of BinckBank (and if any such senior executive resigns, he or she will be replaced by another current senior executive of BinckBank) and the other two will be representatives of Saxo Bank (and if any representative resigns, he or she will be replaced by another representative of Saxo Bank) (the **Integration Committee**) for a minimum period of at least two years after the Settlement Date. One of Saxo Bank's representatives will be chairman of the Integration Committee and will have a casting vote. The Integration Committee will determine an integration plan and submit it to Saxo Bank and BinckBank, monitor its implementation and do all things necessary to assist and optimise the Combination.

Integration resources

The Offeror and BinckBank will each provide reasonable development resources (for example: man-hours, instructions, (online) training, etc.) in order to allow for optimal integration and to effectively close the existing gaps between BinckBank's and the Offeror's services and products. The Offeror and BinckBank will agree upon the timeframes in which the aforementioned resources will be provided. The Offeror and BinckBank shall procure that the integration is supported throughout the Offeror and, respectively, BinckBank Group. The integration committee will monitor the provision of these resources.

(c) Financing

Balance sheet

Saxo Bank and BinckBank will ensure that after Settlement the BinckBank Group will remain prudently financed to safeguard business continuity also taking into account any

dividends paid out, execute the business plan and support the success of the business, including but not limited: (i) in respect of the level of debt incurred or to be incurred by the BinckBank Group, (ii) maintaining at least the CET1 capital ratio in accordance with regulatory requirements, including any binding instructions from the Dutch Central Bank in this respect, whereby Saxo Bank intends to maintain a capital surplus of 3.5-6.0% above SREP for BinckBank post-Settlement, in accordance with Saxo Bank's internal policies, (iii) maintaining a liquidity coverage ratio of at least 150%, and (iv) maintaining a net stable funding ratio of at least 120%.

(d) Organisation

Integrity of group, business and operations

Saxo Bank shall not sell or close, or cause the BinckBank Group to sell or close, the majority of the assets of the BinckBank Group taken as a whole, provided that the foregoing shall not preclude Saxo Bank to close or reorganise, or cause the BinckBank Group to close or reorganise, the Italian and/or Spanish branches of the BinckBank Group or to divest, or cause BinckBank to divest its mortgage portfolio (or parts thereof).

Reporting structure of BinckBank

Prior to Settlement, Saxo Bank may, in consultation with BinckBank, determine the interim reporting structure for BinckBank Group within the Combination. In that event, for consolidation purposes, the final reporting structure will be described in the integration plan determined by the Integration Committee and approved by each of Saxo Bank and BinckBank.

Mitigated large company regime

Saxo Bank and BinckBank shall implement the mitigated structure regime (*gemitigeerd structuurregime*) at BinckBank level including having a Supervisory Board. The Articles of Association shall otherwise remain unchanged.

(e) Offices

Head office

The Dutch head office and statutory seat at BinckBank's offices in Amsterdam will be the hub/center of excellence for the mid-European market. Saxo Bank's employees in the Netherlands may transfer to BinckBank's head office.

Local branches / offices

Subject to applicable local law and employee consultation obligations:

- (i) in France, Saxo Bank's and BinckBank's offices will be merged into one office located at a shared facility, which is still to be determined;
- (ii) in Italy, it is the intention that BinckBank's business will be integrated into Saxo Bank's operations; and
- (iii) in Belgium and Spain, it is the intention that offices at current locations will be maintained.

(f) Brands

The Netherlands and Belgium

For the Netherlands and Belgium, BinckBank's brand will be maintained, thus continuing the legacy and strong relationship the client base has with the brand.

France and Spain

For France and Spain, BinckBank and Saxo Bank will consider the best use of the brand in the French and Spanish market.

Italy

Saxo Bank's brand will be used in the Italian market. The focus is to continue delivering the best possible client experience across products, platform, pricing and service, bridging whatever gaps there might be for all clients.

(g) Other

Codes

BinckBank shall continue to comply with the Dutch Banking Code and, as long as it remains listed on Euronext Amsterdam, also with the Dutch Corporate Governance Code (except for (i) current deviations from the aforementioned codes in accordance with the "explain" requirement in respect of such deviations, and (ii) deviations from the aforementioned codes that find their basis in the Merger Protocol, as disclosed in this Offer Memorandum).

IT migration

BinckBank shall not migrate its clients to any of Saxo Bank's platforms until gaps in product/service offering have materially been bridged.

Banking license

Saxo Bank and BinckBank envisage that BinckBank will keep its Dutch banking license for at least three years. Saxo Bank will support and enable the Executive Board and Supervisory Board to carry out their statutory duties related to the Dutch banking license.

CSR / sustainability policy

Saxo Bank will allow BinckBank to maintain its commitment to corporate social responsibility.

Sponsorships / sponsor programme

Saxo Bank and BinckBank will, following Settlement, review and decide on the sponsorships of the Combination.

(h) Employees

Rights under employment agreements, collective labour agreements and social plans

The existing rights and benefits of the BinckBank Group's employees will be respected, including under their individual employment agreements and including covenants made with the Works Council.

If, as a result of the integration, the employment terms will be aligned between Saxo Bank and BinckBank, the existing rights and benefits of the BinckBank Group's employees will serve as a minimum.

Pension rights

The pension rights of the current and former employees of the BinckBank Group will be respected.

Retention

Certain identified staff, key staff and other key employees of the BinckBank Group will be offered a retention package to ensure motivation and commitment as well as business continuity post-Settlement, to the extent required subject to approval of the Dutch Central Bank, subject to Applicable Rules.

Training

Within the Combination, there will be a focus on constant competency upgrade and training, including through the GROW Sales Academy and the Leadership for Growth leadership academy.

Within BinckBank, the strategy execution framework "Saxo pulse" will be implemented, which is aimed at developing individual performance and behaviour through frequent meetings and coaching.

"Best person for the job"-principle

Following Settlement, the nomination, selection and appointment of staff for functions will, subject to applicable laws and regulations, be based on the "best person for the job"-principle, as well as ensuring the client franchise and the required functional capabilities to develop to business, or where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.

Redundancy arrangements / social plan

Redundancy arrangements will be agreed upon in connection with the intended integration, all in accordance with the following principles.

- (i) The redundancy arrangement will be effective as of the Closing Date for at least three years and will apply to BinckBank Group employees in the Netherlands with an employment agreement on 17 December 2018 and who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation resulting from the intended reorganisation.

- (ii) In case of redundancy, the relevant employee will receive a written notification of redundancy after which a three months orientation phase starts. During the orientation phase there will be efforts to find alternative employment inside or outside the BinckBank Group. The applicable notice period will be taken into account following the orientation phase in determining the termination date and the relevant employee will be released of duties as of one month following the written notification.
- (iii) In case of a termination of employment with mutual consent, the redundant employee will be entitled to, *inter alia*, (a) a severance payment based on the Cantonal Court Formula (*kantonrechttersformule*) that was applied by the subdistrict courts in the Netherlands until 1 July 2015 with a correction factor of 1.25, (b) a signing bonus equal to one gross monthly salary in case the employee signs the settlement agreement within fourteen days after receipt thereof, (c) outplacement facilities and (d) a maximum compensation of legal fees of EUR 1,000 excluding VAT.

Employee consultation structure

The BinckBank Group's current employee consultation structure will remain unchanged (i.e. the existing Works Council).

Career opportunities

The Offeror is focused on ensuring that the BinckBank Group's key management is retained and is committed to provide them with career opportunities in the Combination.

- (i) Duration and survival
 - (i) The Non-Financial Covenants (other than the Non-Financial Covenants referred to in section 6.14(b) (Veto rights of Continuing Members)) will expire on the third anniversary of the Settlement Date (the **Non-Financial Covenants Duration**).
 - (ii) The Non-Financial Covenants referred to in section 6.14(b) (Veto rights of Continuing Members) will cease to apply on the earliest of (i) the date on which the Offeror and its Affiliates hold 100% of BinckBank's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon aandelenkapitaal*) on a fully diluted basis, (ii) the date on which the Buy-Out is irrevocably initiated, at least for the Offer Price, and (iii) the date on which, following the Post-Closing Merger and Liquidation, the holders of Shares have received the Liquidation Distribution.
 - (iii) The Non-Financial Covenants will survive any transaction after Settlement, including any statutory merger, and will apply *mutatis mutandis* to the acquiring entity or surviving entity in any such transaction.
- (j) Benefit and Enforcement
 - (i) Any deviation from the Non-Financial Covenants shall require the prior approval of the Supervisory Board, including the affirmative vote of at least one Continuing Member.
 - (ii) The Non-Financial Covenants are made to BinckBank as well as, by way of an irrevocable third party stipulation for no consideration (*onherroepelijk derdenbeding*

om niet), to each of the Continuing Members and regardless of whether he or she is in office or dismissed, provided that after dismissal, the dismissed Continuing Member(s) must assign the benefit of such stipulation to any new Continuing Member in function, unless such dismissal is successfully challenged by such Continuing Member. New Continuing Members will be nominated for appointment based on the recommendation of a majority of the members of the Supervisory Board or (as the case may be, in accordance with the recommendation of the Works Council, subject to the approval of the outgoing and/or the remaining Continuing Member who was originally a member of the Supervisory Board or who replaced the Continuing Member who was originally a member of the Supervisory Board. Saxo Bank hereby agrees in advance to the assignment of the benefit of this undertaking by any Continuing Member to its successor.

- (iii) BinckBank will bear all reasonable costs and expenses relating to the enforcement of the Non-Financial Covenants by the Continuing Members.

6.21 Employee consultations

- (a) Works council

The Works Council has been informed and requested to render its advice on the Offer. On the basis thereof the Works Council has confirmed on 8 March 2019 that it will render its unconditional positive advice in respect of the Transactions. The Works Council has also been closely involved in the discussions on the principles of a social plan.

To the extent that intended decisions regarding any future integration or restructuring will be subject to (additional) advice or consultation requirements with the Works Council or any applicable trade unions, the proper procedures shall be complied with pursuant to the Dutch Works Councils Act and the other Applicable Rules.

- (b) Notification of the Social Economic Council

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed in writing of the Offer in accordance with the *SER Fusiegedragsregels 2015*.

6.22 Exclusivity and Alternative Proposal

- (a) During the period commencing on the date of the Merger Protocol and ending on the earlier of (i) midnight on the Settlement Date, and (ii) the date of termination of the Merger Protocol:

- (i) except as permitted pursuant to section 6.22(b), BinckBank shall not, and shall ensure that no member of the BinckBank Group and its and their respective directors, officers and advisers acting on its behalf (together the **Relevant Persons**), shall, directly or indirectly, initiate, enter into discussions or negotiations with, or provide any non-public information relating to the BinckBank Group or its business or assets or personnel to, or otherwise approach or solicit any third party to make an offer or proposal or enter into agreements for or relating to a potential offer for all or a material part of the Shares or for the whole or a material part of the business or assets of BinckBank or any proposal involving the potential acquisition of a substantial interest in the BinckBank Group, a statutory merger or demerger involving BinckBank, a reverse takeover of BinckBank, a reorganisation or re-capitalisation of BinckBank and/or the BinckBank Group (an **Alternative Proposal**); and

- (ii) BinckBank shall notify the Offeror promptly (and in any event within 24 hours) if any approach or enquiry, or any request for information, is received by it or any of its Relevant

Persons from any third party in relation to an Alternative Proposal, it being understood that in any case BinckBank shall notify the Offeror of its knowledge of the identity of such third party, the proposed consideration, the conditions to (the making and declaring unconditional of) the Alternative Proposal and other proposed material terms of such Alternative Proposal. Following receipt of an Alternative Proposal, BinckBank shall continue to cooperate with and support the Offer and the other Transactions in accordance with the terms and conditions of the Merger Protocol.

- (b) Notwithstanding sections 6.22(a)(i) and 6.26, BinckBank and its Relevant Persons are permitted to engage in limited discussions with, and provide certain limited information to, a *bona fide* third party that makes an unsolicited approach to BinckBank with the intention of making a Superior Offer, but provided that BinckBank shall only provide information if and to the extent the BinckBank Boards have in their reasonable opinion determined that doing so is reasonably necessary to assess whether such Alternative Proposal could reasonably be expected to qualify or evolve into a Potential Superior Offer or Superior Offer, provided that (i) BinckBank promptly (and in any event within 24 hours of receipt of the Alternative Proposal) notifies the Offeror of such approach, and (ii) the Offeror shall simultaneously receive any information provided to the third party which the Offeror has not yet received. BinckBank shall terminate such discussions if after five Business Days from having notified the Offeror of the approach in accordance with the preceding sentence if the discussions or negotiations have not resulted in a Potential Superior Offer as set forth in 6.23 (Potential Superior Offer).

6.23 Potential Superior Offer

A **Potential Superior Offer** is an unsolicited written Alternative Proposal to make a (public) offer for all Shares or for all or substantially all of the business or assets of BinckBank or a statutory merger or reverse takeover involving BinckBank, made by a party who, in the reasonable opinion of the BinckBank Boards, taking into account their fiduciary duties, is a *bona fide* third party, and which proposal, in the reasonable opinion of the BinckBank Boards, could reasonably be expected to qualify as or evolve into a Superior Offer.

In the event that a Potential Superior Offer is received by BinckBank, BinckBank shall promptly (and in any event within 24 hours) notify the Offeror of the name of the relevant third party, the proposed consideration, the conditions to (the making of) the Potential Superior Offer, the contemplated governance and matters contemplated by the Non-Financial Covenants, the Antitrust Laws and other regulatory requirements that need to be complied with prior to closing of the Potential Superior Offer and all other material terms thereof to the extent available to BinckBank (the **First Notice**).

In the event that a Potential Superior Offer is received by BinckBank, subject to the terms and conditions of the Merger Protocol, BinckBank and the Relevant Persons may:

- (a) consider such Potential Superior Offer;
- (b) engage in discussions or negotiations regarding such Potential Superior Offer for a reasonable period which will in any event not exceed 10 Business Days starting on the date of the Offeror's receipt of the First Notice;
- (c) provide non-public, confidential information to the third party making the Potential Superior Offer, provided that such third party will receive the same information as provided to the Offeror, except if and to the extent the BinckBank Boards determine, taking into account their fiduciary duties and having consulted their financial and legal advisers, that the third party reasonably requires additional information to be able to make a Superior Offer. In that case, the Offeror will simultaneously receive the same additional information provided to

such third party. BinckBank shall not provide any information or data to any person in connection with such Potential Superior Offer, before the proposing party has first signed a confidentiality agreement on terms no less stringent than those of the confidentiality agreement entered into by Saxo Bank and BinckBank on 17 May 2018; and

- (d) make any public announcement in relation to a Potential Superior Offer to the extent required under Applicable Rules.

6.24 Superior Offer

- (a) An Alternative Proposal will be a **Superior Offer** if all of the following conditions are met:
 - (i) the Alternative Proposal is a bona fide unsolicited written offer or proposal relating to an Alternative Proposal for (i) a full public offer (*volledig bod*) or mandatory offer (*verplicht bod*) for the Shares, (ii) a statutory merger resulting in the control over all or substantially all the Shares, or (iii) an acquisition of all or substantially all of the business or assets of BinckBank, by a party who, in the reasonable opinion of the BinckBank Boards, is a *bona fide* party;
 - (ii) in the reasonable opinion of the BinckBank Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, the Alternative Proposal is substantially more beneficial to BinckBank, the sustainable success of its business and its shareholders, employees and other stakeholders than the Offer and the other Transactions, taking into account the strategy of the Combination, the overall terms and conditions set out in the Merger Protocol (including the deal certainty aspects such as the Post-Closing Merger and Liquidation) and, taking into account the overall terms and conditions of such Alternative Proposal, and the certainty and timing thereof, including the commencement conditions and offer conditions, level and nature of consideration, certainty of financing, integration of the businesses, the position of the employees, other matters contemplated by the non-financial covenants, and compliance with antitrust laws and regulatory requests and the transaction structure;
 - (iii) the total consideration payable to the Shareholders in connection with such Alternative Proposal (including any dividend proposed to be effected in connection therewith) exceeds the most recently offered consideration per Share by the Offeror by at least eight per cent;
 - (iv) the Alternative Proposal is legally binding on the third party such that the third party has conditionally committed itself to BinckBank to announce the Alternative Proposal at the latest at the end of the Matching Offer Period, or once the Offeror confirmed it will not exercise its Matching Right, and in the event of a full public offer make the Alternative Proposal within 10 weeks after such announcement in accordance with the Decree and in any event within the timeframes applicable as set in the Decree and the Wft; and
 - (v) the consideration payable in the Alternative Proposal may not consist of any securities that are not publicly traded on a regulated market.

If the consideration payable to the shareholders in connection with a Potential Superior Offer or Superior Offer comprises solely or partly of securities, the securities component of such consideration is to be valued by the BinckBank Boards in their calculation of whether the threshold under paragraph (iii) above is exceeded, at prevailing market prices and practices, as at the date that the comparison is made, after obtaining advice from its financial advisers. To the extent that the Potential Superior Offer or Superior Offer is an offer for all or substantially all of the assets of BinckBank and the BinckBank Group, the calculation will be made on the basis of the net proceeds

(excluding dividend withholding tax) to be distributed to the shareholders resulting from such a transaction calculated on a per Share basis.

(b) No Superior Offer

As soon as the Potential Superior Offer has been determined by the BinckBank Boards to not constitute a Superior Offer, BinckBank shall inform the Offeror promptly thereof and shall confirm to the Offeror that the BinckBank Boards continue to unanimously recommend and support the Offer and the other Transactions as contemplated in the Merger Protocol and that BinckBank has discontinued considering the Potential Superior Offer and terminated discussions or negotiations regarding the Potential Superior Offer from such third party, it being understood that these confirmations by BinckBank will be made public if the relevant Potential Superior Offer has also been communicated in public.

(c) Notice of a Superior Offer

If a Potential Superior Offer has been determined by the BinckBank Boards to constitute a Superior Offer, BinckBank shall notify the Offeror in writing promptly (but in any event within 24 hours) of the contents of such a Superior Offer.

(d) Matching Right

Without prejudice to the Offeror's ongoing right, but not obligation, to propose improvements and revisions to the Offer after the date of the execution of the Merger Protocol, the Offeror shall have 10 Business Days following the date on which it has received the Second Notice (the **Matching Offer Period**) to make a revision of the Offer and to match the Superior Offer by submitting in writing to the BinckBank Boards a revision of the Offer within said 10 Business Days (the **Matching Right**). During the Matching Offer Period, BinckBank will continue to cooperate with and support the Offer and the other Transactions in accordance with the terms and conditions of the Merger Protocol.

(e) Matched Offer

A **Matched Offer** is an offer which is, and on terms and conditions which are, determined by the BinckBank Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, to be, on balance, at least equally beneficial to BinckBank, the sustainable success of its business and the shareholders, employees and other stakeholders as the Superior Offer, taking into account the strategy of the Combination, the offer price, the overall terms and conditions, the certainty and timing thereof, including the pre-offer conditions and offer conditions, level and nature of consideration, certainty of financing, integration of the businesses, position of the employees and the other matters contemplated by the other Non-Financial Covenants, compliance with antitrust laws and regulatory requests, and the transaction structure.

If the Offeror has exercised its Matching Right and has made a Matched Offer within the Matching Offer Period, BinckBank shall not be entitled to accept the Superior Offer or terminate the Merger Protocol and BinckBank and the members of the BinckBank Boards will remain bound to the terms and conditions of the Merger Protocol, including with respect to future (Potential) Superior Offers.

If the Offeror has not made a Matched Offer within the Matching Offer Period (or, if earlier, if the Offeror notifies BinckBank in writing of its intent not to make a Matched Offer), then BinckBank may accept the Superior Offer and (i) the BinckBank Boards will have the right, but will not be obliged, to effect an Adverse Recommendation Change and to withdraw or, as applicable, modify the Position Statement. If BinckBank accepts the Superior Offer, which acceptance shall be communicated to the Offeror by BinckBank as soon as possible but within one Business Days

following the last day of the Matching Offer Period, each of Saxo Bank, the Offeror and BinckBank will be entitled, but will not be obliged, to terminate the Merger Protocol in accordance with its terms.

If (i) the BinckBank Boards withdraw their Recommendation pursuant to the foregoing paragraph but no party terminates the Merger Protocol pursuant to that same paragraph, and (ii) the Offeror continues with the Offer and the other Transactions, BinckBank, the BinckBank Boards and each of their members individually shall continue to cooperate with the Post-Closing Merger if the Offeror and its Affiliates, alone or together with the Offeror, on the Closing Date, have reached or exceeded the Post-Closing Merger Threshold.

6.25 Consecutive (Potential) Superior Offers

Section 6.24 (Superior Offer) applies *mutatis mutandis* to any consecutive (Potential) Superior Offer, including a new Superior Offer, which must exceed the most recently offered consideration per Share by the Offeror by at least five per cent and meet the other requirements set out in the definition of Superior Offer to qualify as a (new) Superior Offer in accordance with the Merger Protocol by the initial party making the initial Superior Offer following a Matched Offer or following another Potential Superior Offer or Superior Offer by another *bona fide* third party.

6.26 Termination

(a) Termination grounds

The Merger Protocol and the rights and obligations thereunder may be terminated:

Mutual consent

- (i) if Saxo Bank and BinckBank so agree in writing;

Material breach

- (ii) by notice in writing given by BinckBank to the Offeror if all Offer Conditions have been satisfied or waived and Settlement has not taken place on the Settlement Date;
- (iii) by notice in writing given by one party (the **Terminating Party**) to the other party to the Merger Protocol if (i) any of the Offer Conditions has not been satisfied or waived by the relevant party in accordance with the Merger Protocol by 23:59 CET on the Long Stop Date or any of the Offer Conditions is incapable of being satisfied, and (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Terminating Party of any of its obligations under the Merger Protocol or any agreement resulting from it;
- (iv) by notice in writing given by the Terminating Party to the other party to the Merger Protocol in case of that other party having breached the terms of the Merger Protocol such that the Offer Conditions set forth in section 6.6(a)(ii) or 6.6(a)(iii) are not capable of being satisfied by 23:59 CET on the Long Stop Date and such breach is incapable of being remedied within 10 Business Days after receipt by the other party of a written notice from the Terminating Party (or, if earlier, before the Long Stop Date) or has not been remedied by that other party within 10 Business Days after receipt by the other party of a written notice from the Terminating Party (or, if earlier, before the Long Stop Date);

Superior Offer

- (v) by notice in writing by BinckBank to the Offeror pursuant and in accordance with the terms and subject to the conditions set forth in section 6.24(e) (Matched Offer) if and only if promptly after the termination of the Merger Protocol, BinckBank enters into a definitive agreement with respect to the Superior Offer that remained a Superior Offer following BinckBank's compliance with the provisions set forth in section 6.24(e) (Matched Offer); or

Adverse Recommendation Change

- (vi) by notice in writing by the Offeror to BinckBank if either Board or any member of the BinckBank Boards effects an Adverse Recommendation Change that (i) has not been remedied in accordance with the relevant provisions of the Merger Protocol or (ii) is permitted pursuant to section 6.24(e) (Matched Offer).

(b) Termination fees

To induce Saxo Bank to enter into the Merger Protocol and to compensate Saxo Bank and its Affiliates for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, BinckBank shall pay to Saxo Bank (or its Affiliate) a termination fee of EUR 4.3 million net in cash, without defences or set-off of any kind, as compensatory damages, if the Merger Protocol is terminated pursuant to section 6.26(a)(v) or section 6.26(a)(vi). BinckBank shall promptly, but in no event later than two Business Days after the date of termination pursuant to section 6.26(a)(v) or section 6.26(a)(vi), pay the termination fee to Saxo Bank by wire transfer of immediately available cash funds.

To induce BinckBank to enter into the Merger Protocol and to compensate BinckBank and its Affiliate for loss of management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, Saxo Bank shall pay to BinckBank (or its Affiliate) a reverse termination fee of EUR 4.3 million net in cash, without defences or set-off of any kind, as compensatory damages, if the Merger Protocol is terminated pursuant to section 6.26(a)(iii) in case the Regulatory Clearances have not been obtained on or before the Long Stop Date. Saxo Bank shall promptly, but in no event later than two Business Days after the date of termination pursuant to section 6.26(a)(iii) pay the reverse termination fee to BinckBank by wire transfer of immediately available cash funds.

6.27 General Meeting

(a) Convocation

In accordance with article 18, paragraph 1 of the Decree, BinckBank has on 12 March 2019 convened the General Meeting, in which meeting the Offer will also be discussed, recommended to the Shareholders for acceptance and the Shareholders will be requested to vote in favour of the Resolutions. The General Meeting shall be held at 13:00 hours CET on 23 April 2019 at the office of BinckBank at Barbara Strozziilaan 310, 1083 HN Amsterdam. Separate convocation materials will be made available on BinckBank's website.

(b) Resolutions

At the General Meeting, the Shareholders will be requested amongst other things to, subject to the Offer being declared unconditional and Settlement having taken place, and effective as per the Settlement Date:

- (i) after the Foundation has determined that the Supervisory Board will be composed of five members in accordance with the Foundation Irrevocable Undertaking, appoint the members designated by Saxo Bank to the Supervisory Board (as described in section 6.16 (Composition of the BinckBank Supervisory Board)), being:
 - Mr S. Kyhl
 - Mr S. Blaafalk
 - Mr F. Reisbøl
- (ii) accept the resignation of, and give full and final discharge to, all resigning Supervisory Board members with respect to their duties and obligations performed and incurred in their respective capacity as member of the Supervisory Board, being:
 - Ms C. van der Weerd-Norder
 - Ms H. Kemna
 - Mr A. Soederhuizen
 - Ms M. Pijnenborg
- (iii) upon the proposal of the Foundation, resolve on the two amendments of the Articles of Association in accordance with the draft articles of association included in sections 14.1 (Articles of Association following Settlement) and 14.2 (Articles of Association following delisting); and
- (iv) upon the proposal of the Foundation and subject to the Tendered Shares being at least equal to the Post-Closing Merger Threshold, resolve upon the Post-Closing Merger as described in section 6.13(c) (Post-Closing Merger and Liquidation) (such resolution, including the same resolution which may have to be adopted later in the Offer Period as set out below, the **Post-Closing Merger Resolution**).

(each, a **Resolution** and collectively, the **Resolutions**).

In the Foundation Irrevocable Undertaking, the Foundation has undertaken as the holder of the Priority Shares to propose the Resolutions set forth under paragraphs (iii) and (iv) above to the General Meeting, in accordance with the Articles of Association.

Pursuant to section 2:318 paragraph 1 of the Dutch Civil Code the Post-Closing Merger has to be effectuated within six months from the announcement of the filing of the Post-Closing Merger Proposal with the trade register of the Dutch Chamber of Commerce.

If six months have lapsed since the announcement that Post-Closing Merger Proposal has been filed with the Dutch Chamber of Commerce, BinckBank will convene an extraordinary general meeting of Shareholders prior to the end of the (extended) Offer Period in which it shall be proposed that the Shareholders shall again adopt the Post-Closing Merger Resolution. In such event, BinckBank will

again file the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules with the trade register of the Dutch Chamber of Commerce in accordance with section 2:317 paragraph 2 of the Dutch Civil Code. Copies of the Post-Closing Merger Proposal and all ancillary documents required by Applicable Rules will be available at the offices of BinckBank. BinckBank will announce in a Dutch national newspaper that the filing is made and that such copies are made available.

(c) Voting

BinckBank shall, and shall cause to be done, all things necessary to ensure that the Resolutions are passed. If, however, one or more Resolutions are not approved at the General Meeting, BinckBank will at the request of Saxo Bank convene a new extraordinary general meeting of Shareholders, to take place after and subject to Settlement, at which the relevant Resolution(s) will be put to a vote.

If the Resolution set forth under section 6.27(b)(i) is not passed at the General Meeting, the interim covenants set forth in the Merger Protocol concerning the conduct of the business of the BinckBank Group shall continue to apply from Settlement until the appointment to the Supervisory Board of the individuals listed under section 6.27(b)(i) has been effectuated.

The Foundation and the Executive Board Members of BinckBank, who all hold Shares for their own account, have irrevocably committed themselves to vote in favour of the Resolutions.

6.28 Priority Shares

BinckBank currently has issued a total of 50 Priority Shares, being unlisted registered shares, all of which are held by the Foundation. The Priority Shares confer special control rights to its holder, as stipulated in the Articles of Association.

The Offer is for BinckBank's entire issued and outstanding share capital, which includes the Priority Shares. By means of the first amendment of the Articles of Association as described in section 6.15 (Amendments to the Articles of Association), which becomes effective as of Settlement, BinckBank's authorized share capital will no longer allow for Priority Shares and the 50 Priority Shares held by the Foundation will be converted in 50 Ordinary Shares. In the Foundation Irrevocable Undertaking, the Foundation has irrevocably committed itself to tender those 50 Ordinary Shares under, and in accordance with the terms and conditions of, the Offer during the Post-Closing Acceptance Period.

7. INFORMATION REGARDING BINCKBANK

7.1 Introduction

BinckBank is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office address at Barbara Strozilaan 310, 1083 HN Amsterdam, the Netherlands. BinckBank is registered with the trade register of the chamber of commerce under number 33162223 and is listed on the Euronext Amsterdam exchange and is listed on the Amsterdam Smallcap Index (AScX).

7.2 History of BinckBank

Year	Event
2000	BinckBank is founded by four former employees of IMG Holland. From 19 June of that year, BinckBank offers institutional investors broker services for Amsterdam options trading. On 6 October 2000, BinckBank launches its website for private investors.
2003	The Dutch Central Bank grants BinckBank its official bank status.
2006	BinckBank begins its international expansion by opening a branch in Belgium.
2007	BinckBank acquires Dutch competitor Alex Beleggersbank, as a result BinckBank becomes market leader in the Netherlands and a top-5 player in Europe.
2008	BinckBank opens its second European branch in France.
2010	BinckBank moves to break into the Dutch tracker market by acquiring a 60% stake in ThinkCapital.
2012	BinckBank moves further into Europe, opening a branch in Italy.
2017	Acquisition of fintech robo advisor Prittle.

7.3 Business overview

BinckBank is an online bank for investors and savers. It is listed on Euronext Amsterdam and has been included in the Amsterdam Smallcap Index (AScX) since 2016. BinckBank provides services for private customers, companies/legal entities, and independent asset managers. BinckBank offers Trading, Investing, and Saving services, using a European IT base platform. BinckBank has offices in the Netherlands, Belgium, France, Italy, and Spain, and offers its services under the brands Binck and Alex. BinckBank enjoys a leading brokerage position in the Netherlands and Belgium and is ranked third in France. An important feature of the online brokerage service is a stable platform that gives users access to important financial markets, professional trading facilities, and analysis tools. The online platform Binck Fundcoach makes it easy for people to invest in investment funds and ETFs by providing news, opinions, columns, and detailed fund information.

Alex Vermogensbeheer and Binck Laten Beleggen are online discretionary management products that customers can use to authorise BinckBank to invest their money.

BinckBank has developed its savings brokerage service Binck Sparen for savers. With this service, BinckBank provides its customers easy access to the international savings market with an ample

choice of savings products covered by the European Deposit Guarantee Scheme. See the website of BinckBank (www.binck.com) for more information on BinckBank, including its business models and strategy.

7.4 Business strategy

BinckBank supports and assists consumers who are actively engaged with their financial future with the innovative products and services that give them convenience, simplicity, clarity, understanding, and accessibility at acceptable prices. BinckBank activates, facilitates, and teaches customers how to independently build up and maintain their own asset base.

BinckBank believes in customers' financial self-reliance. People should be able to control their own financial affairs. BinckBank believes each and every customer should have optimum control of and insight into the development, risk, and return of his or her capital. BinckBank aspires to serve a broader and growing group of private individuals within its European footprint, namely those customer groups that are looking for the best alternative to preserve or continue to accumulate assets for their financial future in a reliable, transparent, simple, and cost-effective manner, either independently or with BinckBank's assistance.

This ambition is focused on long-term value creation and is reflected in the ReThink Binck strategy launched in 2015. In order to carry out this strategy, BinckBank provides a diverse range of financial products and services within a customer environment that is as digitally driven as possible. In the total range of products and services, BinckBank will assume the role of navigator and assist customers in making the choices that fit them best.

BinckBank pursues a dual strategy. On the one hand, this strategy is directed to furthering the current core activities like brokerage services (trading) and operational excellence in the trading and investment platform. On the other hand, it is designed to, with the help of BinckBank's partners, create new value propositions for customers in Investing, Trading, and Saving. This strategy will, in part, enable BinckBank to expand services into automated asset management and to fulfil the navigator role in a way that makes BinckBank the valued partner helping its customers to grow their assets. At the core of this strategy is the customer experience and customer satisfaction that BinckBank's services deliver.

7.5 Recent developments, outlook and aims

BinckBank makes all price-sensitive information generally available in accordance with applicable laws. Publication of such price-sensitive information is also available in the public register on the website of the AFM. In relation to the Offer, BinckBank has published the press releases included in section 11 (Press releases) of this Offer Memorandum. In addition, the website of BinckBank (www.binck.com) provides an up-to-date overview of recent developments, such as trading updates and annual reports.

7.6 BinckBank Supervisory Board

Mr J.W.T. van der Steen was appointed as a member of the Supervisory Board at the annual general meeting on 24 April 2018 for a term of four years. Mr Van der Steen is Chairman of the Supervisory Board and member of the remuneration committee and audit committee. Until 2010 he was also a supervisory director of Aon Switzerland (as chairman), Germany, Norway and Belgium. Mr Van der Steen is connected to RAI Holding B.V. as a member and deputy chairman of the supervisory board and as chairman of the Audit Committee. At the beginning of 2015, Mr Van der Steen was appointed as chairman of the supervisory board of Princess Sportsgear & Traveller B.V. At the end of 2016 he was appointed executive director of Stadhold Insurances Luxembourg S.A.

Ms C.J. van der Weerdt-Norder was appointed as a member of the Supervisory Board at the annual general meeting on 24 April 2018 for a term of four years. Ms Van der Weerdt-Norder is chairwoman of the audit committee and a member of the risk and product development committee. Ms Van der Weerdt-Norder is a business administrator and registered accountant. Ms Van der Weerdt-Norder is a supervisory director and chairwoman of the Audit & Risk Committee for Triodos Bank N.V. She is also a member of the Supervisory Board of DWS Zorgverzekeraar, Habion and Hogeschool InHolland. Ms Van der Weerdt-Norder is also a member of the Advisory Board at the District Court of Gelderland.

Ms J.M.A. Kemna was reappointed as a member of the Supervisory Board at the annual general meeting on 24 April 2018 for a term of four years. Ms Kemna is chairwoman of the remuneration committee and a member of the risk and product development committee. Ms Kemna is affiliated with cooperative Menzis N.V. as vice chairman of the supervisory board and chairwoman of the Governance, Risk and Compliance committee. Since 1 January 2016, she has served as a supervisory board member of pension administrator MN Services N.V.

Mr A. Soederhuizen was appointed as a member of the Supervisory Board at the extraordinary general meeting on 30 October 2015 for a term of four years. Mr Soederhuizen is chairman of the risk and product development committee and a member of the audit committee. From 1991 to 2008, Mr Soederhuizen was employed at ABN AMRO Bank, the last four years of which as Chairman of the Board of ABN AMRO Asset Management Nederland B.V. From 2009 to 2016, Mr Soederhuizen worked as an interim manager at various clients, including PGGM Vermogensbeheer and ABN AMRO Pensioenfondsen. Since July 2016, Mr Soederhuizen has been a member of the Advisory Board of Amundi Asset Management Netherlands and since April 2018 he has been appointed as member of the board of the Pensioenfondsen voor de Architectenbureaus.

Ms M. Pijnenborg was appointed as a member of the Supervisory Board at annual general meeting on 24 April 2017 for a period of four years. Ms Pijnenborg is a member of the remuneration committee and the risk and product committee. Ms Pijnenborg is an entrepreneur and investor specialising in online services. She was associated with iens.nl as a member of the Supervisory Board, where she supervised the merger between IENS and Seatme. Ms Pijnenborg is also an investor and founder of Boralis B.V. and (co-) founder of the renowned portals auto.nl and Funda. Ms Pijnenborg carries out activities for MK24, as a board member. MK24 provides arts education in Amsterdam in the field of visual arts and multimedia by offering education and courses.

Mr J.G. Princen was appointed as a Supervisory Board member at the extraordinary general meeting on 30 August 2018 for a term of four years. Mr Princen is lawyer and partner at DVDW in Rotterdam and the Hague. In the period 1995 until 2007 he was a partner at the lawyer firm Ploum Lodder Princen in Rotterdam and was during approximately 10 years member of the firm's board. Mr Princen also develops activities as supervisor in the art and cultural sector. Mr Princen is member of the Board of the Boijmans van Beuningen Foundation, member of the Supervisory Board and Audit Committee of Witte de With Institute for Contemporary Art and member of the Supervisory Board and Audit Committee of Stedelijk Museum in Schiedam.

7.7 BinckBank Executive Board

Mr V.J.J. Germyns has been chairman of the Executive Board since 2015. During the general meeting of 23 April 2018, Mr Germyns was reappointed as chairman of the Executive Board of BinckBank. In his role as chairman of the Executive Board Mr Germyns concentrates first and foremost on the pursuit of the strategy and growth in turnover. During his career at BinckBank Mr Germyns has headed BinckBank's international expansion. He was responsible for the start-up of the Belgian branch and for the management of all branches abroad. Mr Germyns' education included studies at the Royal Military Academy (Brussels, Belgium) and the KU Leuven (Belgium). Earlier on in his career he worked at KBC Asset Management in Belgium.

Mr E.J.M. Kooistra has been a member of the Executive Board and chief financial and risk officer (CFRO) since 2008. Mr Kooistra was reappointed by the Supervisory Board during the general meeting of 25 April 2016. He is responsible for finance & control, governance, risk, compliance and treasury & ALM. Mr Kooistra studied Business Economics at the Erasmus University in Rotterdam and is a chartered accountant. He has a twenty five year track record in the financial sector, at companies including PriceWaterhouseCoopers and Shell. His most recent position was as financial director of the American International Game Technology.

Mr S.J. Clausing was appointed director (chief operating officer) of BinckBank at the extraordinary general meeting of 30 October 2015. Mr Clausing is a Technical Industrial Engineer (TU Eindhoven) and also holds a Master's degree in Finance (TIAS business school, Tilburg) and an Executive Master's in Internal Auditing (Erasmus University, Rotterdam). Mr Clausing began his education and career in the Royal Dutch Navy and was primarily involved in improving operations. He joined ABN AMRO Bank in 1998, where he held both commercial and internally focussed positions. In 2008 he took up a position at RBS, where he moved in 2011 from the position of head of Internal Audit of the business unit 'international payments' to Risk Management. In that post he focused chiefly on the assessment of worldwide transition management. He joined BinckBank as head of Risk Management in March 2013. In that position he played a prominent role in various sub-committees of the Executive Board and the Supervisory Board. In his role as COO, Mr Clausing has product development, user experience, data & analytics, investment management, operations and ICT as primary focus areas.

7.8 Major Shareholders

The table below sets out the holders of notifiable interest (*substantiële deelneming*, a holding of at least three per cent in the share capital or voting rights in BinckBank, according to the AFM register as at 11 March 2019:²

Latest filings with the AFM by shareholders and other investors, including on gross and net short positions, can be found at the website of the AFM: www.afm.nl.

Shareholder	Shares	Capital/Voting Rights	Date
Boron Investments B.V.	3,820,000	5.38% / 5.38%	3 July 2015
Navitas B.V.	1,592,981	5.17 % / 5.17%	9 November 2007
Amiral Gestion S.A.	3,135,811	4.65% / 4.65 %	20 December 2018
NN Group N.V.	3,370,000	4.99% / 4.99%	23 January 2019
Dimensional Fund Advisors LP	2,253,455	3.17 % / 3%	22 February 2016
Magnetar Financial LLC	2,196,116	3.25% / 3.25%	4 January 2019

7.9 Foundation

Stichting Prioriteit Binck (the **Foundation**) holds 50 Priority Shares, reference is made to section 6.28 (Priority Shares). The Foundation has agreed, subject to the Offer being made, (i) to propose the Post-Closing Merger in accordance with the Merger Protocol, (ii) to determine that the Supervisory Board will be composed of five members as set out in the Merger Protocol and (iii) to propose certain amendments of the Articles of Association, including the conversion of the existing priority shares into ordinary shares, in accordance the Merger Protocol, and (iv) to tender the priority

²

This might not be the most recent precise holding as a notification to the AFM only is made when trespassing certain thresholds.

shares after their conversion into ordinary shares into the Offer during the Post-Closing Acceptance Period.

7.10 Capital and Shares

At the date of this Offer Memorandum, the authorised share capital of BinckBank amounts to EUR 10,000,005, divided into 100,000,000 ordinary shares and 50 priority shares, each with a nominal value of EUR 0.10.

BinckBank's issued capital consists of 67,500,000 listed Ordinary Shares and 50 non-listed Priority Shares. The Priority Shares are registered Shares and are held by the Foundation, reference is made to sections 6.28 (Priority Shares) and 7.9 (Foundation). No depositary receipts are issued for Shares. As of the date of this Offer Memorandum BinckBank holds 731,484 Shares in its own capital.

The Shares are listed at Euronext Amsterdam. The Euronext ticker symbol is BINCK and ISIN code is NL0000335578.

7.11 Share price development

This graphic below sets out the Share price development from 11 March 2018 to 11 March 2019.



7.12 BinckBank remuneration policy

(a) Existing rights

Pursuant to BinckBank's remuneration policy, as adopted by the annual general meeting on 25 April 2016 (the **Remuneration Policy**), BinckBank may offer variable pay to members of the Executive Board and other identified employees of BinckBank (together, the **Identified Staff**) for an amount of up to 20% of their annual fixed remuneration amount. The Remuneration Policy provides that at least 50% of the variable remuneration will be paid in Shares. For members of the Executive Board, 50% of the variable remuneration will be granted conditionally. For Identified Staff other than the Executive Board, 40% of the variable remuneration will be granted conditionally. Conditionally granted variable remuneration will be converted to unconditional variable remuneration on a pro rata basis over a three year period, subject to a yearly reassessment of the indicators connected to the award. The conditionally granted portion of the variable remuneration consisting of Shares (the **Conditional Performance Shares**) are held by BinckBank as treasury Shares pending the final review of the applicable performance indicators and delivery to the eligible Identified Staff. BinckBank pays the Share portion of the variable remuneration by transferring the unconditionally awarded Shares and the Conditional Performance Shares that have been converted to unconditionally awarded Shares following the applicable performance review to a securities account of each eligible Identified Staff member. Transfer restrictions apply to such securities accounts for the duration of a

retention period applicable to the Shares (two years for members of the Executive Board and one year for other Identified Staff).

The following table shows the balance of the awarded Conditional Performance Shares as of 31 December 2018 and following the General Meeting.

Awarded Conditional Performance Shares as of 31 December 2018	70,125
Payment and delivery of 2015 awards	-9,532
Payment and delivery of 2016 awards	-4,870
Payment and delivery of 2017 awards	-2,593
Payment and delivery of 2018 awards	-23,497
Balance of awarded Conditional Performance Shares after the General Meeting	29,633

The balance of awarded Conditional Performance Shares after the General Meeting is divided as follows:

Balance of awarded Conditional Performance Shares after the General Meeting	29,633
Vincent Germyns	7,114
Evert Kooistra	6,365
Steven Clausing	5,758
Other Identified Staff	10,396
	29,633

Subject to any required approval from the Dutch Central Bank and consent from the Works Council, BinckBank intends to amend its Remuneration Policy with effect from 1 January 2019 as follows:

- (i) the conversion of variable remuneration with effect from 1 January 2019 into a fixed remuneration, whereby the fixed remuneration will be increased with an amount equal to a maximum of 0.65 times the at target variable remuneration. For the avoidance of doubt, this conversion is without prejudice to any variable pay as part of the retention package that will be offered to certain employees as set out in section 6.20(h) (Employees);
- (ii) Settlement of Conditional Performance Shares as variable remuneration in relation to performance periods up to and including 2018, subject to the Offer being declared unconditional (reference is made to section 7.12(b) (Settlement) for more information); and
- (iii) waiver of the applicable retention period for Shares paid as variable remuneration, subject to the Offer being declared unconditional (reference is made to section 7.12(b) (Settlement) for more information).

All rights in respect of the Remuneration Policy and all individual commitments to BinckBank's employees will be respected, subject to the proposed amendments as described above. The full text of the current Remuneration Policy can be found at <https://www.binck.com/corporate-governance>. The proposed amendment of the Remuneration Policy in respect of the Executive Board will be made available as part of the convocation materials for the General Meeting and can be found at <https://www.binck.com/investors/shareholder-meetings>.

(b) Settlement

- (i) Conditional Performance Shares

In the period up to the Unconditional Date, Conditional Performance Shares will be converted to unconditionally awarded Shares and delivered after the General Meeting and following the relevant performance review having taken place in accordance with the Remuneration Policy as shown in the table above in section 7.12(a) (Existing rights). The proposed amendment to the Remuneration Policy contemplates that the remaining balance of 29,633 awarded Conditional Performance Shares shall, on the Unconditional Date, in full and final satisfaction of such Conditional Performance Shares, be converted into a conditional cash entitlement, equivalent to the value of the Conditional Performance Shares (as determined in accordance with the Remuneration Policy by using the closing share price of each relevant performance period). The requirements that apply to Conditional Performance Shares will apply in a similar manner. That means that the conditional cash entitlement will be converted to an unconditional cash entitlement on a pro rata basis over a three year period (or what is left of that three year period at the time of conversion), subject to a yearly reassessment of the indicators connected to the award. Cash entitlements that become unconditional are subject to a retention period of two years for the Executive Board members and one year for Identified Staff other than the Executive Board members. The cash amount will be placed on a blocked account for the duration of the retention period. In no event will Executive Board members or other Identified Staff receive more than the Offer Price for the conversion of the Conditional Performance Shares.

(ii) Shares subject to a retention period

The proposed amendment to the Remuneration Policy furthermore allows the Supervisory Board to waive the applicable retention periods in relation to Shares paid as variable remuneration to Identified Staff (including the retention period that applies to Conditional Performance Shares, except for the Conditional Performance Shares as described under (i) above, that have converted to unconditionally awarded Shares). Such waiver would allow the Identified Staff to tender their Shares in the Offer, subject to the Offer being declared unconditional.

(iii) Approval and consent

If approval from the Dutch Central Bank for cash settlement of variable remuneration and waiver of the retention period is required and not received or the Dutch Central Bank has indicated that they have objections, an alternative settlement method may be applied mirroring as much as possible the above described method of settlement using an alternative financial instruments instead of Shares, provided that in no event Executive Board members or other Identified Staff will receive more than the Offer Price for the settlement of the Conditional Performance Shares. The implementation of the amended Remuneration Policy shall be subject to the condition precedent of BinckBank having received approval, if applicable by the Dutch Central Bank, consent by the Works Council and, in respect of the Executive Board, approval by the General Meeting.

7.13 Transactions by BinckBank relating to the Shares

Following BinckBank's annual general meeting held on 24 April 2018 BinckBank has paid and delivered 39,470 Shares to Identified Staff in relation to its Remuneration Policy as described in section 7.12 (BinckBank remuneration policy). No other transactions have been effected by BinckBank in relation to the Shares in the year immediately preceding this Offer Memorandum.

8. INFORMATION REGARDING THE OFFEROR AND SAXO BANK

8.1 Introduction

The Offeror is a private limited liability company (*besloten vennootschap*), incorporated under the laws of the Netherlands with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands and its office at Prins Bernhardplein 200, 1097 JB, Amsterdam, the Netherlands. The Offeror is registered with the trade register of the chamber of commerce under number 73878456. The management board of the Offeror consists of Saxo Bank. In addition, it is currently envisaged that as from Settlement, a Dutch resident will be also be appointed to the management board of the Offeror, subject to approval of the Dutch Central Bank. The Offeror is a special purpose vehicle incorporated to complete the acquisition of the Shares under the Offer. All shares in the capital of the Offeror are directly held by Saxo Bank. No member of the management board of the Offeror will receive any compensation in relation to the Offer being declared unconditional.

Saxo Bank is a privately owned company (*Aktieselskab*) incorporated under the laws of Denmark with its statutory seat (*statutaire zetel*) in Hellerup, Denmark and its office address at Philip Heymans Alle 15, 2900, Hellerup, Denmark. Saxo Bank is registered with the Danish Central Business Register under number 15731249.

Pursuant to article 1:1 of the Wft, each of the Offeror and Saxo Bank qualify as an offeror in respect of the Offer.

8.2 Information regarding Saxo Bank

Founded in 1992, Saxo Bank is a fully licensed bank under the supervision of Danish FSA. Headquartered in Copenhagen, Denmark, Saxo Bank has a strong international network employing more than 1600 people spanning over 60 nationalities represented in financial centres around the world including London, Milan, Singapore, Shanghai, Hong Kong, Sydney, Tokyo, Paris, Zurich, and Dubai. Through local sales and service teams and a global online presence, Saxo Bank serves clients in more than 170 countries, and the bank's trading and investment platforms are available in 28 different languages.

Saxo Bank launched its first online trading platform in 1998, and currently is a leading fintech specialist focused on multi-asset trading and investment and delivering 'Banking-as-a-Service' to wholesale clients. Saxo Bank was one of the first financial institutions to develop an online trading platform that provided private investors with the same tools and market access as professional traders, large institutions and fund managers. Saxo Bank's purpose has always been to democratise investment and trading and to facilitate multi-asset trading by providing unparalleled access to global financial markets through the use of cutting-edge technologies and industry-leading expertise.

Saxo Bank facilitates trading and investing for private and institutional clients, providing access to global markets and a broad range of asset classes and tradable instruments. All unified on our robust and intuitive trading platforms, incorporating everything from personalised watch lists to tailored charts, news filters and risk management tools.

More information can be found on Saxo Bank's website (www.home.saxo).

8.3 Saxo Bank boards

The governing bodies of Saxo Bank consist of a board of management and a board of directors. The board of management is responsible for managing the day-to-day business of Saxo Bank. The board of directors supervises the board of management and appoints the members of the board of

management. The members of the board of directors are appointed by the general meeting of Saxo Bank. No member of the board of management or the board of directors of Saxo Bank will receive any compensation in relation to the Offer being declared unconditional.

The board of management is composed of the following persons.

Mr K. Fournais is the Chief Executive Officer (CEO) and co-founder of Saxo Bank. Mr Fournais held the position of money manager in Lannung Bank before founding Midas (which later became Saxo Bank) together with Mr L.S. Christensen. Mr Fournais has been in charge of the company since it was founded in 1992 as co-CEO and CEO respectively and has been responsible for its transition from a one-employee undertaking to a fully licensed bank with more than 1,600 employees.

Mr S. Kyhl is Deputy CEO (since November 2018) and Chief Operating officer (since January 2016) and member of the board of management. Mr Kyhl is responsible for daily operations and execution including overseeing the bank's digital value chain and digital client experience, platforms, marketing and data science. Mr. Kyhl has significant experience in both finance and technology and served at several senior executive positions at Danske Bank. Mr. Kyhl holds a PhD in economics from the University of Copenhagen and received executive education from INSEAD and Harvard Business School.

Mr S. Blaafalk is member of the board of management as Chief Financial & Risk Officer (CFRO) since April 2014. He is the global head of finance and risk operations, and as such, is responsible for all legal, compliance, finance, risk management, and client and business intelligence within Saxo Bank. Mr Blaafalk has a long career within the financial sector and held several senior executive position at Danske Bank before joining Saxo Bank. Mr Blaafalk holds an MSc in economics and EMBA, from the University of Copenhagen and SIMI respectively.

Mr D. Bunce has been Chief Commercial Officer (CCO) since February 2018 and a member of the board of management since October 2018. Mr Bunce is head of global distribution and client services at Saxo Bank and is responsible for the origination, retention and growth of high value direct clients and wholesale clients. He is a senior executive within the financial sector who served at Sberbank CIB, Renaissance Capital, Barclays Capital and Goldman Sachs. He holds an MSc in computer science from the University of Hull, a BA (Hons) in English from the University of Surrey, and completed the Yale Global Executive Leadership Program.

The board of directors consists of the following persons.

Mr D. Donghui Li is the chairman of the board of directors since September 2018. Mr Dongui Li also serves as CFO of Zeijang Geely Holding Group, which is an indirect shareholder of Saxo Bank. Mr Li holds degrees from the Kelley School of Business of Indiana University, Beijing Institute of Machinery and Renmin University of China.

Mr H. Normann is member of the Board of Directors since 2015, and serves as the vice chairman of the board of directors since September 2018. Mr Normann is also the President and Chief Executive Officer of Nordic Investment Bank. He holds an MA in history and political science from Copenhagen University.

Mr I. Zhang is member of the board of directors since September 2018. He also serves as Deputy CFO of Zhejiang Geely Holding Group. Mr Zhang holds degrees (including an MBA) from Xi'an Jiaotong University.

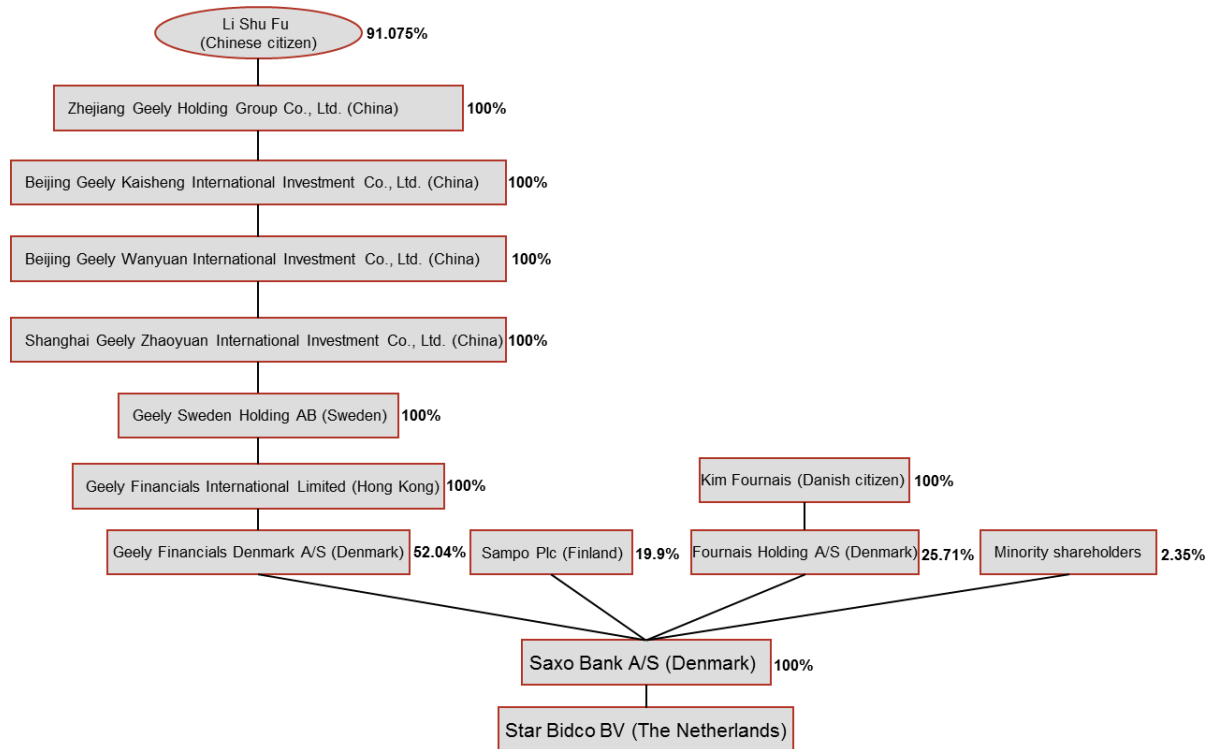
Mr P. Lapveteläinen is member of the board of directors since September 2018. He is also the Group Chief Investment Officer of Sampo Oyj, which is an indirect shareholder of Saxo Bank. Mr

Lapveteläinen holds an MSc in economics from the Swedish School of Economics and Business Administration, Vaasa, Finland.

Mr P. Damgaard is member of the Board of Directors since September 2018. He is also the Chief Executive Officer and founder of Damgaard Company A/S.

8.4 Main shareholders of Saxo Bank

Saxo Bank is a privately owned company. The shares in the capital of Saxo Bank are held by Geely Financials Denmark A/S, a subsidiary of Zhejiang Geely Holding Group Co., Ltd (52.04%), the holding company of Saxo Bank co-founder and CEO Mr Kim Fournais (25.71%) and Sampo Plc, a leading Nordic financial services group (19.9%). The remaining shares are held by minority shareholders including a number of current and former employees. Below is a structure chart which shows the shareholder structure of Saxo Bank.



9. FURTHER INFORMATION REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror, Saxo Bank and BinckBank jointly with regard to subject 9(a) and 9(c), the Offeror and Saxo Bank jointly with regard to subjects 9(b) and 9(d) and BinckBank with regard to 9(e), hereby declare as follows:

- (a) There have been consultations between Saxo Bank and BinckBank regarding the Offer, which have resulted in the Merger Protocol. Discussions regarding the Offer, including, but not limited to, the Offer Price, the Offer Conditions and the future strategy of the BinckBank Group after the Settlement Date, took place between Saxo Bank and its advisers on the one hand, and all members of the Executive Board and the Supervisory Board on the other hand, and their respective advisers. Reference is made to section 6.1 (Background and public announcements).
- (b) With due observance of and without prejudice to the restrictions referred to in section 2 (Restrictions), the Offer concerns all outstanding Shares not already held by the Offeror or its Affiliates and applies on an equal basis to all Shares not already held by the Offeror or its Affiliates and all Shareholders other than the Offeror and its Affiliates.
- (c) No securities issued in BinckBank are held, no transactions or concluded agreements in respect of securities issued by BinckBank have been effected or have been concluded, and no similar transactions have been effected in respect of securities issued by BinckBank, by the Offeror, Saxo Bank or any Affiliate of the Offeror, or any member of the executive board of the Offeror, any member of the executive board or supervisory board of Saxo Bank, any direct or indirect shareholder of Saxo Bank, or any member of the BinckBank Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, subparagraphs 5, 6 and 7 of the Decree, other than in respect of Saxo Bank as described in section 6.11 (Respective cross-shareholdings Saxo Bank – BinckBank) and in respect of the members of the BinckBank Boards as described in section 6.9 (Shareholdings of the members of the BinckBank Boards) and as described in section 7.13 (Transactions by BinckBank relating to the Shares). No transactions or agreements in respect of securities in BinckBank similar to the transactions and agreements referred to in Annex A, paragraph 2, subparagraph 6 of the Decree have been concluded by legal entities with which the Offeror or Saxo Bank is affiliated within a group or by any direct or indirect shareholder of Saxo Bank.
- (d) The costs incurred or to be incurred by Saxo Bank and the Offeror in relation to the Offer are expected to amount to approximately EUR 8 million and comprise legal adviser fees, commercial adviser fees, financial adviser fees, Settlement Agent fees, filing fees with regulators, legal, financial and tax due diligence fees, and printing. These costs will be borne by the Offeror.
- (e) The costs of BinckBank's fees of financial advisers, legal advisers, accountants and communications advisers incurred and expected to be incurred in relation to the Offer amount to approximately EUR 5 million. These costs will be borne by BinckBank.

10. TAX ASPECTS OF THE OFFER AND POSSIBLE POST-CLOSING MEASURES

10.1 Material Dutch Tax Aspects of the Offer

(a) General

The following summary outlines certain principal Dutch tax consequences of disposal of the Shares in connection with the Offer and the possible Post-Closing Measures mentioned in sections 6.13(b) (Buy-Out) and 6.13(c) (Post-Closing Merger and Liquidation), but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a Shareholder may include an individual or entity who does not have the legal title of the Shares, but to whom nevertheless the Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Shares or the income thereof. This summary is intended as general information only and each Shareholder should consult a professional tax adviser with respect to the tax consequences of the disposal of its Shares under the Offer or in connection with the possible Post-Closing Measures.

This summary is based on Dutch tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offer Memorandum, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- (iii) corporate Shareholders which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate Shareholders been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of five per cent or more of the nominal paid-up share capital;
- (iv) Shareholders holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in BinckBank and Shareholders of whom a certain related person holds a substantial interest in BinckBank. Generally speaking, a substantial interest in BinckBank arises if a person, alone or, where such person is an individual, together with his or her partner (*statutorily defined term*), directly or indirectly, holds or is deemed to hold (i) an interest of five per cent or more of the total issued capital of BinckBank or five per cent or more of the issued capital of a certain class of shares of BinckBank, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights or rights to liquidation proceeds in BinckBank relating to five per cent or more of the annual profit of BinckBank or to five per cent or more of the liquidation proceeds of BinckBank;
- (v) persons to whom the Shares and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);

- (vi) entities which are a resident of Aruba, Curacao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Shares are attributable to such permanent establishment or permanent representative;
- (vii) Shareholders which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Shares or the benefits derived from or realised in respect of the Shares; and
- (viii) individuals to whom Shares or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

(b) Tax aspects for Shareholders who tender their Shares during the Offer Period

(i) Dividend Tax

The payment of the Offer Price by the Offeror to the Shareholders in respect of the disposal of the Shares in connection with the Offer, will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

(ii) Corporate and Individual Income Tax

Residents of the Netherlands

If a corporate Shareholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Shares are attributable, income derived from the Shares and gains realised upon the disposal of the Shares in connection with the Offer are taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual Shareholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Shares and gains realised upon the disposal of the Shares in connection with the Offer are taxable at the progressive rates (at up to a maximum rate of 51.75% under the Dutch Income Tax Act 2001) if:

- (A) the individual Shareholder is an entrepreneur (*ondernemer*) and has an enterprise to which the Shares are attributable or the individual Shareholder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Shares are attributable; or
- (B) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the individual Shareholder, taxable income with regard to the Shares must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed

at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Shares will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a Shareholder is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate income tax or Dutch individual income tax purposes, such Shareholder is not liable to Dutch corporate income tax or Dutch individual income tax in respect of income derived from the Shares and gains realised upon the disposal of the Shares in connection with the Offer, unless:

- (A) the Shareholder is not an individual and such Shareholder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Shares are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Shares are attributable.
- (B) The income or gain derived from the Shares as a result of the disposal of the Shares in connection with the Offer is subject to Dutch corporate income tax at up to a maximum rate of 25%.
- (C) the Shareholder is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Shares are attributable, or (2) realises income or gains with respect to the Shares that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Shares that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Shares are attributable.
- (D) The income or gain derived from the Shares as a result of the disposal of the Shares in connection with the Offer as specified under (1) and (2) above by an individual is subject to Dutch individual income tax at progressive rates up to a maximum rate of 51.75%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under "Residents of the Netherlands").

(iii) Gift and Inheritance Tax

No Dutch gift tax (*schenkelasting*) or Dutch inheritance tax (*erfbelasting*) will be due as a result of the disposal of the Shares in connection with the Offer.

(iv) Value Added Tax

No Dutch value added tax will arise in respect of payments in consideration for the disposal of the Shares in connection with the Offer.

(v) Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder in respect of the disposal of the Shares in connection with the Offer.

(c) Tax aspects for Shareholders who tender their Shares during the Post-Closing Acceptance Period

The Dutch tax consequences of the disposal of the Shares in connection with the Offer during the Post-Closing Acceptance Period are the same as the Dutch tax consequences of the disposal of the Shares in connection with the Offer during the Offer Period, see section 10.1(b) (Tax aspects for Shareholders who tender their Shares during the Offer Period) above.

(d) Tax aspects for Shareholders who did not tender their Shares

Following Settlement, Saxo Bank may choose to implement (or cause to be implemented) certain restructuring measures, including but not limited to the Post-Closing Measures mentioned in sections 6.13(b) (Buy-Out) and 6.13(c) (Post-Closing Merger and Liquidation).

Furthermore, Saxo Bank reserves the right to use any legally permitted method to acquire all of the Shares (or full ownership of BinckBank's business) and to optimize the corporate, financing and tax structure of BinckBank once it is part of the Saxo Bank Group. No decision in respect of pursuing any restructuring measures as set out in section 6.13 (Possible Post-Closing Measures and future legal structure) has been taken by Saxo Bank and no such decision is envisaged to be taken prior to the Offer being declared unconditional.

See below for a non-exhaustive description of certain Dutch tax consequences of the Buy-Out and of the Post-Closing Merger and Liquidation.

(i) Buy-Out

(A) Dividend Tax

Any payments made by the Offeror to the Shareholders in respect of the disposal of the Shares in connection with the Buy-Out will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

(B) Corporate and Individual Income Tax

The Dutch corporate income tax and Dutch individual income tax consequences of the disposal of the Shares in connection with a Buy-Out are the same as for the disposal of the Shares in connection with the Offer, see section 10.1(b)(ii) (Corporate and Individual Income Tax).

(C) Gift and Inheritance Tax

No Dutch gift tax (*schenkbelasting*) or Dutch inheritance tax (*erfbelasting*) will be due as a result of the disposal of the Shares in connection with the Buy-Out.

(D) Value Added Tax

No Dutch value added tax will arise in respect of payments in consideration for the disposal of the Shares in connection with the Buy-Out.

(E) Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder in respect of the disposal of the Shares in connection with the Buy Out.

(ii) Post-Closing Merger

(A) Dividend Tax

The disposal of the Shares in connection with the Post-Closing Merger and the receipt of shares in BinckBank Holdco will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

(B) Corporate and Individual Income Tax

The Dutch corporate income tax and Dutch individual income tax consequences of the Post-Closing Merger are in principle similar to the Dutch tax treatment of the disposal of the Shares in connection with the Offer, see section 10.1(b)(ii) (Corporate and Individual Income Tax) above.

The Dutch corporate income tax and Dutch individual income tax in respect of gains (deemed) realised by a Shareholder upon the disposal of the Shares as a result of the Post-Closing Merger (excluding taxation in respect of any consideration received in connection with the Post-Closing Merger that does not consist of BinckBank Holdco shares) may be deferred in the following situations:

- I. the Post-Closing Merger satisfies the requirements set out in section 3.57 of the Dutch Income Tax Act 2001 and the Shareholder records the BinckBank Holdco shares received pursuant to the Post-Closing Merger at the same tax book value as the Shares at the moment immediately preceding the Post-Closing Merger; or
- II. the requirements developed in case law of the Dutch Supreme Court regarding the tax neutral exchange of certain assets (*ruilarresten*) are met.

Each Shareholder who will not tender its Shares and receives BinckBank Holdco shares in connection with the Post-Closing Merger needs to assess for itself whether these requirements are satisfied. Whether or not a holder of BinckBank Holdco shares claims the benefits of a roll-over relief is at its own discretion.

Share Sale

The Share Sale has no direct Dutch corporate income tax and Dutch individual income tax consequences for the Shareholders.

(C) Gift and Inheritance Tax

No Dutch gift tax (*schenkbelasting*) or Dutch inheritance tax (*erfbelasting*) will be due by the Shareholder or a holder of BinckBank Holdco shares in connection with the Post-Closing Merger.

(D) Value Added Tax

No Dutch value added tax will arise in respect of payments in consideration for the disposal of the Shares, or the BinckBank Holdco shares in connection with the Post-Closing Merger.

(E) Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder, or a holder of BinckBank Holdco shares in connection with the Post-Closing Merger.

(iii) Liquidation

(A) Dividend Tax

BinckBank Holdco is generally required to withhold 15% Dutch dividend withholding tax in respect of the Liquidation Distribution, to its shareholders to the extent that such distributions are in excess of BinckBank Holdco's average paid-in capital recognised for Dutch dividend withholding tax purposes. BinckBank Holdco is responsible for the withholding of such dividend withholding tax at source; the dividend withholding tax is for the account of the holders of BinckBank Holdco shares.

Credit for residents of the Netherlands

If a holder of BinckBank Holdco shares is a resident or deemed to be a resident of the Netherlands for Dutch corporate income tax or Dutch individual income tax purposes, Dutch dividend withholding tax which is withheld in respect of the Liquidation Distribution paid to such holder will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes or otherwise refundable.

Relief or refund for non-residents of the Netherlands

If a holder of BinckBank Holdco shares is a resident for tax purposes of a country other than the Netherlands, and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident of that country for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of the Dutch dividend withholding tax withheld.

A refund of Dutch dividend withholding tax is available to entities resident in another EU member state, Norway, Iceland, or Liechtenstein provided (i) these entities are not subject to corporate income tax there, and (ii) these entities would not be subject to Dutch corporate income tax, if these entities would have been tax resident in the Netherlands for Dutch corporate income tax purposes and (iii) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*)

or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to such entities resident in other countries, under the additional condition that:

- I. the shares in BinckBank Holdco are considered portfolio investments, i.e. such shares are not held with a view to establish or maintain lasting and direct economic links between the holder and BinckBank Holdco and the shares do not allow the holder to participate effectively in the management or control of BinckBank Holdco; and
- II. the Netherlands can exchange information with this other country in line with the international standards for the exchange of information.

Beneficial owner

A recipient of the Liquidation Distribution will not be entitled to any exemption, reduction, refund or credit of Dutch dividend withholding tax if such recipient is not considered to be the beneficial owner of the Liquidation Distribution. A recipient will inter alia not be considered the beneficial owner of the Liquidation Distribution if, in connection with such distribution, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- I. that the proceeds from the Liquidation Distribution have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would: (x) as opposed to the recipient, not be entitled to an exemption from Dutch dividend withholding tax, or (y) in comparison to the recipient, to a lesser extent be entitled to a reduction or refund of Dutch dividend withholding tax; and
- II. that such person or legal entity has, directly or indirectly, retained or acquired an interest in shares, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

(B) Corporate and Individual Tax

The Dutch corporate income tax and Dutch individual income tax consequences of the Liquidation are in principle similar to the Dutch tax treatment of the disposal of the Shares in connection with the Offer, see section 10.1(b)(ii) (Corporate and Individual Income Tax) above.

(C) Gift and Inheritance Tax

No Dutch gift tax (*schenkbelasting*) or Dutch inheritance tax (*erfbelasting*) will be due by the Shareholder, or a holder of BinckBank Holdco shares, in connection with the Liquidation.

(D) Value Added Tax

No Dutch value added tax will arise in respect of payments in consideration for the disposal of the Shares, or the BinckBank Holdco shares, in connection with the Liquidation.

(E) Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a Shareholder, or a holder of BinckBank Holdco shares, in connection with the Liquidation.

10.2 Material U.S. Federal Income Tax Aspects of the Offer

(a) General

The following is a summary of certain U.S. federal income tax considerations that are likely to be relevant to U.S. Shareholders (as defined below) whose Shares are properly tendered and accepted for payment pursuant to the Offer.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof. Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular U.S. Shareholder’s decision to tender its Shares in the Offer. In particular, this summary is directed only to U.S. Shareholders that hold Shares as capital assets. This discussion does not apply to Shares received pursuant to the exercise of employee stock options or otherwise as compensation. This discussion also does not apply to U.S. Shareholders that exercise any dissent rights that may be available to them under non-U.S. law.

In addition, this discussion does not address tax consequences to U.S. Shareholders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax exempt entities, entities that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of the Shares, persons holding Shares as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the U.S. dollar. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Shareholders, or alternative minimum tax consequences of tendering Shares.

For purposes of this summary, a “U.S. Shareholder” is a beneficial owner of Shares that is (1) an individual citizen of the United States or a resident alien of the United States as determined for US federal income tax purposes; (2) a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organised under the laws of the United States or any state of the United States or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more US persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

U.S. Shareholders should consult their own tax advisers about the consequences of participating in the Offer, including the relevance to their particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

(b) Sale of the Shares

(i) Sales Pursuant to the Offer

Subject to the discussion below under “Passive foreign investment company considerations”, sales of Shares pursuant to the Offer by U.S. Shareholders generally will be taxable transactions for U.S. federal income tax purposes. A U.S. Shareholder selling Shares pursuant to the Offer generally should recognize gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Shareholder’s adjusted tax basis in the Shares sold at the time of sale. For this purpose, a U.S. Shareholder’s adjusted tax basis in a Share generally will equal its cost of such Share in U.S. dollars. Any gain or loss so realized by a U.S. Shareholder generally will be treated as a capital gain or loss, generally will be long-term capital gain or loss if such U.S. Shareholder’s holding period for the Shares is more than one year at the time of sale and generally will be treated as U.S.-source income for foreign tax credit purposes. In the case of a Share that has been held for one year or less, such capital gains generally will be subject to tax at ordinary income tax rates. Certain limitations apply to the use of a U.S. Shareholder’s capital losses.

If a U.S. Shareholder sells Shares in exchange for currency other than U.S. dollars, the amount realized generally will be the U.S. dollar value of the currency received at the spot rate on the date of sale (or, assuming the shares are traded on an established securities market at that time, in the case of cash basis and electing accrual basis U.S. Shareholders, the settlement date). An accrual basis U.S. Shareholder that does not elect to determine the amount realized using the spot rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. dollar value of the amount received based on the spot exchange rates in effect on the date of the sale and the settlement date. A U.S. Shareholder will have a tax basis in the currency received equal to the U.S. dollar value of the currency received at the spot rate on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Shareholder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the U.S. Internal Revenue Service (the IRS). A U.S. Shareholder should consult its own tax advisers regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale of the Shares.

(ii) Buy-Out

The U.S. federal income tax consequences of a Buy-Out (as described in Section 6.13(b) (Buy-Out) above) will depend on the exact manner in which the transaction is carried out. In general, however, if a U.S. Shareholder receives cash in exchange for transferring its Shares to Saxo Bank and/or its Affiliates in a Buy-Out, the transaction should be taxable in the same manner as described above under “Sales Pursuant to the Offer”. U.S. Shareholders should consult their own tax advisers for advice with respect to the potential tax consequences of a Buy-Out.

(iii) Other Post-Closing Measures

The U.S. federal income tax consequences of any other possible Post-Closing Measures as described in Section 6.13 (Possible Post-Closing Measures and future legal structure) above will depend on the exact manner in which the transaction is carried out, which has not yet been determined. Because the terms of such a transaction are not yet determined, U.S.

Shareholders should consult their own tax advisers for advice with respect to the potential tax consequences of any Post-Closing Measures.

(c) Passive foreign investment company considerations

If BinckBank has been a PFIC in any taxable year in a which U.S. Shareholder held any Shares, then BinckBank generally would have continued to be a PFIC as to such U.S. Shareholder in all succeeding years, regardless of whether it continued to meet the test to be classified as a PFIC (as described below). In that case, unless the U.S. Shareholder made a proper election to be taxed differently, gain realised on the exchange of Shares for cash pursuant to the Offer would be allocated ratably to each taxable year in such U.S. Shareholder's holding period for such Shares during which BinckBank was a PFIC as to such U.S. Shareholder, the amount allocated to each such year would be subject to tax at the highest ordinary income tax rate for each such taxable year, and the U.S. Shareholder would be liable for an additional tax equal to an interest charge on the tax liability for each such prior years as if such liability had actually been due in each such prior year. Shareholders of PFICs are also subject to additional reporting requirements in respect of their Shares.

In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least 75 per cent. of its gross income is classified as "passive income" or at least 50 per cent. of its assets (determined on the basis of quarterly average value), produce, or are held for the production of, passive income. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it directly or indirectly holds 25 per cent. or more (by value) of the stock. Passive income generally includes dividends, interest, rents, royalties and certain gains. An exception exists for certain income earned in the active conduct of a banking business by a bank which meets certain conditions. Although BinckBank is regulated as a bank, it may not be eligible for this exception. BinckBank has not undertaken to determine its PFIC status with respect to its taxable years prior to the Offer. The determination of whether BinckBank was a PFIC for any tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. There can be no assurance that BinckBank will not be, or has not been, a PFIC in the current year or any past taxable year. U.S. Shareholders are urged to consult their own tax advisors as to the possible PFIC status of BinckBank and the consequences to them in their particular circumstances.

(d) Backup Withholding and Information Reporting

A U.S. Shareholder that tenders its Shares in the Offer may be subject to backup withholding on the payments that such U.S. Shareholder receives unless such U.S. Shareholder: (i) (a) comes within certain exempt categories and demonstrates this fact if required or (b) provides a correct taxpayer identification number on an IRS Form W-9 (a copy of which is available at www.irs.gov), (ii) certifies as to no loss of exemption from backup withholding and (iii) otherwise complies with applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Shareholder will be allowed as a refund or credit against the U.S. Shareholder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

A holder that is a foreign corporation or a non-resident alien individual may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

11. PRESS RELEASES

11.1 Press release BinckBank dated 14 December 2018

BinckBank responds to recent press coverage

Amsterdam, 14 December 2018 – BinckBank N.V. responds to recent coverage in the media. BinckBank confirms that it is in advanced discussions with Saxo Bank regarding a potential combination of the businesses of BinckBank and Saxo Bank through a public offer by Saxo for the entire issued and outstanding share capital of BinckBank at an offer price of EUR 6.35 (cum dividend) per share with the consideration to be paid in cash.

Discussions between the parties are ongoing.

The supervisory board and the executive board of BinckBank are reviewing and considering Saxo Bank's proposal. In doing so, they are carefully considering the interest of all stakeholders of BinckBank.

At this stage, there is no certainty that any agreement will be reached and that a transaction will materialize. Further announcements will be made if and when appropriate.

This is a public announcement by BinckBank pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014) and section 5 paragraph 2 of the Dutch decree on public takeover bids (Besluit openbare biedingen Wft. This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in.

About BinckBank N.V.

BinckBank is the largest independent Dutch online bank for investors and savers. BinckBank offers services to retail investors and independent asset managers in terms of savings (Saving) Investing (Investing) and trading (Trading), via its European ICT-basis platform. BinckBank is listed on Euronext Amsterdam as an independent online bank with offices in the Netherlands, Belgium, France, Italy and Spain. BinckBank serves more than 632,000 account holders with assets under administration of € 26 billion and assets under management of € 1.1 billion by December 31, 2017. BinckBank was formed in 2000 and employs 579 FTEs by year end 2017.

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11.2 Press release Saxo Bank dated 14 December 2018

PRESS RELEASE

Copenhagen, 14 December, 2018

Saxo Bank confirms discussions on possible recommended cash offer for BinckBank

Copenhagen, 14 December 2018 – Saxo Bank A/S responds to today's Bloomberg coverage. Saxo Bank confirms that it is in discussions with BinckBank N.V. regarding a possible combination of their businesses through a friendly and recommended public offer by Saxo Bank for the entire issued and outstanding share capital of BinckBank at an offer price of EUR 6.35 (cum dividend) per share with the consideration to be paid in cash.

Saxo Bank confirms that constructive and advanced discussions between the parties are ongoing. At this stage, there is no certainty that any agreement will be reached and that a transaction will materialize. Further announcements will be made if and when appropriate.

This is a public announcement pursuant to section 4 paragraph 3 of the Dutch decree on public takeover bids (Besluit openbare biedingen Wft). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in BinckBank.

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About Saxo Bank

[Saxo Bank Group \(Saxo\)](#) is a leading Fintech specialist focused on multi-asset trading and investment and delivering 'Banking-as-a-Service' to wholesale clients.

For more than 25 years, Saxo's mission has been to democratize investment and trading, enabling clients by facilitating their seamless access to global capital markets through technology and expertise.

As a fully licensed and regulated bank, Saxo enables its direct clients to trade multiple asset classes across global financial markets from one single margin account and across multiple

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devices. Additionally, Saxo provides wholesale institutional clients such as banks and brokers with multi-asset execution, prime brokerage services and trading technology, supporting the full value chain delivering Banking-as-a-Service (BaaS).

Saxo's award winning [trading platforms](#) are available in more than 20 languages and form the technology backbone of more than 100 financial institutions worldwide.

[Founded in 1992](#) and launching its first online trading platform in 1998, Saxo Bank was a Fintech even before the term was created. Headquartered in Copenhagen Saxo Bank today employs more than 1500 people in financial centers around the world including London, Paris, Zurich, Dubai, Singapore, Shanghai, Hong Kong and Tokyo.

11.3 Initial Announcement dated 17 December 2018

*This is a joint press release by BinckBank N.V. (**BinckBank**) and Saxo Bank A/S (**Saxo Bank**), pursuant to the provisions of Section 5 Paragraph 1 and Section 7 Paragraph 4 of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) (the **Decree**) in connection with the intended public offer by Saxo Bank for all the issued and outstanding shares in the capital of BinckBank. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful*

BinckBank and Saxo Bank agree on recommended all-cash public offer for all BinckBank shares

BinckBank to become part of Saxo Bank group to create a European powerhouse within online trading and investments

Amsterdam, the Netherlands / Copenhagen, Denmark – 17 December 2018

- BinckBank and Saxo Bank have reached a conditional agreement on a recommended all-cash public offer of EUR 6.35 (cum dividend) per issued and outstanding ordinary share and priority share of BinckBank representing a total consideration of EUR 424 million
- The offer price represents a premium of 35% over the closing price of 14 December 2018, and a premium of respectively 42%, 43% and 38% over the average volume weighted price per share over the last one, two and three calendar months, delivering immediate, certain and significant value to BinckBank shareholders
- Transaction unanimously supported and recommended by BinckBank's executive board and supervisory board
- Saxo Bank has committed financing in place and will fund the transaction via a combination of equity injections by its shareholders and cash at hand
- The parties have agreed to certain non-financial covenants for BinckBank stakeholders for a period of three years
- Draft offer memorandum will be submitted to the AFM no later than end of Q1 2019
- It is anticipated that the offer will close in Q3 2019

BinckBank and Saxo Bank announce today that a conditional agreement (the **Merger Protocol**) has been reached on a recommended public offer (the **Offer**) to be made by Saxo Bank for the entire issued and outstanding share capital of BinckBank (the **Shares**) for EUR 6.35 in cash per share (cum dividend) (the **Offer Price**).

This announcement follows constructive interactions between the boards and management teams of both companies including a period of targeted due diligence.

For more than 25 years, Saxo Bank has strived to democratize trading and investment. The combination of BinckBank and Saxo Bank will help accelerate this ambition, achieve necessary scale and facilitate the

strategic response of both companies to current market dynamics. The interests of all stakeholders of Saxo Bank and BinckBank have been carefully taken into account. The merger benefits from the two parties' complementarity in geographic footprint, product offerings, and customer bases, covering the full retail client spectrum from mass retail to high-end. The combined entity is committed to continued significant investments in technology, thereby allowing it to remain at the forefront of innovation while adapting to changing customer behaviour.

Kim Fournais, CEO and founder of Saxo Bank:

"Combining BinckBank with Saxo Bank is a true win-win for all parties. Clients will get better products, prices, platforms and services, employees will benefit from enhanced career opportunities and, importantly, we will gain the necessary scale to further step up investments in technology and in our people. As the investment and trading industry matures and faces new regulation as well as rising expectations for digital client experience, scale, technology and multi-asset capabilities become increasingly key to long-term success.

We have a strong cultural fit with BinckBank based on a shared vision and purpose to democratise investment and empower everyone to take control of their financial destiny. Our two companies complement each other well in terms of geographical footprint, brand, client segments, product suite and not least in the talented employees of both companies."

Vincent Germyns, chairman of the BinckBank executive board:

"Since the origins of BinckBank in 2000, we have managed to build a strong position. We have become market leader in the Netherlands and Belgium and are strong challengers in France and Italy. We are confident that by combining BinckBank with Saxo Bank, we will be able to further strengthen our offering and growth in these markets. As such, it is important to note that Saxo Bank shares both BinckBank's vision and mind-set focused on giving investors access to financial markets through technology and innovative solutions. Therefore, the combination of BinckBank and Saxo Bank is a natural fit and secures the future growth of BinckBank within a bigger and stronger organization and provides our customers with an even broader range of innovative products and services in the area of trading and investing.

Merging both companies will help realize important economies of scale. On a term of two to three years, this will of course have consequences for staff. As far as possible these consequences will be met through natural staff turnover. In case of redundancies, a good severance scheme will apply. The executive board, supervisory board and works council support this severance scheme unanimously."

John van der Steen, chairman of the BinckBank supervisory board:

"Talks with Saxo Bank have given us much trust in the combined future. BinckBank and Saxo Bank are quite similar companies with shared passions, ambitions and values. A combined future will strengthen our position in the European market and increases our added value to our customers. The Boards believe this transaction puts BinckBank in a stronger position going forward. The proposed transaction is the result of extensive negotiations between BinckBank and Saxo Bank over a period of several months and a shared vision for the combination going forward. The combination of a very attractive cash price, deal certainty, and strong protection of stakeholder interests through the non-financial covenants leads the boards to unanimously recommend this transaction."

Strategic rationale

The online trading and investment sector is currently facing multiple challenges including challenging competition, increased regulation, low interest rates, considerable technology investment requirements and changing customer behaviour. Such dynamics necessitate pro-active and decisive strategic actions. Scale, diversification, state of the art technology, relentless customer focus and multi-asset capabilities are becoming ever more important to deliver customer and shareholder value.

Both parties believe that the combination of BinckBank and Saxo Bank (the **Combination**) represents a powerful response to market dynamics and has a number of strategic benefits including:

- Strong cultural fit with a shared vision of democratising trading and investments and a philosophy centered around customer service, transparency, simplicity and innovation;
- Excellent complementarity in geographic footprint, product offerings, and customer base, covering the full retail client spectrum from mass retail to high-end;
- Combination of Saxo Bank's industry leading technology platform and product suite with BinckBank's large customer base and strong distribution capabilities;
- More balanced revenue mix for the combined company balancing net interest income, fee & commission income and spread income;
- Enhanced scale economies at a time of rising technology investment requirements and regulatory costs;
- Enhanced career opportunities for employees in a larger, modern and digitally oriented, international financial services group.

Transaction details

The proposed transaction envisions the acquisition of the Shares pursuant to a recommended public offer by Saxo Bank. The Offer Price per Share represents an implied equity value for 100% of BinckBank on a fully diluted basis of EUR 424 million.

The offer price represents a premium of 35% over the closing price of 14 December 2018, and a premium of respectively 42%, 43% and 38% over the average volume weighted price per share over the last one, two and three calendar months, delivering immediate, certain and significant value to BinckBank shareholders.

The Offer Price is cum dividend.

Fully secured transaction financing

Saxo Bank will finance the Offer from its available cash resources and through equity financing of EUR 100 million. As such, Saxo Bank has received binding equity commitment letters from Fournais Holding A/S, Geely Financials Denmark A/S and Sampo Plc for an aggregate amount of EUR 100 million, which are fully committed.

Unanimous recommendation by the BinckBank executive board and the BinckBank supervisory board

The BinckBank boards have frequently discussed the developments of the proposed transaction and the key decisions in connection therewith throughout the process. Consistent with their further fiduciary responsibilities, the BinckBank boards, with the support of their financial and legal advisors, have carefully reviewed the Offer. Having taken the interests of all stakeholders into account the boards unanimously conclude that the Offer is in the long term interests of the Company, the sustainable success of its business and clients, employees, shareholders and other stakeholders.

Accordingly, the BinckBank boards decide to unanimously support the transaction and recommend that BinckBank's shareholders accept the offer and vote in favour of the resolutions relating to the Offer at the upcoming extraordinary general meeting of BinckBank, to be held during the offer period (the **EGM**), subject to completion of consultations with the works council of BinckBank. Furthermore, all members of the BinckBank executive board who hold Shares for their own account have committed to tender all those Shares into the Offer.

The obligations of BinckBank and its boards in relation to their recommendation are conditional until works council clearance has been obtained.

The BinckBank foundation has agreed to tender its Shares in the Offer and propose certain resolutions to the EGM.

Acquisition of 100%

BinckBank and Saxo Bank anticipate that full integration of their companies will enhance the sustainable success and long term value creation of the business of BinckBank as part of Saxo Bank and acknowledge the importance to BinckBank for Saxo Bank to acquire 100% of the Shares. This importance is based, *inter alia*, on:

- the fact that having a single shareholder and operating without a public listing increases BinckBank's ability to achieve goals and implement the actions of the proposed strategy of BinckBank as part of Saxo Bank; and
- the ability of BinckBank and Saxo Bank to terminate the listing of the Shares from Euronext Amsterdam and to achieve an efficient capital structure (both from a tax, financing and capital requirements perspective), including the ability to form a fiscal unity between Saxo Bank and BinckBank, which are important factors in achieving the premium reflected in the Offer Price.

If Saxo Bank acquires at least 95% of the Shares, it is intended that BinckBank's listings on Euronext Amsterdam will be terminated as soon as possible. In addition, Saxo Bank will commence statutory squeeze-out proceedings.

If Saxo Bank acquires less than 95% but at least 80% of the Shares, Saxo Bank will be entitled to pursue a legal triangular merger of BinckBank with two of its subsidiaries (**BinckBank Holdco** and **New BinckBank**) (the **Post-Closing Merger**), whereby BinckBank shareholders will hold a number of shares in the capital of BinckBank Holdco equal to the number of Shares held by such holder of Shares immediately prior to the completion of the Post-Closing Merger. The Post-Closing Merger will be subject to BinckBank's shareholders' approval at the EGM to be held prior to closing of the tender offer period. The executive board and supervisory board of BinckBank have approved and consented to the Post-Closing Merger and shall recommend the BinckBank shareholders to vote in favour of the Post-Closing Merger, subject to completion of consultations with the works council of BinckBank. Once the Post-Closing Merger is implemented the listing of BinckBank will terminate.

If Saxo Bank pursues the Post-Closing Merger, it will enter into a share purchase agreement with BinckBank Holdco pursuant to which the shares in New BinckBank will be sold and transferred to Saxo Bank as soon as possible after the Post-Closing Merger becomes effective (the **Share Sale**) against payment of a purchase

price equal to the Offer Price (the **Share Sale Price**). Upon completion of the Share Sale, BinckBank Holdco will be dissolved and liquidated (the **Liquidation**). As soon as possible after the Liquidation becomes effective, an advance liquidation distribution will be made to the shareholders of BinckBank Holdco consisting of a payment per share in the capital of BinckBank Holdco equal to the Offer Price, without any interest and subject to withholding taxes and other taxes.

Fairness opinions

On 16 December 2018, Lazard issued a fairness opinion to the BinckBank boards and Rothschild & Co issued a fairness opinion to the BinckBank supervisory board, in each case as to the fairness, as of such date, and based upon and subject to the factors and assumptions set forth in each fairness opinion, that the Offer Price is fair to the holders of Shares, and that the Share Sale Price is fair to BinckBank Holdco, from a financial point of view.

The full text of such fairness opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, will be included in BinckBank's Position Statement. The opinions of Lazard and Rothschild & Co are given to the BinckBank boards, respectively, and not to the holders of Shares. As such, the fairness opinions do not contain a recommendation to the holders of Shares as to whether they should tender their Shares under the Offer (if and when made) or how they should vote or act with respect to the Post-Closing Merger or any other matter.

Non-Financial Covenants

BinckBank and Saxo Bank have agreed to certain covenants in respect of, *inter alia*, corporate governance, financing, organisation, offices and brands, integration, employees, redundancy arrangements, the social plan, retention and training & career opportunities for a duration of three years after settlement (the **Non-Financial Covenants**), which are summarised below.

Corporate governance

It is envisaged that upon successful completion of the Offer the BinckBank supervisory board will be composed of:

- three new members, being Mr Søren Kyhl and Mr Steen Blaafalk, who are identified by Saxo Bank, and one additional member, to be identified prior to launch of the Offer, who will qualify as independent within the meaning of the Dutch Corporate Governance Code; and
- two current members of the BinckBank supervisory board, Mr John van der Steen and Mr Jeroen Princen, qualifying as independent within the meaning of the Dutch Corporate Governance Code (the **Continuing Members**), of whom Mr John van der Steen will serve as chairman of the Supervisory Board and of whom Mr Jeroen Princen has been nominated upon the enhanced recommendation of the works council of BinckBank. The Continuing Members shall continue to serve at least throughout the duration of the Non-Financial Covenants.

After successful completion of the Offer, the BinckBank executive board will be composed of three members, consisting of the current members of the BinckBank executive board.

BinckBank will continue to comply with the Dutch Banking Code and, during the listing period, the Dutch Corporate Governance Code, except for current deviations and any deviations that find their basis in the Merger Protocol.

Financing

Saxo Bank and BinckBank will ensure that after settlement the BinckBank group will remain prudently financed to safeguard business continuity also taking into account any dividends paid out, execute the business plan and support the success of the business, including in respect of the debt level, the capital ratio, the liquidity coverage ratio and the net stable funding ratio of the BinckBank group.

Organisation

There shall be no sale or close down of the majority of the assets of the BinckBank group.

Saxo Bank and BinckBank plan to implement the mitigated structure regime (*gemitigeerd structuurregime*) at the BinckBank level including having a supervisory board as set out above under the section “Corporate governance”. BinckBank envisages to keep its banking license for at least three years. BinckBank will maintain its commitment to corporate social responsibility.

Offices and brands

The Dutch head office and statutory seat at BinckBank’s offices in Amsterdam will be the mid-European hub for the mid-European market. In France, the Saxo Bank and BinckBank offices will be merged into one office, in Italy, it is intended that BinckBank's business will be integrated into Saxo Bank's operations and in Belgium and Spain it is the intention that offices at current locations will be maintained.

The BinckBank brand will be maintained for the Netherlands and Belgium, thus continuing the legacy and strong relationship the client base has with the brand. For France and Spain, BinckBank and Saxo Bank will consider the best use of the brand in the French and Spanish market. It is the intention that the Saxo Bank brand will be used in the Italian market. The focus is to continue delivering the best possible client experience across products, platform, pricing and service, bridging whatever gaps there might be for all clients.

Integration Committee

An integration committee will be established as of settlement, which will determine an integration plan and submit it to the boards of each of BinckBank and Saxo Bank, monitor its implementation and do all things necessary to assist and optimise the integration of the Combination.

Employees

Saxo Bank values the experience and expertise of BinckBank’s employees which will help further shape the future success of the Combination, is focused on ensuring that BinckBank group's key management is retained and committed to providing them career opportunities in the Combination. Saxo Bank will respect any and all existing rights and benefits of employees of BinckBank, including under their individual employment agreements, pension rights and including covenants made with the works council. BinckBank’s current employee consultation structure will remain unchanged (*i.e.* existing works council).

Retention

Certain identified staff, key staff and other key employees will be offered a retention package to ensure motivation and commitment as well as business continuity post settlement, to the extent required subject to approval of DNB. The principles of the retention package have been agreed between Saxo Bank, BinckBank and the BinckBank works council.

Training

Within the Combination, there will be a focus on constant competency upgrade and training. Within BinckBank, the strategy execution framework “Saxo Bank pulse” will be implemented, which is aimed at developing individual performance and behaviour through frequent meetings and coaching.

Redundancy arrangements / social plan

As of settlement, a social plan will be effective for at least three years, applicable to employees with an employment agreement with BinckBank at the time of announcement who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation resulting from the Combination. The social plan applies the following redundancy principles:

- proportionality
- optimal transparency including adequate information regarding individual employee’s perspectives
- adequate arrangements for follow-up reporting to the works council on redundancy planning

BinckBank will offer redundant employees an alternative function or a settlement agreement.

The principles of the social plan have been agreed between Saxo Bank, BinckBank and the BinckBank works council.

Saxo Bank and BinckBank will comply with Dutch statutory dismissal rules and employee consultation requirements with respect to any possible redundancies.

Pre-Offer and Offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- no material breach of the Merger Protocol having occurred
- no revocation or amendment of the recommendation by the BinckBank executive board and the BinckBank supervisory board
- no material adverse effect having occurred
- the AFM having approved the offer memorandum
- no Superior Offer (as defined below) having been announced or made
- no third party having announced or made a mandatory public offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam
- no notification having been received from AFM stating that one or more investment firms will not be allowed to cooperate with the Offer
- no order, stay judgment or decree having been issued prohibiting the making of the Offer and/or related transactions
- Saxo Bank having received executed copies of resignation letters from the resigning members of the BinckBank supervisory board
- the Binckbank foundation irrevocable undertaking being in full force and effect and being complied with

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following Offer conditions customary for a transaction of this kind, including:

- minimum acceptance level of at least 95% of the Shares, which will be reduced to 80% in the event that the BinckBank shareholders have adopted the Post-Closing Merger resolution at the EGM, provided however that Saxo Bank may waive the minimum acceptance condition without the consent of BinckBank if the acceptance level is at least 67%
- no material breach of the Merger Protocol having occurred
- no revocation or amendment of the recommendation by the BinckBank executive board and the BinckBank supervisory board
- no material adverse effect having occurred
- no Superior Offer (as defined below) having been announced or made
- no third party having announced or made a mandatory public offer
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam
- no notification having been received from AFM stating that one or more investment firms will not be allowed to cooperate with the Offer
- all Regulatory Clearances (as defined below) having been obtained
- the BinckBank foundation irrevocable undertaking being in full force and effect and being complied with
- no order, stay judgment or decree having been issued prohibiting the making of the Offer and/or related transactions

The Offer Conditions will have to be obtained ultimately on 17 December 2019 (the **Long Stop Date**), provided that in case the Regulatory Clearances have not yet been obtained by 1 December 2019, Saxo Bank or BinckBank may notify the other party on or before 10 December 2019 that the Long Stop Date shall be 1 April 2020.

Regulatory clearances

Ultimately on the last day of the acceptance period of the Offer, the following regulatory clearances (the **Regulatory Clearances**) need to have been obtained:

- approval from the European Central Bank, in the form of a declaration of no objection, for the (indirect) acquisition of the shares in BinckBank and approval from the Dutch Central Bank on related changes in the co-policymakers of BinckBank
- approval from the Dutch Central Bank on the prospective appointment of new members of the BinckBank supervisory board
- approval and or license from the Dutch Central Bank and/or European Central Bank in respect of the Post-Closing Merger to the extent required

Termination of the Merger Protocol

If the Merger Protocol is terminated because of a Superior Offer having been made, BinckBank will forfeit a EUR 4.3 million termination fee to Saxo Bank.

If the Merger Protocol is terminated because the Regulatory Clearances have not been obtained, Saxo Bank will forfeit a EUR 4.3 million termination fee to BinckBank.

The foregoing termination fees are without prejudice to each party's rights under the Merger Protocol to demand specific performance.

Superior Offer

BinckBank and Saxo Bank may terminate the Merger Protocol in the event a bona fide third-party offeror makes an offer which, in the reasonable opinion of the BinckBank boards, is a more beneficial offer than the Offer, exceeds the Offer Price by 8% and is launched or is committed to be launched within ten weeks from announcement (a **Superior Offer**). In the event of a Superior Offer, Saxo Bank will be given the opportunity to match such offer. If Saxo Bank matches the Superior Offer the Superior Offer may not be accepted and the Merger Protocol may not be terminated by BinckBank. Any additional subsequent competing offer will have a 5% offer threshold and matching right for Saxo Bank. As part of the agreement, BinckBank has entered into customary undertakings not to solicit third party offers.

Indicative timetable

BinckBank and Saxo Bank will seek to obtain all necessary Regulatory Clearances as soon as possible. Both parties are confident that Saxo Bank will secure all Regulatory Clearances within the timetable applicable to the Offer.

Consultation of the BinckBank works council is already in progress. The required advice of the BinckBank works council will be requested as soon as possible.

Saxo Bank expects to submit a request for review and approval of its offer memorandum with AFM no later than the end of Q1 2019 and to publish the offer memorandum shortly after approval, in accordance with the applicable statutory timeline.

BinckBank will hold the EGM at least six business days prior to the closing of the tender offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the shareholders about the Offer and to adopt certain resolutions that are conditions to the consummation of the Offer. Based on the required steps and subject to the necessary approvals, BinckBank and Saxo Bank anticipate that the Offer will close in the third quarter of 2019.

Transaction advisors

In connection with the transaction, Saxo Bank's sole financial advisor is J.P. Morgan and its legal counsel is Allen & Overy. On behalf of BinckBank, Lazard is acting as sole financial advisor and NautaDutilh is acting as legal counsel. Rothschild & Co is acting as financial advisor and Clifford Chance is acting as legal counsel to the BinckBank supervisory board.

Other

To the extent permissible under applicable law or regulation, Saxo Bank and its affiliates may from time to time after the date hereof, and other than pursuant to the intended offer, directly or indirectly purchase, or arrange to purchase, ordinary shares in the capital of BinckBank, that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of Saxo Bank. In addition, financial advisors to Saxo Bank may also engage in ordinary course trading activities in securities of BinckBank, which may include purchases or arrangements to purchase such securities.

Press enquiries BinckBank

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Investor enquiries BinckBank

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Press enquiries Saxo Bank

Steffen Wegner Mortensen

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STEM@Saxobank.com

Investor call (webcast)

https://channel.royalcast.com/webcast/binckbankinvestors/20181217_1/

BinckBank profile

BinckBank is an online bank for investors and savers, established in the Netherlands and listed on the Euronext Amsterdam exchange. BinckBank's services are deployed from its head office in the Netherlands and its local branches in Belgium, France, and Italy, and representation in Spain. BinckBank offers services in investment, asset management and savings, and targets its services to retail customers, businesses/legal entities, and independent asset managers. An important feature of BinckBank's online services is a stable platform that gives users access to important financial markets, professional trading facilities, and analysis tools.

Saxo Bank profile

Saxo Bank is a leading Fintech specialist focused on multi-asset trading and investment and delivering 'Banking-as-a-Service' to wholesale clients. For more than 25 years, Saxo Bank's mission has been to democratize investment and trading, enabling clients by facilitating their seamless access to global capital markets through technology and expertise. As a fully licensed and regulated bank, Saxo Bank enables its direct clients to trade multiple asset classes across global financial markets from one single margin account and across multiple devices. Additionally, Saxo Bank provides wholesale institutional clients such as banks and brokers with multi-asset execution, prime brokerage services and trading technology, supporting the full value chain of wholesale partners by delivering Banking-as-a-Service (BaaS). Saxo Bank's award winning trading platforms are available in more than 20 languages and form the technology backbone of more than 100 financial institutions worldwide. Founded in 1992 and launching its first online trading platform in 1998, Saxo Bank was a Fintech even before the term was created. Headquartered in Copenhagen Saxo Bank today employs more than 1500 people in financial centers around the world including London, Paris, Zurich, Dubai, Singapore, Shanghai, Hong Kong and Tokyo.

Restrictions

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Forward Looking Statements

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Neither Saxo Bank nor BinckBank, nor any of their advisors, accepts any responsibility for any financial information contained in this press release relating to the business, results of operations or financial condition of the other or their respective groups. Each of Saxo Bank and BinckBank expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

11.4 Press release Saxo Bank dated 17 December 2018

*This is a press release by Saxo Bank A/S (**Saxo Bank**) pursuant to the provisions of Section 5 paragraphs 4 and 5 of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) (the **Decree**) in connection with the announced recommended public offer by Saxo Bank for all the issued and outstanding ordinary shares in the capital of BinckBank N.V. (**BinckBank**). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

Saxo Bank acquires ordinary shares in BinckBank

Copenhagen, 17 December 2018 – Saxo Bank announces that today it conducted transactions in BinckBank shares

Reference is made to the joint press release by Saxo Bank and BinckBank regarding the announcement of the recommended all-cash public offer for all BinckBank shares (the **Shares**) dated 17 December 2018 (the **Offer**).

Pursuant to the provisions of Section 5 paragraphs 4 and 5 of the Decree, Saxo Bank announces that today Saxo Bank conducted transactions in ordinary shares of BinckBank or securities that are convertible into, exchangeable for or exercisable for such shares, the details of which are stated below.

Date	Transaction type	Total number Shares	Type of Shares	Volume weighted average price (€)
17 December 2018	Purchase	518,503	Ordinary	6.15

The highest price per BinckBank ordinary share paid in a transaction conducted on 17 December 2018 was EUR 6.18 per ordinary BinckBank share.

Following the transactions set out above, Saxo Bank and its affiliates acquired a total of 518,503 ordinary shares in BinckBank, representing 0.77% of the issued share capital of BinckBank and 0.78% of the issued and outstanding share capital of BinckBank.

Other

To the extent permissible under applicable law or regulation, Saxo Bank and its affiliates may from time to time after the date hereof, and other than pursuant to the intended offer, directly or indirectly purchase, or arrange to purchase, ordinary shares in the capital of BinckBank, that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of Saxo Bank. In addition, financial advisors to Saxo Bank may also engage in ordinary course trading activities in securities of BinckBank, which may include purchases or arrangements to purchase such securities.

Press enquiries Saxo Bank

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Saxo Bank profile

Saxo Bank is a leading Fintech specialist focused on multi-asset trading and investment and delivering 'Banking-as-a-Service' to wholesale clients. For more than 25 years, Saxo Bank's mission has been to democratize investment and trading, enabling clients by facilitating their seamless access to global capital markets through technology and expertise. As a fully licensed and regulated bank, Saxo Bank enables its direct clients to trade multiple asset classes across global financial markets from one single margin account and across multiple devices. Additionally, Saxo Bank provides wholesale institutional clients such as banks and brokers with multi-asset execution, prime brokerage services and trading technology, supporting the full value chain of wholesale partners by delivering Banking-as-a-Service (BaaS). Saxo Bank's award winning [trading platforms](#) are available in more than 20 languages and form the technology backbone of more than 100 financial institutions worldwide. [Founded in 1992](#) and launching its first online trading platform in 1998, Saxo Bank was a Fintech even before the term was created. Headquartered in Copenhagen Saxo Bank today employs more than 1500 people in financial centers around the world including London, Paris, Zurich, Dubai, Singapore, Shanghai, Hong Kong and Tokyo.

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Forward Looking Statements

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without unexpected delays or conditions, Saxo Bank's ability to successfully operate BinckBank without disruption to its other business activities, Saxo Bank's ability to achieve the anticipated results from the acquisition of BinckBank, the effects of competition (in particular the response to the Offer in the marketplace), economic conditions in the global markets in which Saxo Bank and BinckBank operate, and other factors that can be found in Saxo Bank's and BinckBank's press releases and public filings.

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11.5 Four weeks announcement dated 14 January 2019

*This is a joint press release by BinckBank N.V. (**BinckBank**) and Saxo Bank A/S (**Saxo Bank**), pursuant to the provisions of Section 7 Paragraph 1 sub a of the Decree on Public Takeover Bids (Besluit openbare biedingen Wft) (the **Decree**) in connection with the intended public offer by Saxo Bank for all the issued and outstanding shares in the capital of BinckBank. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

Update on the intended offer by Saxo Bank for BinckBank

Amsterdam, the Netherlands / Copenhagen, Denmark – 14 January 2019

Reference is made to the joint press release by BinckBank and Saxo Bank dated 17 December 2018 in respect of the intended recommended public offer to be made by Saxo Bank for all the entire issued and outstanding share capital of BinckBank at an offer price of EUR 6.35 in cash per share (cum dividend) (the **Offer**).

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, requiring a public announcement including a status update regarding an intended public offer within four weeks following its announcement, BinckBank and Saxo Bank hereby provide this joint update on the Offer.

BinckBank and Saxo Bank confirm that they are making good progress on the preparation for the Offer. Saxo Bank expects to submit a request for review and approval of the offer document in relation to the Offer with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) early February 2019, which is before the applicable deadline under Dutch law.

In addition, BinckBank and Saxo Bank confirm that the process to obtain the required regulatory clearances for the Offer is proceeding. Based on the required steps and subject to the necessary approvals, BinckBank and Saxo Bank anticipate that the Offer will close at the end of the second quarter or in the first half of the third quarter of 2019.

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12. DUTCH LANGUAGE SUMMARY

Dit hoofdstuk 12 is de Nederlandse samenvatting van het Biedingsbericht dat is uitgegeven ter zake van het openbaar bod dat door de Bieder is uitgebracht op alle aandelen in het geplaatste en uitstaande kapitaal van BinckBank met inachtneming van de voorwaarden zoals beschreven in het Biedingsbericht.

De gedefinieerde termen in dit hoofdstuk 12 van het Biedingsbericht hebben de betekenis die daaraan is gegeven in hoofdstuk 12.2. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen omtrent het Bod.

Het lezen van deze Nederlandse samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Bod. Daarnaast wordt Aandeelhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst.

12.1 Belangrijke informatie

Het uitbrengen van het Bod, de algemeenverkrijgbaarstelling van het Biedingsbericht, inclusief deze Nederlandse samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie hoofdstukken 2 (Restrictions) en 3 (Important information) van het Biedingsbericht. Het Bod wordt direct noch indirect gedaan in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. De Bieder, Saxo Bank, BinckBank en hun respectievelijke adviseurs aanvaarden geen enkele aansprakelijkheid ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in het Biedingsbericht.

De informatie en verklaringen opgenomen in de hoofdstukken 1 tot en met 6 (met uitzondering van de informatie opgenomen in de hoofdstukken 6.8 tot en met 6.11), 8, 9(b), 9(d), 10, 12 en 14 van het Biedingsbericht zijn uitsluitend door de Bieder en Saxo Bank verstrekt. De informatie opgenomen in de hoofdstukken 6.8, 6.9, 7, 9(e) en 13 van het Biedingsbericht is uitsluitend door BinckBank verstrekt. De informatie opgenomen op het voorblad, op de pagina's 1 en 2 en in de hoofdstukken 6.10, 6.11, 9 (opening), 9(a), 9(c), 11 en 15 is door de Bieder, Saxo Bank en BinckBank gezamenlijk verstrekt.

Uitsluitend de Bieder, Saxo Bank en BinckBank zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder, Saxo Bank en BinckBank verklaren ieder afzonderlijk ten aanzien van de informatie die door henzelf in het Biedingsbericht is verstrekt, en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat de informatie in het Biedingsbericht, voor zover hen redelijkerwijs bekend kan zijn, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

De informatie opgenomen in hoofdstuk 13 (Financial information BinckBank) is door BinckBank verkregen van de gecontroleerde jaarrekening voor de boekjaren 2018, 2017, 2016 en 2015 zoals gepubliceerd in de jaarverslagen van BinckBank voor 2018, 2017, 2016 en 2015, respectievelijk, en zoals verder toegelicht in hoofdstuk 13 (Financial information BinckBank). Het accountantsverslag opgenomen in hoofdstuk 13.6 (Independent auditor's report of Deloitte on the selected consolidated financial information of BinckBank) voor de boekjaren 2017, 2016 en 2015 en de controleverklaring opgenomen in hoofdstuk 13.7 (Financial statements for the financial year 2018 including independent auditor's report of Deloitte) van dit Biedingsbericht zijn door BinckBank verkregen van Deloitte, de onafhankelijke accountant van BinckBank.

BinckBank bevestigt dat de informatie opgenomen in de hoofdstukken 13.3, 13.4 en 13.5 naar zijn beste weten op accurate wijze is gereproduceerd en dat geen feiten zijn weggelaten die ervoor zouden zorgen dat de gereproduceerde informatie niet accuraat of misleidend zou zijn.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

ABN AMRO Bank N.V. is door de Bieder benoemd als Omwissel- en Betaalkantoor voor het Bod, op de voorwaarden zoals opgenomen in de agentovereenkomst. Zowel het Omwissel- en Betaalkantoor als haar directeurs, bestuurders, werknemers en agenten geven geen garantie of verklaring over de nauwkeuringheid, volledigheid of redelijkheid van de informatie of de meningen beschreven of opgenomen via verwijzing in dit Biedingsbericht of over enige andere verklaring gemaakt of beweerdelijk gemaakt door zichzelf of namens zichzelf in verband met het Bod dat is uiteengezet in dit Biedingsbericht. Daarom wijst het Omwissel- en Betaalkantoor alle aansprakelijkheid af, voortvloeiend uit een onrechtmatige daad, overeenkomst of anderszins, in verband met dit Biedingsbericht of andere dergelijke verklaringen.

12.2 Nederlandse definities

Aanbeveling	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.12;
Aandeelhouder(s)	betekent houder(s) van één of meer Aandelen;
Algemene Vergadering	betekent de algemene vergadering van BinckBank die in overeenstemming met artikel 18 lid 1 van het Bob zal worden gehouden om 13:00 uur CET op 23 april 2019 ten kantore van BinckBank op de Barbara Strozilaan 310, 1083 HN Amsterdam;
Aandelen	betekent de Gewone Aandelen en de Prioriteitsaandelen;
Aangemelde Aandelen	betekent elk Aandeel dat voorafgaand aan of op de Uiterste Dag van Aanmelding op juiste wijze is aangemeld (of op onjuiste wijze indien de Bieder de Aanmelding desalniettemin heeft aanvaard) en dat niet is ingetrokken onder het Bod;
Aangesloten Instelling	betekent de tot Euronext Amsterdam aangesloten instellingen;

Aanmelding	betekent de aanmelding van Aandelen door de Aandeelhouders ter aanvaarding van het Bod;
Aanmeldingstermijn	betekent de periode gedurende welke de Aandeelhouders hun Aandelen kunnen aanmelden bij de Bieder, beginnend om 09:00 uur CET, op 13 maart 2019 en eindigend om 17:40 uur CET, op de Uiterste Dag van Aanmelding;
Acceptatievoorwaarde	heeft de betekenis die daaraan wordt gegeven in hoofdstuk 12.8(a)(i);
AFM	betekent de Stichting Autoriteit Financiële Markten;
Besluit tot Fusie na de Uiterste Dag van Aanmelding	heeft de betekenis die aan "Post-Closing Merger Resolution" is gegeven in hoofdstuk 6.27(b)(iv);
Besluiten	heeft de betekenis die aan "Resolutions" is gegeven in hoofdstuk 6.27(b);
Bieder	betekent Star Bidco B.V., een besloten vennootschap opgericht naar Nederlands recht, met statutaire zetel te Amsterdam, Nederland en kantoorhoudende te Prins Bernhardplein 200, 1097 JB, Amsterdam, Nederland en geregistreerd bij de Kamer van Koophandel onder nummer 73878456;
Bieder Groep	betekent de Bieder en de aan haar Verbonden Partijen;
Biedingsbericht	betekent dit biedingsbericht dat de voorwaarden en beperkingen beschrijft die van toepassing zijn op het Bod, waarvan de Standpuntbepaling geen deel uitmaakt;
Biedprijs	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.5;
BinckBank	betekent BinckBank N.V., een naamloze vennootschap opgericht naar Nederlands recht, met statutaire zetel te Amsterdam, Nederland en kantoorhoudende te Barbara Strozzi laan 310, 1083 HN Amsterdam, Nederland en geregistreerd bij de Kamer van Koophandel onder nummer 33162223;
BinckBank Besturen	betekent de Raad van Bestuur en Raad van Commissarissen gezamenlijk;
BinckBank Groep	betekent BinckBank en de aan haar Verbonden Partijen;
BinckBank Holdco	betekent BinckBanks directe 100% dochteronderneming BinckBank Holdco B.V.;
Bob	betekent Besluit openbare biedingen Wft;
Bod	betekent het bod zoals in het Biedingsbericht beschreven;
CET	betekent Central European Time;
Combinatie	betekent de integratie van de onderneming van Saxo Bank en de

	onderneming van BinckBank;
Dag van Gestanddoening	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.9(c);
Dag van Overdracht	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.9(e);
Deloitte	betekent Deloitte Accountants B.V.;
Euronext Amsterdam	betekent de beurs van Euronext Amsterdam, de gereguleerde markt van Euronext Amsterdam N.V.;
Fusie en Ontbinding na de Uiterste Dag van Aanmelding	heeft de betekenis die aan "Post-Closing Merger and Liquidation" is gegeven in hoofdstuk 6.13(c);
Fusie na de Uiterste Dag van Aanmelding	heeft de betekenis die aan "Post-Closing Merger" is gegeven in hoofdstuk 6.13(c);
Fusieovereenkomst	betekent de fusieovereenkomst tussen Saxo Bank en BinckBank zoals overeengekomen op 16 december 2018;
Gewone Aandelen	betekent de geplaatste en uitstaande gewone aandelen in het aandelenkapitaal van BinckBank, elk met een nominale waarde van EUR 0,10;
Initiële Aankondiging	betekent de gezamenlijke openbare mededeling van Saxo Bank en BinckBank van de voorwaardelijke overeenstemming over het Bod d.d. 17 december 2018;
Lazard	betekent Lazard B.V.;
Long Stop Date	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.8(d);
Maatregelen na de Uiterste Dag van Aanmelding	heeft de betekenis die aan "Post-Closing Measures" is gegeven in hoofdstuk 6.13(d);
Materieel Nadelig Effect	heeft de betekenis die aan "Material Adverse Effect" is gegeven in hoofdstuk 4;
Minderheidsaandeelhouders	betekent houders van Aandelen die niet zijn aangemeld op grond van het Bod of in de Na-aanmeldingstermijn;
Na-aanmeldingstermijn	betekent een periode van twee weken na afloop van de Aanmeldingstermijn gedurende welke Aandeelhouders die hun Aandelen nog niet hebben aangemeld onder het Bod de kans wordt gegeven dit alsnog te doen, op dezelfde wijze en onder dezelfde voorwaarden als opgenomen in het Biedingsbericht;
Nadelige Verandering van de Aanbeveling	heeft de betekenis die aan "Adverse Recommendation Change" is gegeven in hoofdstuk 4;
Niet-Financiële Convenanten	heeft de betekenis die aan "Non-Financial Covenants" is gegeven in hoofdstuk 6.20;
Omwissel- en Betaalkantoor	betekent ABN AMRO Bank N.V.;

Ondernemingsraad	betekent de ondernemingsraad van BinckBank;
Onherroepelijke Toezegging van de Stichting	heeft de betekenis die aan "Foundation Irrevocable Undertaking" is gegeven in hoofdstuk 6.10;
Overdracht	betekent de afwikkeling van het Bod, inhoudende de levering van de Aandelen tegen betaling van de Biedprijs door de Bieder aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, indien de Bieder zulke Aandelen desalniettemin aanvaardt) en geleverd onder het Bod en niet op een geldige wijze zijn ingetrokken;
Peildatum	betekent 14 december 2018, de laatste Werkdag voor de Initiële Aankondiging;
Prioriteitsaandelen	betekent de geplaatste en uitstaande prioriteitsaandelen in het aandelenkapitaal van BinckBank, elk met een nominale waarde van EUR 0,10;
Raad van Bestuur	betekent de raad van bestuur van BinckBank;
Raad van Commissarissen	betekent de raad van commissarissen van BinckBank;
Rothschild & Co	betekent N.M. Rothschild & Sons Ltd.;
Ruilverhouding	heeft de betekenis die aan "Exchange Ratio" is gegeven in hoofdstuk 6.13(c);
Saxo Bank	betekent Saxo Bank A/S, een naamloze vennootschap (<i>Aktieselskab</i>) opgericht naar Deens recht en kantoorhoudende te Philip Heymans Alle 15, 2900, Hellerup, Denemarken en geregistreerd bij het Deense handelsregister onder nummer 15731249;
Standpuntbepaling	betekent de standpuntbepaling van BinckBank, die geen onderdeel uitmaakt van het Biedingsbericht;
Stichting	betekent Stichting Prioriteit Binck;
Superieur Bod	heeft de betekenis die aan "Superior Offer" is gegeven in hoofdstuk 6.24;
Toepasselijke Regelgeving	betekent alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke bepalingen van en alle nadere regelgeving en beleidsregels die zijn vastgesteld of anderszins gelding hebben krachtens de Wft, de Europese Verordening marktmisbruik (596/2014), het Bob, de beleidsregels en instructies van de AFM, de Wet op de ondernemingsraden, het SER-Besluit Fusiegedragsregels 2000, de regelgeving en beleidsregels van Euronext Amsterdam, en voor zover van toepassing, het Burgerlijk Wetboek, en de relevante effecten- en medezeggenschapsregelgeving in andere relevante jurisdicties en relevante mededingingswetgeving;

Toezichthouder	heeft de betekenis die aan "Regulatory Authority" is gegeven in hoofdstuk 4;
Toezichtrechtelijke Biedingsgoedkeuringen	heeft de betekenis die aan "Regulatory Offer Clearances" is gegeven in hoofdstuk 4;
Toezichtrechtelijke Fusiegoedkeuringen	heeft de betekenis die aan "Regulatory Merger Clearances" is gegeven in hoofdstuk 4;
Toezichtrechtelijke Goedkeuringen	betekent de Toezichtrechtelijke Biedingsgoedkeuringen en de Toezichtrechtelijke Fusiegoedkeuringen;
Transacties	betekent het Bod, evenals de transacties die daarmee samenhangen zoals uiteengezet in de Fusieovereenkomst, met inbegrip van, voor zover van toepassing, de Uitkoopprocedure en de Fusie en Ontbinding na de Uiterste Dag van Aanmelding;
Uiterste dag van Aanmelding	betekent de tijd en datum waarop het Bod afloopt, zijnde om 17:40 uur CET, op 22 mei 2019, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob, in welk geval de Uiterste Dag van Aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt;
Uitkering	heeft de betekenis die daaraan is gegeven in hoofdstuk 12.5;
Uitkoopprocedure	heeft de betekenis die aan "Buy-Out" is gegeven in hoofdstuk 6.13(b);
Voorwaarden	betekent de opschortende voorwaarden waarvan de verplichting van de Bieder het Bod gestand te doen afhankelijk is gesteld zoals uiteengezet in hoofdstuk 12.8;
Verbonden Partijen	betekent in relatie tot the Bieder, Saxo Bank en/of BinckBank, een directe of indirecte dochtermaatschappij of moedervervennootschap van de Bieder, Saxo Bank en/of BinckBank en een directe of indirecte dochtermaatschappij van een dergelijk moedervervennootschap, in ieder geval van tijd tot tijd;
Verkoop van Aandelen	heeft de betekenis die aan "Share Sale" is gegeven in hoofdstuk 6.13(c);
Verkoop van Aandelen Prijs	heeft de betekenis die aan "Share Sale Price" is gegeven in hoofdstuk 6.13(c);
Werkdag(en)	betekent een dag anders dan een zaterdag of zondag waarop banken in Nederland en Euronext Amsterdam open zijn; en
Wft	betekent Wet op het financieel toezicht.

12.3 Uitnodiging aan de Aandeelhouders

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in de hoofdstukken 2 (Restrictions) en 3 (Important information) van het Biedingsbericht worden Aandeelhouders uitgenodigd om hun Aandelen aan te bieden op de wijze en onder de voorwaarden zoals in dit Biedingsbericht beschreven.

12.4 Het Bod

De Bieder brengt het Bod uit om alle Aandelen te verwerven van de Aandeelhouders, onder de voorwaarden en conform de bepalingen en beperkingen zoals opgenomen in het Biedingsbericht. Op voorwaarde dat het Bod gestand wordt gedaan, zullen de Aandeelhouders de Biedprijs per Aangemeld Aandeel ontvangen.

De Biedprijs vertegenwoordigt:

- (a) een premie van 35% ten opzichte van de slotkoers per Gewoon Aandeel op Euronext Amsterdam op de Peildatum;³
- (b) een premie van 42% ten opzichte van de gemiddelde slotkoers per Gewoon Aandeel op Euronext Amsterdam gedurende een periode van een maand eindigend op de Peildatum;
- (c) een premie van 43% ten opzichte van de gemiddelde slotkoers per Gewoon Aandeel op Euronext Amsterdam gedurende een periode van twee maanden eindigend op de Peildatum;
- (d) een premie van 38% ten opzichte van de gemiddelde slotkoers per Gewoon Aandeel op Euronext Amsterdam gedurende een periode van drie maanden eindigend op de Peildatum;
- (e) een premie van 33% ten opzichte van de gemiddelde slotkoers per Gewoon Aandeel op Euronext Amsterdam gedurende een periode van twaalf maanden eindigend op de Peildatum; en
- (f) een premie van 40% ten opzichte van de mediaan van de koersdoelen van analisten op de Peildatum (mediaan van EUR 4,55).

Ter vergelijking, de mediaan van de premie betaald over de onaangetaste aandelenkoers is 43% gedurende een maand en 34% gedurende een dag bij openbare biedingen op 100% van de aandelen van vennootschappen genoteerd aan Euronext Amsterdam met een nettovermogenswaarde van EUR 450 miljoen of meer en die werden aangekondigd in een periode van vijf jaar voorafgaand aan de Peildatum. De slotkoers gedurende een maand en een dag is gebaseerd op de aankondiging van de transactie of, indien eerder, materiële, publieke speculatie omtrent een transactie, indien van toepassing. Geselecteerde transacties zijn: Refresco – PAI Partners consortium; Gemalto – Thales; Delta Lloyd – NN Group; USG People – Recruit; Ten Cate – Gilde consortium; TNT Express – FedEx; Exact – Apax Partners; en Nutreco – SHV.

12.5 Biedprijs

Voor elk aangemeld Aandeel biedt de Bieder een vergoeding van EUR 6,35 cum dividend in contanten (de **Biedprijs**).

Indien enige dividenduitkering of andere uitkering op de Aandelen (elk een Uitkering en tezamen de Uitkeringen) wordt vastgesteld door BinckBank (waarbij de record date die bepalend is voor gerechtigheid tot een dergelijke Uitkering gelegen is tussen 16 december 2018 en de Dag van

³ De slotkoers van de Gewone Aandelen op de Peildatum is EUR 4,72, volgens Bloomberg.

Overdracht), zal de Biedprijs worden verminderd met het volledige bedrag van een dergelijke Uitkering gedaan door BinckBank per Aandeel (vóór toepassing van enige relevante heffingen).

Elke aanpassing van de Biedprijs ten gevolge van een Uitkering vastgesteld door BinckBank zal door middel van een persbericht in overeenstemming met hoofdstuk 5.13 (Announcements) van het Biedingsbericht kenbaar worden gemaakt.

12.6 Rationale van het Bod

De online handels- en beleggingssector staat momenteel voor verschillende uitdagingen, waaronder uitdagende concurrentie, toegenomen regelgeving, lage rentestanden, de noodzaak aanzienlijke investeringen te doen in technologie en veranderend klantgedrag. Een dergelijke dynamiek vergt proactieve en doortastende strategische maatregelen. Schaalgrootte, diversificatie, geavanceerde technologie, vastberaden klantfocus en een breed aanbod worden belangrijker dan ooit om klant- en aandeelhouderswaarde te realiseren.

Beide partijen zijn ervan overtuigd dat een combinatie tussen BinckBank en Saxo Bank een krachtig antwoord biedt op de dynamiek in de markt en verschillende strategische voordelen oplevert, waaronder:

- (a) sterke culturele overeenkomsten met een gedeeld doel om handelen en beleggen te democratiseren en een visie gefundeerd op service aan klanten, transparantie, eenvoud en innovatie;
- (b) uitstekende complementariteit wat betreft de geografische spreiding, het productaanbod, en de klantenbestanden, die het volledige spectrum van retail klanten bestrijken van mass retail tot high-end;
- (c) combinatie van het vooraanstaande technologieplatform en productaanbod Saxo Bank en BinckBank's grote klantenbestanden en gedegen distributiemogelijkheden;
- (d) een beter gebalanceerde mix van inkomsten wat betreft de balancing netto rente-inkomsten, fee & commissie inkomsten en spread inkomsten van de gecombineerde onderneming;
- (e) verbeterde schaalvoordelen in een tijd waarin de noodzaak om in technologie te investeren alsook de kosten van toezicht toenemen; en
- (f) verbeterde carrièrekansen voor werknemers in een grotere, modernere, digitaal georiënteerde en internationale financiële dienstengroep.

12.7 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 van het Bob, heeft Saxo Bank in de Initiële Aankondiging aangekondigd over voldoende middelen te beschikken om het Bod te financieren. De Biedprijs zal door Saxo Bank worden gefinancierd uit haar beschikbare contante middelen en door financiering met eigen vermogen ter waarde van EUR 100 miljoen. Verwezen wordt naar hoofdstuk 11 (Press releases).

12.8 Voorwaarden, afstand en vervulling

- (a) Voorwaarden

Niettegenstaande de andere bepalingen met betrekking tot het Bod, is de verplichting van de Bieder om het bod gestand te doen afhankelijk van of wordt voldaan aan de volgende opschortende

voorwaarden of, voor zover van toepassing, daarvan afstand is gedaan, op of voorafgaand aan de Long Stop Date:

- (i) het totale aantal Aangemelde Aandelen, tezamen met (i) de Aandelen rechtstreeks of niet rechtstreeks gehouden door de Bieder of een van haar Verbonden Partijen, (ii) Aandelen die schriftelijk tot verkoop aan de Bieder of haar Verbonden Partijen zijn toegezegd en (iii) Aandelen waartoe de Bieder of haar Verbonden Partijen gerechtigd is (gekocht maar nog niet geleverd), vertegenwoordigt ten minste de Acceptatievoorwaarde,

waarbij **Acceptatievoorwaarde** een van de volgende betekenissen heeft:

- (A) 95% van BinckBanks geplaatst en uitstaand gewoon kapitaal op basis van volledige verwatering op de Uiterste Dag van Aanmelding; of
 - (B) 80% van BinckBanks geplaatst en uitstaand gewoon kapitaal op basis van volledige verwatering op de Uiterste Dag van Aanmelding indien (i) aan de Voorwaarde in hoofdstuk 12.8(a)(xiii) is voldaan of Saxo Bank van deze Voorwaarde afstand heeft gedaan en (ii) het Besluit tot Fusie na de Uiterste Dag van Aanmelding volledig van kracht is op de Uiterste Dag van Aanmelding;
- (ii) BinckBank heeft op of voorafgaand aan de Uiterste Dag van Aanmelding geen inbreuk gemaakt op enige bepaling uit de Fusieovereenkomst, voor zover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor BinckBank, Saxo Bank, de Bieder of het Bod en (ii) niet kan worden hersteld (voor zover noodzakelijk) binnen tien Werkdagen na ontvangst door BinckBank van een schriftelijke aanmaning van de Bieder (of, indien eerder, op of voorafgaand aan de Long Stop Date) of niet is hersteld (voor zover noodzakelijk) binnen tien Werkdagen na ontvangst door BinckBank van een schriftelijke aanmaning van de Bieder (of, indien eerder, op of voorafgaand aan de Long Stop Date);
 - (iii) zowel Saxo Bank als de Bieder heeft op of voorafgaand aan de Uiterste Dag van Aanmelding geen inbreuk gemaakt op enige bepaling uit de Fusieovereenkomst, voor zover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor BinckBank, Saxo Bank, de Bieder of het Bod en (ii) niet kan worden hersteld (voor zover noodzakelijk) binnen tien Werkdagen na ontvangst door Saxo Bank van een schriftelijke aanmaning van de BinckBank (of, indien eerder, op of voorafgaand aan de Dag van Gestanddoening) of niet is hersteld (voor zover noodzakelijk) door Saxo Bank binnen tien Werkdagen na ontvangst door Saxo Bank van een schriftelijke aanmaning van BinckBank (of, indien eerder, op of voorafgaand aan de Long Stop Date);
 - (iv) er heeft zich geen Nadelige Verandering van de Aanbeveling voorgedaan op of voorafgaand aan de Dag van Gestanddoening anders dan als toegestaan onder de Fusieovereenkomst, zoals opgenomen in dit Biedingsbericht;
 - (v) er heeft zich op of voorafgaand aan de Dag van Gestanddoening geen Materieel Nadelig Effect voorgedaan welke voortduurt op de Dag van Gestanddoening;
 - (vi) er is geen Superieur Bod aangekondigd zoals bedoeld in artikel 5 lid 1 van het Bob of uitgebracht in overeenstemming met artikel 10 van het Bob op of voorafgaand aan de Dag van Gestanddoening;
 - (vii) geen derde partij die niet aan Saxo Bank is gelieerd (i) is op of voorafgaand aan de Dag van Gestanddoening verplicht een verplicht bod uit te brengen en heeft dit aangekondigd in overeenstemming met artikel 5 lid 3 Bob, of (ii) heeft op of voorafgaand aan de Dag van

Gestanddoening een verplicht bod uitgebracht op grond van artikel 5:70 Wft voor alle Aandelen van BinckBank tegen een prijs die minstens gelijk is aan de Biedprijs;

- (viii) de handel in Aandelen op Euronext Amsterdam is op of voorafgaand aan de Dag van Gestanddoening niet opgeschort of beëindigd als gevolg van een noteringsmaatregel genomen door Euronext Amsterdam overeenkomstig artikel 6901/02 of enige andere relevante bepaling van het Euronext Rulebook I (Geharmoniseerde Regels);
- (ix) er is op of voorafgaand aan de Dag van Gestanddoening geen mededeling ontvangen van de AFM, waarin wordt gesteld dat ingevolge artikel 5:80 lid 2 van de Wft, betrokken beleggingsondernemingen niet zouden mogen meewerken aan het Bod;
- (x) alle Toezichtrechtelijke Biedingsgoedkeuringen zijn verkregen op of voorafgaand aan de Uiterste Dag van Aanmelding;
- (xi) alle Toezichtrechtelijke Fusiegoedkeuringen zijn verkregen op of voorafgaand aan de Uiterste Dag van Aanmelding;
- (xii) de Onherroepelijke Toezegging van de Stichting is volledig van kracht op de Uiterste Dag van Aanmelding en alle relevante partijen handelen geheel in overeenstemming hiermee;
- (xiii) op of voorafgaand aan de Dag van Gestanddoening is geen bevel, aanhouding, uitspraak of vonnis uitgevaardigd door enige rechtbank, arbitraal college, regering, overheidsinstantie of andere toezichthoudende of administratieve instantie, en van kracht, of enige wet, regel, wetgeving, overheidsaanwijzing of maatregel uitgevaardigd (al dan niet tijdelijk, voorwaardelijk of permanent), van kracht welke het afronden van het Bod in overeenstemming met de Fusieovereenkomst, de Fusie na de Uiterste Dag van Aanmelding en/of de overige Transacties op enige wezenlijke wijze verbiedt of vertraagt of redelijkerwijs mogelijk verbiedt of vertraagt.

(b) Afstand

De Voorwaarden (met uitzondering van de Voorwaarde uiteengezet in paragrafen (iii), (ix), (x), (xi) en (xiii) van hoofdstuk 12.8(a) zijn uitsluitend opgenomen ten behoeve van de Bieder en hiervan mag te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door de Bieder, door middel van een schriftelijke kennisgeving aan BinckBank, met dien verstande dat voor de afstand van de Voorwaarde uiteengezet in paragraaf (i) van hoofdstuk 12.8(a) is vereist dat de BinckBank Besturen voorafgaande schriftelijke toestemming geven (welke niet onredelijk zal worden onthouden of vertraagd) in het geval dat de Aangemelde Aandelen tezamen met (i) de Aandelen rechtstreeks of niet rechtstreeks gehouden door de Bieder of een van haar Verbonden Partijen, (ii) Aandelen die schriftelijk tot verkoop aan de Bieder of haar Verbonden Partijen zijn toegezegd en (iii) Aandelen waartoe de Bieder gerechtigd is (gekocht maar nog niet geleverd), maar (iv) met uitzondering van Aandelen die worden gehouden door BinckBank op de Uiterste Dag van Aanmelding minder bedraagt dan 67% van BinckBanks geplaatst en uitstaand gewoon kapitaal op basis van volledige verwatering.

De Voorwaarde uiteengezet in paragraaf (iii) van hoofdstuk 12.8(a) is uitsluitend opgenomen ten behoeve van BinckBank en hiervan mag te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door de BinckBank, door middel van een schriftelijke kennisgeving aan Saxo Bank.

De Voorwaarden uiteengezet in paragrafen (x), (xi) en (xiii) van hoofdstuk 12.8(a) zijn opgenomen ten behoeve van Saxo Bank, De Bieder en BinckBank en hiervan mag alleen door middel van een schriftelijke kennisgeving (geheel of gedeeltelijk) afstand worden gedaan door Saxo Bank, de Bieder en BinckBank gezamenlijk.

Van de Voorwaarde uiteengezet in paragraaf (ix) van hoofdstuk 12.8(a) kan geen afstand worden gedaan.

In het geval dat de Aangemelde Aandelen tezamen met (i) de Aandelen rechtstreeks of niet rechtstreeks gehouden door de Bieder of een van haar Verbonden Partijen, (ii) Aandelen die schriftelijk tot verkoop aan de Bieder of haar Verbonden Partijen zijn toegezegd en (iii) Aandelen waartoe de Bieder of Saxo Bank gerechtigd is (gekocht maar nog niet geleverd) meer dan 95% van BinckBanks geplaatst en uitstaand gewoon kapitaal op basis van volledige verwatering vertegenwoordigen op de Uiterste Dag van Aanmelding, zal van de Voorwaarden uiteengezet in paragrafen (xi) en (xiii) van hoofdstuk 12.8(a) automatisch afstand worden gedaan voor zover de relevante overheidsaanwijzing of uitspraak enkel betrekking heeft op de Fusie na de Uiterste Dag van Aanmelding.

Saxo Bank en BinckBank mogen zich er niet op beroepen dat een Voorwaarde niet is vervuld indien die niet-vervulling van (een) dergelijke Voorwaarde(n) veroorzaakt is door een inbreuk van diezelfde partij op enige van haar verplichtingen uit de Fusieovereenkomst.

(c) Vervulling

Overeenkomstig de in artikel 12 lid 2 van het Bob opgenomen verbodsbepaling hangt de vervulling van elk van de Voorwaarden niet af van de wil van de Bieder.

Ten aanzien van Voorwaarde uiteengezet in paragraaf (v) van hoofdstuk 12.8(a) zijn de Bieder en BinckBank een bindend advies procedure overeengekomen, voor het geval dat de Bieder meent dat de Voorwaarde niet is vervuld en BinckBank het daar niet mee eens is.

Zowel Saxo Bank, de Bieder als BinckBank zal zijn uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Saxo Bank zal de primaire verantwoordelijkheid dragen om, met behulp van haar adviseurs, de Toezichtrechtelijke Goedkeuringen te verkrijgen. Een Toezichtrechtelijke Goedkeuring wordt geacht te zijn verleend indien de relevante Toezichthouder een goedkeuring verleent welke afhankelijk is gesteld van een of meer voorwaarden, tenzij de aanvaarding of naleving van dergelijke voorwaarden een materieel negatieve effect zou hebben op de Bieder Groep (die in dit geval ook de BinckBank Groep omvat) en/of de BinckBank Groep. Verwezen wordt naar hoofdstuk 6.7 (Background of the Regulatory Clearances) voor meer informatie omtrent de Toezichtrechtelijke Goedkeuringen.

(d) Long Stop Date

De Voorwaarden moeten zijn voldaan of, voor zover van toepassing, daarvan moet afstand zijn gedaan op of voorafgaand aan de Long Stop Date. De Long Stop Date is 17 december 2019, met dien verstande dat als de Toezichtrechtelijke Goedkeuringen niet zijn verkregen voor 1 december 2019, zowel de Bieder als Binckbank de ander op of voorafgaand aan 10 december 2019 mag meedelen dat de Long Stop Date 1 april 2020 zal zijn. De Bieder, Saxo Bank en BinckBank houden zich hun recht voor om gemeenschappelijk overeen te komen de Long Stop Date verder te verlengen, in welk geval zulke verlenging aangekondigd zal worden in overeenstemming met hoofdstuk 5.13 (Announcements) en alle verwijzingen in dit Biedingsbericht naar de Long Stop Date geacht zullen worden te verwijzen naar een dergelijke verlengde Long Stop Date. Elke verlenging van de Aanmeldingstermijn na de eerste verlenging van tien weken is afhankelijk van een vrijstelling van de AFM zoals verder uiteengezet in hoofdstuk 12.9(d).

12.9 Aanmelding

(a) Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 09:00 uur, CET op 13 maart 2019 en eindigt om 17:40 uur CET, op 22 mei 2019, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met hoofdstuk 12.9(d) (Verlenging).

Indien aan alle Voorwaarden is voldaan of, voor zover van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en niet zijn ingetrokken ingevolge artikel 5b lid 5, artikel 15 leden 3 en 8 en artikel 15a lid 3 van het Bob, met inachtneming van de procedures zoals uiteengezet in hoofdstuk 12.10.

(b) Recht tot intrekking

Aandelen die zijn aangemeld op of voorafgaand aan de Uiterste Dag van Aanmelding mogen niet worden ingetrokken, behoudens het recht tot intrekking van elke aanmelding:

- (i) gedurende enige verlenging van de Aanmeldingstermijn in overeenstemming met de bepalingen in artikel 15 lid 3 van het Bob;
- (ii) na een aankondiging van een verplicht openbaar bod in overeenstemming met de bepalingen van artikel 5b lid 5 van het Bob (mits dergelijke Aandelen al aangemeld waren voorafgaand aan de aankondiging en werden ingetrokken binnen zeven Werkdagen na de aankondiging);
- (iii) na indiening van een succesvol verzoek tot het vaststellen van een redelijke prijs voor een verplicht openbaar bod in overeenstemming met de bepalingen van artikel 15 lid 8 van het Bob (mits (A) het verzoek is toegewezen, (B) dergelijke Aandelen al aangemeld waren voorafgaand aan het verzoek en (C) werden ingetrokken binnen zeven Werkdagen na de datum waarop de beslissing van de Ondernemingskamer van het gerechtshof te Amsterdam uitvoerbaar bij voorraad of onherroepelijk is geworden); of
- (iv) na de verhoging van de Biedprijs die erin resulteert dat de Biedprijs niet langer bestaat uit slechts contanten en er een document dat daaraan gerelateerd is algemeen verkrijgbaar wordt gemaakt in overeenstemming met de bepalingen in artikel 15a lid 3 van het Bob (mits dergelijke Aandelen reeds aangemeld waren voorafgaand aan het algemeen verkrijgbaar stellen van het document en werden ingetrokken binnen zeven Werkdagen nadat het document algemeen verkrijgbaar is gesteld).

(c) Gestanddoening

Het Bod wordt gedaan onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in hoofdstuk 12.8(a). Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan bij wet, zoals uiteengezet in hoofdstuk 12.8(b). Indien de Bieder, Saxo Bank, BinckBank of, indien van toepassing, zowel de Bieder, als Saxo Bank, als BinckBank, geheel of gedeeltelijk afstand doet van één of meerdere Voorwaarden in overeenstemming met het bepaalde in hoofdstuk 12.8(b), dan zal de Bieder daarvan kennis geven aan de Aandeelhouders zoals voorgeschreven door de Toepasselijke Regelgeving.

De Bieder zal niet later dan op de derde Werkdag na de Uiterste Dag van Aanmelding, zijnde de **Dag van Gestanddoening**, vaststellen of aan de Voorwaarden is voldaan dan wel daarvan afstand is gedaan als uiteengezet in hoofdstuk 12.8(b), voor zover wettelijk toegestaan. Bovendien zal de Bieder op de Dag van Gestanddoening een openbare mededeling doen inhoudende dat ofwel (i) het Bod gestand wordt gedaan, ofwel (ii) het Bod wordt verlengd in overeenstemming met artikel 15 van het Bob, ofwel (iii) het Bod wordt beëindigd omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan, alles met inachtneming van hoofdstuk 12.8(b), 12.8(c) en artikel 16 van het Bob. Indien het Bod niet gestand wordt gedaan, zal de Bieder de reden hiervan openbaar mededelen.

Indien de Bieder openbaar meedeelt het Bod gestand te doen, zal de Bieder de Aangemelde Aandelen accepteren en zal zij het Bod laten voortduren gedurende een Na-aanmeldingstermijn, zoals uiteengezet in hoofdstuk 12.9(e).

(d) Verlenging

Indien één of meer van de Voorwaarden zoals uiteengezet in hoofdstuk 12.8(a) niet is vervuld op de initiële Uiterste Dag van Aanmelding of indien hiervan geen afstand is gedaan in overeenstemming met hoofdstuk 12.8(b), dan kan de Bieder indien zij daarvoor kiest in overeenstemming met artikel 15 leden 1 en 2 van het Bob, de Aanmeldingstermijn verlengen voor een minimale periode van twee weken en een maximale periode van tien weken teneinde deze Voorwaarden in vervulling te doen gaan of daarvan afstand te doen.

Als op de initiële Uiterste Dag van Aanmelding één of meer van de Voorwaarden niet is vervuld of indien hiervan geen afstand is gedaan, mag de Bieder, zonder de toestemming van BinckBank, de Aanmeldingstermijn verlengen, met dien ten verstande dat een dergelijke verlenging van de Aanmeldingstermijn een periode zal zijn van tenminste twee weken en niet meer dan tien weken na de initiële Uiterste Dag van Aanmelding. Op grond van het Bob mag de Bieder de initiële Aanmeldingstermijn eenmaal verlengen. Voorts kan de Aanmeldingstermijn verder verlengd worden indien de omstandigheden zoals opgenomen in artikel 15 lid 5 van het Bob zich voordoen. Verdere verlengingen zijn afhankelijk van een vrijstelling van de AFM.

Indien een van de Voorwaarden niet is vervuld of daarvan geen afstand is gedaan op de Uiterste dag van Aanmelding van de verlengde Aanmeldingstermijn, wat in het bijzonder het geval kan zijn voor de Voorwaarden die betrekking hebben op de Toezichtrechtelijke Goedkeuringen, kan de Bieder één of meerdere vrijstellingen van de AFM verzoeken om de Aanmeldingstermijn verder te verlengen. Met name indien aan het einde van de Aanmeldingstermijn de Toezichtrechtelijke Goedkeuringen nog niet zijn verkregen, of indien de Toezichtrechtelijke Biedingsgoedkeuringen zijn verkregen maar het aanmeldingspercentage is minder dan 95%, kan de Aanmeldingstermijn nogmaals worden verlengd indien AFM een vrijstelling verleent zoals hieronder uiteengezet. Een dergelijke verlenging is niet nodig indien aan het einde van de Aanmeldingstermijn alle Voorwaarden zijn vervuld of daarvan afstand is gedaan behalve de Voorwaarde met betrekking tot de Toezichtrechtelijke Fusiegoedkeuringen en het aanmeldingspercentage ten minste 95% is, in welk geval automatisch afstand wordt gedaan van de Voorwaarde met betrekking tot de Toezichtrechtelijke Fusiegoedkeuringen overeenkomstig hoofdstuk 6.6(b).

Indien de Bieder besluit aan AFM een vrijstelling te verzoeken kan de Bieder, behoudens ontvangst van een dergelijke vrijstelling, de Aanmeldingstermijn verlengen tot het moment dat de Bieder redelijkerwijs verwacht nodig te hebben om de Voorwaarden te laten vervullen, maar niet tot later dan de Long Stop Date. Indien de AFM geen vrijstelling verleent terwijl niet alle Voorwaarden zijn vervuld voor het eind van de verlengde Aanmeldingstermijn (en indien van (een) dergelijke Voorwaarde(n) geen afstand is gedaan voor zover dit wettelijk is toegestaan in overeenstemming met hoofdstuk 12.8(b)), zal het Bod beëindigd worden als gevolg van het feit dat (een) dergelijke Voorwaarde(n) niet is of zijn vervuld of daarvan geen afstand is gedaan op of voorafgaand aan de Dag van Gestanddoening.

In geval van een verlenging zullen alle verwijzingen in het Biedingsbericht naar 17:40 uur, CET, op de Uiterste Dag van Aanmelding, wijzigen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn, tenzij uit de context anderszins blijkt.

Indien het Bod wordt verlengd, zodat de verplichting op grond van artikel 16 van het Bob om openbaar mede te delen of gestanddoening van het Bod wordt uitgesteld, zal een openbare mededeling in die zin uiterlijk dienen te worden gedaan op de derde Werkdag na de Uiterste Dag van Aanmelding, in overeenstemming met de bepalingen van artikel 15 leden 1 en 2 van het Bob.

Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod aflopen op de uiterste datum en tijd waarop de Bieder de Aanmeldingstermijn verlengt.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat is aangemeld en niet is ingetrokken onderworpen aan het Bod, behoudens het recht van elke Aandeelhouder om de Aandelen die hij of zij reeds heeft aangemeld in te trekken, in overeenstemming met hoofdstuk 12.9(b).

(e) Overdracht

Indien de Bieder openbaar mededeelt het Bod gestand te doen, zullen Aandeelhouders die hun Aandelen ter aanvaarding van het Bod op geldige wijze hebben aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en hun Aandelen hebben geleverd voor aanvaarding op grond van het Bod op of voorafgaand aan de Uiterste Dag van Aanmelding, binnen vijf Werkdagen volgend op de Uiterste Dag van Aanmelding (de **Dag van Overdracht**), de Biedprijs ontvangen voor elk Aangemeld Aandeel, vanaf welk moment ontbinding of vernietiging van een aanmelding of levering niet zal zijn toegestaan. Overdracht zal enkel plaatsvinden indien het Bod gestand wordt gedaan.

(f) Na-aanmeldingstermijn

Indien de Bieder openbaar mededeelt het Bod gestand te doen, zal de Bieder, in overeenstemming met artikel 17 van het Bob, binnen drie Werkdagen na de Dag van Gestanddoening een Na-aanmeldingstermijn aankondigen van twee weken, gedurende welke termijn Aandeelhouders die hun Aandelen niet hebben aangemeld gedurende de Aanmeldingstermijn alsnog hun Aandelen onder dezelfde voorwaarden als het Bod mogen aanmelden.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door haar gehouden Aandelen uiterlijk op de derde Werkdag na afloop van de Na-aanmeldingstermijn openbaar mededelen, in overeenstemming met artikel 17 lid 4 van het Bob. Tijdens een dergelijke Na-aanmeldingstermijn zal de Bieder doorgaan met het aanvaarden van alle Aandelen die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) en betaling voor dergelijke Aandelen zal plaatsvinden zo snel als redelijkerwijs mogelijk is, maar in ieder geval niet later dan op de vijfde Werkdag na afloop van de laatste dag van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders die hun Aandelen gedurende de Aanmeldingstermijn of gedurende de Na-aanmeldingstermijn op geldige wijze hebben aangemeld (of op ongeldige wijze, indien de Bieder de aanmelding desalniettemin heeft aanvaard) niet het recht om hun Aandelen in te trekken.

12.10 Aanvaarding door houders van Aandelen via Aangesloten Instellingen

Aandeelhouders die hun Aandelen houden via een Aangesloten Instelling wordt verzocht om hun Aanmelding via hun bewaarnemer, bank of commissionair niet later dan om 17:40 uur CET, op de initiële Uiterste Dag van Aanmelding kenbaar te maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig hoofdstuk 12.9(d). De bewaarnemer, bank of commissionair kan een eerdere uiterste datum vaststellen voor de communicatie door Aandeelhouders zodat de bewaarnemer, bank of commissionair voldoende tijd heeft om de Aanmelding door te geven aan het Omwissel- en Betaalkantoor.

Aangesloten Instellingen mogen de Aanmeldingen slechts indienen bij het Omwissel- en Betaalkantoor en alleen in schriftelijke vorm. Bij het indienen van de Aanmeldingen dienen Aangesloten Instelling te verklaren dat: (i) zij de aangemelde Aandelen in hun administratie hebben

opgenomen, (ii) de betrokken Aandeelhouder onherroepelijk garandeert dat (a) hij/zij zal voldoen aan alle restricties die worden genoemd in de hoofdstukken 2 (Restrictions) en 3 (Important Information) van het Biedingsbericht, en (b) zij niet (direct of indirect) zijn onderworpen aan of getroffen door enige economische of financiële sancties uitgevoerd of afgedwongen door enig orgaan van de Amerikaanse overheid, de Europese Unie of een van haar lidstaten of de Verenigde Naties, anders dan enkel uit hoofde van zijn opname in, of eigendom door een persoon opgenomen in de Amerikaanse “Sectoral Sanctions Identifications (SSI) List” of Annex III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014, zoals laatstelijk gewijzigd en (iii) zij zich verplicht om de Aangemelde Aandelen tegen ontvangst van de Biedprijs te leveren aan de Bieder op de Dag van Overdracht, onder voorwaarde dat het Bod gestand is gedaan.

Met inachtneming van artikel 5b lid 5, artikel 15 leden 3 en 8 en artikel 15a lid 3 van het Bob, zal het aanmelden van Aandelen als aanvaarding van het Bod leiden tot onherroepelijke instructies om (i) de levering van de Aangemelde Aandelen tegen te houden, zodat op of voorafgaand aan de Dag van Overdracht geen van de leveringen van de Aandelen uitgevoerd kan worden (anders dan aan het Omwissel- en Betaalkantoor op of voorafgaand aan de Dag van Overdracht indien het Bod gestand wordt gedaan en de Aandelen aanvaard zijn voor aankoop) en om (ii) de effectenrekening waarop dergelijke Aandelen worden gehouden op de Dag van Overdracht te debiteren ten aanzien van de Aangemelde Aandelen, tegen betaling bij het Omwissel- en Betaalkantoor van de Biedprijs per Aandeel.

12.11 Aanvaarding door houders van Aandelen in de vorm van aandelen aan toonder

Aandeelhouders die Aandelen in de vorm van aandelen aan toonder houden wordt verzocht om hun Aanmelding kenbaar te maken aan het Omwissel- en Betaalkantoor via de bewaarnemer, bank of commissionair waar de Aandeelhouder een bewaarrekening of bankrekening houdt.

12.12 Besluitvorming en aanbeveling van de Raad van Bestuur en de Raad van Commissarissen

Zowel de Raad van Bestuur als de Raad van Commissarissen (met en zonder aanwezigheid van de Raad van Bestuur) zijn regelmatig bijeengekomen om de ontwikkelingen, discussies, processen en voorbereidingen met betrekking tot het Bod te bespreken gedurende het proces vanaf het ontvangst van de brief van Saxo Bank waarin zij haar interesse kenbaar maakte. De Raad van Bestuur had ook regelmatig contact met De Nederlandsche Bank. Tevens werd de Ondernemingsraad op de hoogte gehouden terwijl de besprekingen met Saxo Bank vorderde richting de sluiting van de Fusieovereenkomst. De Ondernemingsraad is ook nauw betrokken geweest bij de discussies over de uitgangspunten voor een sociaal plan.

De leden van de BinckBank Besturen hebben onderzocht of er sprake is van een belangenconflict tussen een van hen en BinckBank en zij hebben vastgesteld dat dit niet het geval was.

In overeenstemming met hun verdere fiduciaire verantwoordelijkheden hebben de BinckBank Besturen, met de steun van hun financiële en juridische adviseurs, het Bod zorgvuldig en uitgebreid beoordeeld. Daarnaast hebben de BinckBank Besturen een *fairness opinion* ontvangen op 16 december 2018 van Lazard met de strekking dat op die datum en gebaseerd op en afhankelijk van hetgeen in de *fairness opinion* is opgenomen (i) de Biedprijs vanuit een financieel oogpunt *fair* is jegens de Aandeelhouders (met uitzondering van de Bieder, BinckBank of een van hun respectievelijke gelieerde ondernemingen) en (ii) de Verkoop van Aandelen Prijs in de Verkoop van Aandelen zoals uiteengezet in hoofdstuk 6.13(c) (Post-Closing Merger and Liquidation) vanuit een financieel oogpunt *fair* is jegens BinckBank Holdco. Verder heeft Rothschild & Co op 16 december 2018 een *fairness opinion* aan de Raad van Commissarissen verstrekt met de strekking dat op die datum en gebaseerd op en afhankelijk van hetgeen in de *fairness opinion* is opgenomen (i) de Biedprijs die betaald dient te worden door de Bieder en ontvangen wordt door de Aandeelhouders (met uitzondering van gewone aandelen die in het bezit zijn van de Bieder of zijn gelieerde

ondernemingen) vanuit een financieel oogpunt *fair* is, (ii) de Ruilverhouding in de Fusie na de Uiterste Dag van Aanmelding zoals uiteengezet in hoofdstuk 6.13(c) (Post-Closing Merger and Liquidation) vanuit een financieel oogpunt *fair* is jegens de Minderheidsaandeelhouders en (iii) de totale waarde van de Verkoop van Aandelen Prijs die betaald wordt als onderdeel van de Verkoop van Aandelen zoals uiteengezet in hoofdstuk 6.13(c) (Post-Closing Merger and Liquidation) vanuit een financieel oogpunt *fair* is jegens BinckBank Holdco.

Onder verwijzing naar het bovenstaande, zijn de BinckBank Besturen, na bestudering van de bepalingen en voorwaarden van de Combinatie en het Bod en alle andere acties die in de Fusieovereenkomst worden overwogen, waaronder met name de Biedprijs en de regelingen en overeenkomsten die zijn uiteengezet in de hoofdstukken 6.4 (Rationale for the Offer), 6.5 (Financing of the Offer) en 6.19 (Corporate governance and regulatory regime following Settlement) en de Niet-Financiële Convenanten, met ondersteuning van hun juridische en financiële adviseurs, en rekening houdend met de belangen van alle stakeholders van BinckBank, unaniem tot de conclusie gekomen dat het Bod in het langetermijnbelang van BinckBank, het duurzame succes van haar onderneming en haar klanten, medewerkers, aandeelhouders en andere belanghebbenden van BinckBank is. Dienovereenkomstig hebben de BinckBank Besturen unaniem besloten om (i) het Bod te steunen, (ii) de Aandeelhouders aan te bevelen het Bod te accepteren en hun Aandelen onder het Bod aan te bieden en (iii) de Aandeelhouders aan te bevelen vóór de Besluiten te stemmen (de **Aanbeveling**).

BinckBank heeft een Standpuntbepaling opgesteld in overeenstemming met artikel 18 van het Bob, waarin de Aanbeveling uiteen wordt gezet. De volledige tekst van elk van de *fairness opinions*, met daarin de voorwaarden, de gevolgde procedures, de overwogen zaken en beperkingen met betrekking tot elk van de *fairness opinions*, is opgenomen in de Standpuntbepaling.

De BinckBank Besturen kunnen de Aanbeveling alleen intrekken, wijzigen of kwalificeren zoals uiteengezet in hoofdstuk 6.24 (Superior Offer).

Meer informatie is opgenomen in de Standpuntbepaling.

12.13 De gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering

De aankoop van Aandelen door de Bieder op grond van het Bod zal onder andere het aantal Aandeelhouders en het aantal Aandelen dat onder andere omstandigheden publiekelijk zou worden verhandeld verminderen. Als gevolg daarvan zal de liquiditeit en mogelijk de marktwaarde van de resterende niet aangemelde Aandelen of wel aangemelde en teruggetrokken Aandelen negatief worden beïnvloed. Saxo Bank heeft niet de intentie dit te compenseren, bijvoorbeeld door te voorzien in een liquiditeitsmechanisme voor de Aandelen die niet zijn aangemeld na de Dag van Overdracht en de Na-aanmeldingstermijn.

Indien het Bod gestand wordt gedaan zijn Saxo Bank en BinckBank voornemens om zo spoedig mogelijk onder de Toepasselijke Regelgeving de notering van de Aandelen aan de Euronext Amsterdam te beëindigen, hetgeen de liquiditeit en de marktwaarde van de niet aangemelde Aandelen negatief zal (kunnen) beïnvloeden.

Als de Bieder 95% of meer van de Aandelen verwerft, kan het de notering van de Aandelen aan Euronext Amsterdam beëindigen in overeenstemming met de beleidsregels die daarvoor gelden. De notering van de Aandelen aan Euronext Amsterdam zal ook worden beëindigd na een succesvolle Fusie na de Uiterste Dag van Aanmelding zoals uiteengezet in hoofdstuk 6.13(c) (Post-Closing Merger and Liquidation) of een van de overige maatregelen of procedures zoals uiteengezet in hoofdstuk 6.13 (Possible Post-Closing Measures and future legal structure).

12.14 Mogelijke Maatregelen na de Uiterste Dag van Aanmelding en toekomstige juridische structuur

Na Overdracht kunnen de Bieder en Saxo Bank ervoor kiezen om bepaalde herstructureringsmaatregelen te (laten) implementeren, inclusief, maar niet beperkt tot, de Maatregelen na de Uiterste Dag van Aanmelding genoemd in hoofdstukken 12.15 (Uitkoopprocedure) en 12.16 (Fusie en Ontbinding na de Uiterste Dag van Aanmelding).

Daarnaast behoudt Saxo Bank zich iedere juridische toegestane methode voor om alle Aandelen te verwerven (of de volledige eigendom van de onderneming van BinckBank) en/of om de juridische, financiële of fiscale structuur van BinckBank te optimaliseren als onderdeel van groep van Saxo Bank.

12.15 Uitkoopprocedure

In het geval dat na de Dag van Overdracht of na de overdracht van de Aandelen die zijn aangemeld tijdens de Na-aanmeldingsperiode, de Bieder (i) ten minste 95% van het geplaatst en uitstaand gewone kapitaal van BinckBank en ten minste 95% van de stemrechten met betrekking tot het geplaatst en uitstaand gewone kapitaal van BinckBank heeft verkregen of (ii) ten minste 95% van het totale geplaatst en uitstaand kapitaal van BinckBank heeft verkregen, zal de Bieder zo spoedig mogelijk een wettelijke Uitkoopprocedure starten overeenkomstig artikel 2:92a Burgerlijk Wetboek of 2:201a en/of 2:359c Burgerlijk Wetboek om de resterende Aandelen die niet zijn aangemeld en niet worden gehouden door de Bieder, Saxo Bank of BinckBank te verwerven. Verwezen wordt naar hoofdstuk 6.13(b) (Buy-Out).

12.16 Fusie en Ontbinding na de Uiterste Dag van Aanmelding

In het geval de Bieder het Bod gestand heeft gedaan en (i) het aantal Aandelen dat is aangemeld tijdens de Aanmeldingstermijn en de Na-aanmeldingsperiode samen met (x) de Aandelen die direct of indirect door de Bieder of een van haar Verbonden Partijen worden gehouden, (y) de Aandelen die schriftelijk tot verkoop aan de Bieder of haar Verbonden Partijen zijn toegezegd en (z) Aandelen waartoe de Bieder of haar Verbonden Partijen gerechtigd is (gekocht maar nog niet geleverd), meer dan 80% van het geplaatst en uitstaand gewoon kapitaal van BinckBank vertegenwoordigen op basis van volledige verwatering op de Uiterste Dag van Aanmelding en (ii) het Besluit tot Fusie na de Uiterste Dag van Aanmelding is aangenomen, kan de Bieder er voor kiezen, indien de Toezichtrechtelijke Fusiegoedkeuringen zijn verkregen, om de Fusie na de Uiterste Dag van Aanmelding toe te passen om zodoende de volledige integratie van de ondernemingen van BinckBank en Saxo Bank te bewerkstelligen.

De Bieder verwacht de Fusie en Ontbinding na de Uiterste Dag van Aanmelding te implementeren, indien de Toezichtrechtelijke Fusiegoedkeuringen zijn verkregen en na de Dag van Overdracht of overdracht van de Aandelen aangeboden tijdens de Na-aanmeldingstermijn, de Bieder niet (i) ten minste 95% van BinckBank's geplaatst en uitstaand gewoon kapitaal en ten minste 95% van de stemrechten van BinckBank's geplaatst en uitstaand gewoon kapitaal of (ii) ten minste 95% van BinckBank's totale geplaatst en uitstaand kapitaal heeft verkregen. Verwezen wordt naar hoofdstuk 6.13(c) (Post-Closing Merger and Liquidation).

12.17 Samenstelling van de Raad van Bestuur en Raad van Commissarissen

De Raad van Bestuur zal direct na de Dag van Overdracht bestaan uit de volgende drie leden: de heer V.J.J. Germyns, de heer E.J.M. Kooistra en de heer Mr S.J. Clausing (*i.e.* de leden van de huidige Raad van Bestuur).

De Raad van Commissarissen zal direct na de Dag van Overdracht bestaan uit de volgende vijf leden: de heer S. Kyhl, de heer S. Blaafalk, de heer F. Reisbøl, de heer J.W.T. van der Steen en de heer J.G. Princen.

12.18 Governance Bieder en Saxo Bank

De raad van bestuur van de Bieder bestaat uit Saxo Bank.

De raad van bestuur van Saxo Bank bestaat uit de heer K. Fournais, de heer S. Kyhl, de heer S. Blaafalk en de heer D. Bunce.

De raad van commissarissen van Saxo Bank bestaat uit de heer D. Donghui Li, de heer H. Normann, de heer I. Zhang, de heer P. Lapveteläinen en de heer P. Damgaard.

12.19 Aankondigingen

Iedere aankondiging met betrekking tot dit Biedingsbericht zal verstrekt worden door middel van een persbericht. Ieder persbericht dat wordt uitgebracht door de Bieder of door Saxo Bank zal beschikbaar worden geteld op de website www.home.saxo. Ieder persbericht dat wordt uitgebracht door BinckBank zal beschikbaar worden gesteld op de website www.binck.com/press.

Met inachtneming van de wettelijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de manier waarop de Bieder een openbare mededeling wenst te doen, zal op de Bieder geen enkele verplichting rusten om een openbare mededeling te doen anders dan zoals uiteengezet in hoofdstuk 5.13 (Announcements).

13. FINANCIAL INFORMATION BINCKBANK

This section 13 (Financial information BinckBank) contains certain consolidated financial information relating to BinckBank. The following financial information is made available:

- 13.1 Selected consolidated financial information of BinckBank;
- 13.2 Basis for preparation;
- 13.3 Comparative overview of consolidated statement of financial position for the financial years 2017, 2016 and 2015;
- 13.4 Comparative overview of consolidated income statement for the financial years 2017, 2016 and 2015;
- 13.5 Comparative overview of consolidated cash flow statement for the financial years 2017, 2016 and 2015;
- 13.6 Independent auditor's report of Deloitte on the selected consolidated financial information of BinckBank for the financial years 2017, 2016 and 2015; and
- 13.7 Financial statements for the financial year 2018 including independent auditor's report of Deloitte.

13.1 Selected consolidated financial information BinckBank

The selected consolidated financial information has been derived from the 2017, 2016 and 2015 annual reports. Reading the selected consolidated financial information is not a substitute for reading the audited annual reports of BinckBank for the financial years 2017, 2016 and 2015.

13.2 Basis for preparation

The selected consolidated financial information of BinckBank that has been prepared and included in this section 13 (Financial information BinckBank), comprises summaries of the consolidated statements of financial position, consolidated income statements and the consolidated cash flow statements for the financial years 2017, 2016 and 2015. This selected consolidated financial information has been derived from the annual reports for the financial years 2017, 2016 and 2015 which have been audited by Deloitte.

The annual reports from which the selected consolidated financial information has been derived were prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union, and Part 9 of Book 2 of the Dutch Civil Code.

As from 2018, BinckBank has implemented the following changes in its accounting policies. These changes are applicable to the consolidated financial statements for the financial year 2018.

- (a) BinckBank has applied a voluntary change in accounting policy as of 1 January 2018 with the adjustment of the comparative figures. The accrued interest on financial instruments is now accounted for as part of the carrying amount of the instrument to which it relates. This improves the insight into the actual value of the financial instrument. In addition, this change ensures a better reconciliation to the classification in the supervisory reports. This adjustment has no effect on BinckBank's profit and loss account or equity.

- (b) IFRS 9 - Financial instruments became effective as from 1 January 2018. This standard affects the financial position and results of BinckBank arising from the classification and measurement of financial instruments combined with adjustments in the provisions for expected credit losses under IFRS 9.
- (c) IFRS 15 - Revenue from Contracts with Customers became effective as from 1 January 2018. This standard mainly affects the determination of the moment of revenue recognition. The services that lead to commission income on securities transactions have a short performance period and are accounted for at the moment of settlement of the transactions. The services that lead to fees for asset management and other services are charged retrospectively over the period to which the service relates. The new standard did not lead to a different revenue recognition than under the previous standards.

Reference is made to section 13.7 (Financial statements for the financial year 2018 including independent auditor's report of Deloitte) for a summary of the significant accounting policies of BinckBank for the consolidated financial statements for the financial year 2018. These changes have not been implemented with retrospective effect in the selected consolidated financial information for the financial years 2017, 2016 and 2015.

The selected consolidated financial information set out below contains summaries only of the consolidated statements of financial position, the consolidated income statements, and the consolidated statements of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of BinckBank's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the unabbreviated audited annual reports for the financial years 2018, 2017, 2016 and 2015, including the related notes and description of significant accounting policies that were applied for each of these years, which are available on the website of BinckBank at www.binck.com/investors/annual-reports and the AFM register of financial reporting.

13.3 Comparative overview of consolidated statement of financial position for the financial years 2017, 2016 and 2015

(amounts in € 000's)	31 december 2017	31 december 2016	31 december 2015
Assets			
Cash and balances at central banks	1.003.673	854.230	178.365
Banks	133.968	127.755	178.244
Derivatives	37.418	20.393	12.297
Financial assets designated at fair value through profit and loss	16.613	9.499	15.405
Available-for-sale financial assets	787.743	724.398	1.167.121
Held-to-maturity financial assets	340.179	790.021	813.484
Loans and receivables	1.297.830	958.329	502.006
Associates	485	-	1.227
Intangible assets	157.950	168.260	190.560
Property, plant and equipment	33.969	35.128	34.830
Current tax assets	16.725	12.270	7.945
Deferred tax assets	6.279	1.048	1.121
Other Assets	58.754	63.451	28.103
Prepayments and accrued income	32.475	35.479	45.122
Derivative positions held on behalf of clients	-	-	260.505
TOTAL ASSETS	3.924.061	3.800.261	3.436.335
Liabilities			
Banks	2.538	2.017	23.582
Derivatives	37.055	20.428	12.286
Financial liabilities designated at fair value through profit and loss	231	1.018	46
Funds entrusted	3.383.383	3.308.829	2.589.714
Provisions	8.134	8.891	7.884
Current tax Liabilities	10	10	19
Deferred tax Liabilities	36.443	31.982	27.874
Other Liabilities	52.084	19.841	66.080
Accruals and deferred income	9.294	10.293	10.865
Derivative positions held on behalf of clients	-	-	260.505
Total liabilities	3.529.172	3.403.309	2.998.855
Equity attributable to:			
Owners of the parent	393.956	395.569	436.184
Non-controlling interests	933	1.383	1.296
Total equity	394.889	396.952	437.480
TOTAL EQUITY AND LIABILITIES	3.924.061	3.800.261	3.436.335

13.4 Comparative overview of consolidated income statement for the financial years 2017, 2016 and 2015

(amounts in € 000's)	2017	2016	2015
INCOME			
<i>Interest income</i>	36.439	30.123	29.580
<i>Interest expense</i>	(6.400)	(3.798)	(3.856)
Net interest income	30.039	26.325	25.724
<i>Fees and commission income</i>	124.839	129.547	155.826
<i>Fees and commission expense</i>	(18.981)	(20.471)	(24.365)
Net fees and commission income	105.858	109.076	131.461
Other income	7.014	9.910	10.947
Result from financial instruments	6.150	2.530	2.031
Impairment of financial instruments	(92)	(116)	15
Total income from operating activities	148.969	147.725	170.178
EXPENSES			
Employee expenses	53.048	51.635	53.015
Depreciation and amortisation	26.792	26.215	27.253
Other operating expenses	61.746	60.299	50.110
Total operating expenses	141.586	138.149	130.378
Result from operating activities	7.383	9.576	39.800
Share in the results of associates	864	(2.821)	(730)
Result before tax	8.247	6.755	39.070
Income tax	274	(2.134)	(8.368)
Net result	8.521	4.621	30.702
Net result attributable to:			
Owners of the parent	8.971	4.534	29.626
Non-controlling interests	(450)	87	1.076
Net result	8.521	4.621	30.702
Basic and diluted earnings per share (in €)	0,13	0,07	0,42

13.5 Comparative overview of consolidated cash flow statement for the financial years 2017, 2016 and 2015

(amounts in € 000's)	2017	2016	2015
CASH FLOWS FROM OPERATIONS			
Net result for the year	8.521	4.621	30.702
Adjustments for:			
Amortisation of intangible assets and depreciation of property, plant and equipment	26.792	26.215	27.253
Provisions	(757)	1.007	(1)
Amortisation premiums and discounts and foreign currency translation on available-for-sale financial assets	21.908	14.186	13.996
Amortisation premiums and discounts and foreign currency translation on held-to-maturity financial assets	24.793	3.522	5.599
Amortisation premiums and discounts on loans and receivables	4.845	2.279	-
Impairment losses on loans and receivables	52	(7)	(20)
Movements in deferred tax	(654)	4.318	2.967
Share in the results of associates	1.019	2.821	730
Financial assets and liabilities at fair value through profit and loss	(7.901)	6.878	444
Loans and receivables	(344.398)	(458.595)	(3.078)
Taxes, other assets, prepayments and accrued income	3.246	(30.030)	73.409
Banks (liabilities)	521	(21.565)	(2.005)
Funds entrusted	74.554	719.115	44.294
Tax liabilities, other liabilities, accruals and deferred income	31.244	(46.820)	35.379
Net cash flows from operating activities	(153.233)	226.547	224.565
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments in available-for-sale financial assets	(334.023)	(254.720)	(327.710)
Divestments and redemptions of available-for-sale financial assets	248.125	682.615	532.870
Investments in held-to-maturity financial assets	(74.558)	(106.018)	(273.975)
Divestments and redemptions of held-to-maturity financial assets	499.607	125.959	-
Investments in associates	(1.504)	(1.594)	(664)
Divestments subsidiaries	3.060	-	-
Investments in intangible assets	(8.187)	(386)	(74)
Divestments in intangible assets	123	-	-
Investments in property, plant and equipment	(3.818)	(3.827)	(637)
Divestments in property, plant and equipment	1.093	-	-
Net cash flows from investing activities	329.918	442.029	(70.190)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy-back	-	(24.950)	-
	-	-	-
	-	-	-
Profit-sharing bond loan	-	-	-
Dividends paid:			
Final dividend prior year	(12.679)	(17.199)	(21.787)
Interim dividend current year	(2.002)	(2.657)	(9.839)
Net cash flows from financing activities	(14.681)	(44.806)	(31.626)
Net cash flows	162.004	623.770	122.749
Opening balance of cash and cash equivalents	977.853	352.532	225.117
Net cash flows	162.004	623.770	122.749
Effect of exchange rate changes on cash and cash equivalents	(2.216)	1.551	4.666
Closing balance of cash and cash equivalents	1.137.641	977.853	352.532
The cash and cash equivalents presented in the consolidated statement of cash flows are included in the consolidated balance sheet under the following headings at the amounts stated below:			
Cash and balances at central banks	1.003.673	854.230	178.365
Banks	133.968	127.755	178.244
Banks – non-cash equivalents	-	(4.132)	(4.077)
	-	-	-
Total cash equivalents	1.137.641	977.853	352.532
Cash flows from operating activities includes the following items:			
Tax paid	(4.181)	(6.459)	(9.302)
Interest received	39.948	36.863	34.071
Interest paid	(6.371)	(3.810)	(4.125)
Commission received	124.775	133.134	152.704

13.6 Independent auditor's report of Deloitte on the selected consolidated financial information of BinckBank

Independent auditor's report

To the Executive Board and Supervisory Board of BinckBank N.V.

Our opinion

The financial information for the years 2017, 2016 and 2015 of the selected consolidated financial information as included in sections 13.3, 13.4 and 13.5 of this Offer Memorandum (hereafter: 'the summary financial statements') of BinckBank N.V., based in Amsterdam, is derived from the audited consolidated annual reports of BinckBank N.V. for the years 2017, 2016 and 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited annual reports 2017, 2016 and 2015 of BinckBank N.V., on the basis of preparation as described in section 13.2 of this Offer Memorandum.

The summary financial statements comprise:

1. The summary consolidated statement of financial position at December 31, 2017, December 31, 2016 and December 31, 2015.
2. The following consolidated summary statements over 2017, 2016 and 2015: the income statement and statement of cash flows.

Summary financial statements

The summary financial statements as included in sections 13.3, 13.4 and 13.5 do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated annual reports of BinckBank N.V. and our independent auditor's reports thereon. The summary financial statements and the audited consolidated annual reports do not reflect the effects of events that occurred subsequent to the dates of our independent auditor's reports on those consolidated annual reports.

The audited annual reports and our auditor's report thereon

We expressed an unqualified audit opinion on the consolidated annual reports 2017, 2016 and 2015 of BinckBank N.V. in our independent auditor's reports dated March 11, 2018, March 6, 2017 and March 10, 2016.

Responsibilities of the Executive Board and the Supervisory Board for the summary financial statements

The Executive Board is responsible for the preparation of the summary financial statements on the basis of preparation as described in section 13.2 of this Offer Memorandum. The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Restriction on use

The summary financial statements as included in sections 13.3, 13.4 and 13.5 and our independent auditor's report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer of Star Bidco B.V. and cannot be used for other purposes.

Amsterdam, March 11, 2019

Deloitte Accountants B.V.

Signed on the original: R.J.M. Maarschalk

13.7 Financial statements for the financial year 2018 including independent auditor's report of Deloitte

The other information included in BinckBank's annual report for 2018 is not included in these financial statements. The other information consists of:

- BinckBank at a glance
- Key figures
- About BinckBank
- Report of the Executive Board
- Corporate Governance
- Risk Management
- Management Statement
- Report of the Supervisory Board
- Other information

The other information is incorporated by reference in this Offer Memorandum and available free of charge at the offices of BinckBank and the Settlement Agent and on the website of BinckBank (www.binck.com/investors/financial-reports).

FINANCIAL STATEMENTS 2018

BINCK * BANK

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CONSOLIDATED FINANCIAL STATEMENTS



Consolidated statement of financial position

(amounts in € 000's)

	Note	2018	2017
ASSETS			
Cash and balances with central banks*	5	1,096,838	1,003,537
Due from banks*	6	134,675	133,968
Derivatives*	7	24,277	37,311
Financial assets at fair value through profit or loss	8	13,721	16,613
Investments at amortised cost*	9	1,033,590	-
Available-for-sale financial assets*	10	-	797,294
Held-to-maturity financial assets*	11	-	342,190
Loans and receivables*	12	1,409,649	1,303,297
Investments in associates	13	-	485
Intangible assets	14	157,214	157,950
Property, plant and equipment	15	32,006	33,969
Current tax assets	16	16,622	16,725
Deferred tax assets	17	468	6,279
Other assets	18	138,526	58,754
Prepayments and accrued income*	19	13,407	15,446
Total assets		4,070,993	3,923,818
LIABILITIES			
Due to banks	6	5,274	2,538
Derivatives*	7	26,759	37,055
Financial liabilities at fair value through profit or loss	8	161	231
Funds entrusted*	20	3,562,200	3,383,507
Provisions	21	3,394	8,134
Current tax liabilities	16	12	10
Deferred tax liabilities	17	29,996	36,443
Other liabilities	22	28,040	52,084
Accrued liabilities*	23	11,773	8,927
Total liabilities		3,667,609	3,528,929
<i>Equity attributable to:</i>			
Owners of the parent	24	403,384	393,956
Non-controlling interests	24	-	933
Total equity		403,384	394,889
Total equity and liabilities		4,070,993	3,923,818

* Includes change in presentation, see note 2.5



Consolidated income statement

(amounts in € 000's)	Note	2018	2017
INCOME			
Interest income		41,241	36,439
Interest expense		(9,171)	(6,400)
Net interest income	25	32,070	30,039
Fee and commission income		119,593	124,839
Fee and commission expense		(16,618)	(18,981)
Net fee and commission income	26	102,975	105,858
Result from financial instruments	27	7,013	6,150
Credit losses from financial assets	28	(207)	(92)
Other operating income	29	943	7,014
Total income from operating activities		142,794	148,969
EXPENSES			
Employee expenses	30	48,905	53,048
Depreciation and amortisation	31	5,118	26,792
Other operating expenses	32	61,345	61,746
Total operating expenses		115,368	141,586
Result from operating activities		27,426	7,383
Share of results in associates	33	8,436	864
Results before tax		35,862	8,247
Income tax expense	16	(400)	274
Net result		35,462	8,521
<i>Net result attributable to:</i>			
Owners of the parent		35,180	8,971
Non-controlling interests		282	(450)
Net result		35,462	8,521
Basic and diluted earnings per share (in €)	34	0.53	0.13



Consolidated statement of comprehensive income

(amounts in € 000's)

	Note	2018	2017
Net result		35,462	8,521
Other comprehensive income			
Net (loss)/gain on available-for-sale financial assets	24	-	(645)
Income tax relating to components of other comprehensive income	24	-	116
Other comprehensive income, net of tax		-	(529)
Total comprehensive income, net of tax		35,462	7,992

BinckBank N.V. has no other comprehensive income that will not be recognised through profit and loss on realisation.

Result attributable to:

Owners of the parent		35,180	8,442
Non-controlling interests	24	282	(450)
Total realised and unrealised income, net of tax		35,462	7,992

Consolidated statement of cash flows

(amounts in € 000's)	Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the year		35,462	8,521
<i>Adjustments for:</i>			
Amortisation of intangible assets	14,15	5,118	26,792
Provisions		(4,740)	(757)
Amortisation of premiums and discounts on:			
Investments at amortised cost	9	3,280	-
Available-for-sale financial assets	10	-	21,908
Held-to-maturity financial assets	11	-	24,793
Loans and receivables		4,492	4,845
(Expected) credit losses		200	52
Movements in deferred taxes		(472)	(654)
Share in results of associates	13	-	1,019
Other non-cash movements		(8,480)	(752)
<i>Movements in operating assets and liabilities:</i>			
Cash and banks (assets)*		8	4,112
Derivatives*	7	2,738	(291)
Financial assets at fair value through profit or loss	8	2,822	(7,901)
Investments at amortised cost*	9	101,681	-
Available-for-sale financial assets*	10	-	(86,570)
Held-to-maturity financial assets*	11	-	430,456
Loans and receivables*	12	(112,388)	(345,629)
Taxes, other assets and prepayments and accrued income*	16,18,19	(77,150)	(263)
Banks (liabilities)	6	2,736	521
Funds entrusted*	20	178,693	74,501
Taxes, other liabilities and accruals and deferred income*	16,22,23	(21,196)	31,215
Net cash flow from operating activities		112,804	185,918
CASH FLOW FROM INVESTING ACTIVITIES			
Divestment of associates en subsidiaries		7,889	3,060
Investments in associates	13	-	(1,504)
Investments in intangible assets	14	(581)	(8,187)
Divestment of intangible assets	14	-	123
Investments in property, plant and equipment	15	(1,838)	(3,818)
Divestment of property, plant and equipment	15	-	1,093
Net cash flow from investing activities		5,470	(9,233)

* Includes change in presentation, see note 2.5



Consolidated statement of cash flows (continued)

(amounts in € 000's)

	Note	2018	2017
CASH FLOW FROM FINANCING ACTIVITIES			
Treasury shares purchased	24	-	-
<i>Dividends paid:</i>			
Final dividend for preceding year	35	(15,356)	(12,679)
Interim dividend for the current year	35	(8,680)	(2,002)
Net cash flow from financing activities		(24,036)	(14,681)
Net cash flow		94,238	162,004

Opening balance of cash and cash equivalents	1,137,641	977,853
Net cash flow	94,238	162,004
Effect of exchange rates on cash and cash equivalents	78	(2,216)
Closing balance of cash and cash equivalents	1,231,957	1,137,641

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 and balances with central banks	5	1,096,838	1,003,537
Due from banks – cash equivalents	6	134,675	133,968
Due from banks – non cash equivalents	6	444	136
Total cash equivalents		1,231,957	1,137,641

Cash flow from operating activities includes the following items:

Tax paid	(297)	(4,181)
Interest received	43,640	39,948
Interest paid	(8,812)	(6,478)
Commission received	120,896	124,775
Commission paid	(16,486)	(19,633)

Consolidated statement of changes in equity

(amounts in € 000's)	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Retained earnings	Non-controlling interests	Total equity
31 December 2017		6,750	343,565	(4,282)	492	47,431	933	394,889
IFRS 9 transtition adjustment		-	-	-	(492)	(1,440)	-	(1,932)
1 January 2018		6,750	343,565	(4,282)	-	45,991	933	392,957
Net result for the year		-	-	-	-	35,180	282	35,462
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	35,180	282	35,462
Final dividend 2017	35	-	-	-	-	(15,356)	-	(15,356)
Interim dividend 2018	35	-	-	-	-	(8,680)	-	(8,680)
Grant of rights to shares	25	-	-	-	-	216	-	216
Issue of shares to executive board and employees	25	-	-	201	-	(201)	-	-
Capital movement non-controlling interests	25	-	-	-	-	-	(1,215)	(1,215)
31 December 2018		6,750	343,565	(4,081)	-	57,150	-	403,384

(amounts in € 000's)	Note	Issued share capital	Share premium reserve	Treasury shares	Fair value reserve	Retained earnings	Non-controlling interests	Total equity
1 January 2017		7,100	361,379	(29,468)	1,021	55,537	1,383	396,952
Net result for the year		-	-	-	-	8,971	(450)	8,521
Other comprehensive income		-	-	-	(529)	-	-	(529)
Total comprehensive income		-	-	-	(529)	8,971	(450)	7,992
Final dividend 2016	35	-	-	-	-	(12,679)	-	(12,679)
Interim dividend 2017	35	-	-	-	-	(2,002)	-	(2,002)
Grant of rights to shares	24	-	-	-	-	92	-	92
Issue of shares to executive board and employees	24	-	-	318	-	(318)	-	-
Issue of shares to third parties	24	-	-	5,340	-	(806)	-	4,534
Cancelled treasury shares	24	(350)	(17,814)	19,528	-	(1,364)	-	-
31 December 2017		6,750	343,565	(4,282)	492	47,431	933	394,889



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. 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 has its registered office at Barbara Strozilaan 310, 1083 HN, Amsterdam, and is registered with the Chamber of Commerce under number 33162223. BinckBank N.V. provides online brokerage services in financial instruments for private and professional investors. In addition to its brokerage services, BinckBank N.V. offers asset management services and savings products. 'BinckBank' hereinafter refers to BinckBank N.V. and its various subsidiaries.

The consolidated company financial statements for BinckBank for the period ending on 31 December 2018 have been prepared by the Executive Board and approved for publication pursuant to the resolution of the Executive Board and the Supervisory Board dated 11 March 2019.

Executive Board:

V.J.J. Germyns (chairman)

E.J.M. Kooistra (CFRO)

S.J. Clausing (COO)

Supervisory Board:

J.W.T. van der Steen (chairman)

Ms C.J. van der Weerd-Norder (vice-chairman)

Ms J.M. Kemna

Ms M. Pijnenborg

J.G. Princen

A. Soederhuizen

2. General accounting principles

2.1 PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), hereinafter referred to as 'IFRS-EU'.

The financial statements have been prepared on the basis of the going concern assumption. Unless otherwise stated, the consolidated financial statements are presented in euros, with all amounts rounded to the nearest thousand (€ 000's). The figures stated in the tables are based on amounts that have not been rounded and therefore rounding differences may occur.

The presentation of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and notes may have been amended in order to provide better information or improve reconciliation with the current period.

2.2 ACCOUNTING PRINCIPLES USED FOR CONSOLIDATION

The consolidated financial statements consist of the financial statements of BinckBank and its subsidiaries as at 31 December 2018 and during the financial year. Subsidiaries are companies of which BinckBank has a certain degree of control. BinckBank controls an investment only if:

- it has control of the investment (it has entitlements that enable it to have a direct influence on the relevant operations of the investment)
- it is exposed or entitled to variable returns due to its involvement in the investment, and
- it can use its control of the investment to influence the returns.



If BinckBank does not hold a majority of the voting rights or equivalent entitlements with respect to an investment then it takes account of all the relevant facts and circumstances in order to assess whether it has control of the investment, including:

- contractual agreements with the other parties holding voting rights with respect to the investment;
- entitlements arising from other contractual arrangements; and
- potential voting rights

Consolidation of a subsidiary begins when BinckBank acquires control of the subsidiary and ceases when control of the subsidiary ends. BinckBank assesses whether it has control of an investment if there are indications from the facts and circumstances that one or more of the three elements of control have changed. Assets, liabilities, income and expense items of a subsidiary acquired or disposed of during the year are recognised in the financial statements from the date on which BinckBank acquires control until the date on which BinckBank ceases to have control.

Profit or loss and every component of other comprehensive income (OCI) are allocated to the shareholders of the parent company of BinckBank and the non-controlling interests, even if this leads to non-controlling interests with a negative balance. If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of BinckBank.

Transactions between BinckBank and its subsidiaries which took place during the year have been fully eliminated in the consolidated financial statements. Unrealised gains on transactions with investments and associates have been eliminated in proportion to BinckBank's interests in the company. Unrealised losses are also eliminated, except where the transactions indicate that the transferred asset has become impaired.

2.3 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are denominated in euros, this being BinckBank's functional and reporting currency. Items recognised in the financial statements of each entity are measured on the basis of the functional currency of the relevant group entity. Initial recognition of transactions in foreign currencies takes place 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 balance sheet date. Differences relating to movements in exchange rates are recognised in the income statement. Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate at the time 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 in the income statement at the exchange rate prevailing on the transaction date.

2.4 STATEMENT OF CASH FLOWS

The statement of cash flows 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 expenditures in the same financial year and for changes in provisions and accrued items. Cash includes the cash in hand together with freely available balances on deposit at central banks and other financial instruments with maturities of less than three months from acquisition date. Cash flows in foreign currency are translated into the functional currency at the exchange rate prevailing on the date the cash flow occurs.

2.5 CHANGES IN ACCOUNTING PRINCIPLES

The accounting principles with regard to recognition and measurement are consistent with those applied in the previous year, with the exception of the voluntary change in the presentation of the accrued interest in the statement of financial position and the presentation of movements in the investment portfolio within the statement of cash flows. Furthermore, any changes as a result of the implications of new, amended or improved IFRS standards as described below or as a result of new activities.

In the current year, BinckBank has applied the new or amended IFRS standards and IFRIC interpretations effective for financial years beginning on or after 1 January 2018. New or amended standards take effect for annual periods beginning on or after the date as stated by IFRS and after ratification by the EU, whereby earlier application is permitted in some cases. The new standards and amendments to standards that took effect in the current financial year have been incorporated in the existing reporting principles. BinckBank has implemented a voluntary change in the presentation of accrued interest as from 1 January 2018. Further details are also given below on the implementation of IFRS 9 – Financial Instruments, and IFRS 15 – Revenue from Contracts with Customers on 1 January 2018.



VOLUNTARY CHANGE IN PRESENTATION OF ACCRUED INTEREST

BinckBank has implemented a voluntary change in the presentation of accrued interest as from 1 January 2018, and has adjusted the comparative figures. The accrued interest on financial instruments is now accounted for as part of the carrying amount of the instrument to which it relates and not as part of the accrued income or accrued liabilities. This improves the insight into the actual value of the financial instrument. In addition, this change ensures a better reconciliation to the classification in the supervisory reports. This adjustment has no effect on BinckBank's profit and loss account or equity.

IFRS 9 FINANCIAL INSTRUMENTS

BinckBank has applied IFRS 9 – Financial Instruments since 1 January 2018. The transition to this standard has had an impact on the accounting principles and on the financial position and results of BinckBank. These impacts are due to the classification of the financial instruments together with the provisions for expected credit loss pursuant to IFRS 9. BinckBank has not adjusted the comparative figures, in accordance with the transition options offered by IFRS 9. All changes have been recognised in the opening statement of financial position of 2018, whereby the effect of the transition is recognised in equity. BinckBank has also elected to keep hedge accounting in line with IAS 39, as is permitted by IFRS 9.

IFRS 9 classifies financial instruments into three measurement categories:

- Financial instruments at amortised cost
- Financial instruments at fair value through profit and loss (FVTPL)
- Financial instruments at fair value through other comprehensive income (FVOCI)

Fundamentally, the classification of financial assets under IFRS 9 depends on two criteria: the contractual cash flow of the instrument and the entity's business model for managing its financial instruments. An entity can classify an instrument at amortised cost if contractual cash flows are solely payments of principal and interest and if the business model is to hold instruments to collect contractual cash flows (business model test). If an instrument fails to meet both criteria, then the financial asset should be measured at fair value.

As a result of the classification requirements under IFRS 9, the only adjustment for BinckBank is that the entire investment portfolio is now classified as financial assets at amortised cost. The financial assets classified as available-for-sale under IAS 39 are measured at amortised cost as from 1 January 2018 onwards. The adjustment by classification and measurement under IFRS 9 results in a reduction of the carrying value of the investment portfolio as at 1 January 2018 by € 0.7 million, being the revaluation of the portfolio of available-for-sale financial assets as at 31 December 2017. The effect on shareholders' equity, taking into account the tax effects, is € 0.5 million.

Under IFRS 9, financial assets previously classified as available-for-sale financial assets have been reclassified as financial instruments measured at amortised cost. As a result, the fair value reserve presented under equity is no longer applicable. The following table presents the effect of the reclassification as it would have been if the portfolio, taking account of movements in the portfolio, had still been measured at fair value under the IAS 39 principles at 31 December 2018:

Available-for-sale financial assets (IAS 39)	31-12-2018
Fair value	567,592
Fair value reserve (equity)	(612)
Change in fair value reserve (through equity)	(1,104)

In addition, IFRS 9 requires a provision for expected credit loss to be raised on the basis of an 'expected credit loss model' for financial assets measured at amortised cost and financial instruments measured at fair value (FVOCI). More information about the accounting principles and assumptions regarding the expected credit loss models is shown in note 3, Significant accounting judgements and estimates, note 4.2 Financial assets and liabilities, and note 41.5, Credit risks. The initial accounting entries of the adjustments made as a consequence of IFRS 9 on 1 January 2018, were recognised directly in equity on 1 January 2018, in accordance with the IFRS 9 implementation guidance. The expected credit loss model under IFRS 9 is based on various credit quality stages. More information about the credit loss model is shown in note 4.2, Financial assets and liabilities.



The following table presents a reconciliation of the impairments of the financial instruments measured at amortised cost under IFRS 9 and as recognised under IAS 39 on 1 January 2018, as compared to the expected credit loss under IFRS 9:

	Impairments (IAS 39)	Reclassification under IFRS 9	Change expected credit loss under IFRS 9	Provision expected credit loss (IFRS 9)
Cash and balances at central banks	-	-	200	200
Banks	-	-	100	100
Financial assets and liabilities at fair value through profit and loss	N/A	-	277	277
Available-for-sale financial assets	-	-	N/A	N/A
Held-to-maturity financial assets	-	-	N/A	N/A
Loans and receivables	671	-	1,344	2,015
Total	671	-	1,921	2,591

IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

BinckBank has applied IFRS 15 – Revenue from Contracts with Customers as from 1 January 2018. This standard has, in particular, an impact on the timing of the recognition of revenue. BinckBank must work through the following five steps in order to apply the basic principle of IFRS 15:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the entity satisfies a performance obligation.

BinckBank has applied the transition to IFRS 15 on the basis of the modified retrospective approach, whereby only the contracts that continue after IFRS 15 is effective have been assessed and comparative figures have not been adjusted. The different identified unequivocal groups of contracts and services were assessed on the basis of the step-by-step plan. The services that lead to commission income on securities transactions have a short performance period and are recognised at the moment of settlement of the transactions. The services that lead to fees for asset management and other services are charged retrospectively over the period to which the service relates. The application of these steps did not lead to a difference in the recognition of revenue. Consequently, although the application of the new standard is based on a different concept, this has not had an impact on the financial statements of BinckBank as compared to the previous standards.

CONSOLIDATED STATEMENT OF CASH FLOWS

BinckBank has implemented a voluntary change in the presentation of the consolidated statement of cash flows as from 1 January 2018, and has adjusted the comparative figures. The cash flows relating to investments and divestments in the financial assets are now recognised as components of the cash flow from operating activities. This presentation is more in line with the operating activities of a financial institution where holding investments is part of the business model. This adjustment only has an effect on the presentation of the consolidated statement of cash flows of BinckBank.



IMPACT OF THE APPLICATION OF NEW ACCOUNTING PRINCIPLES ON THE CLOSING AND OPENING STATEMENT OF FINANCIAL POSITION

	31 December 2017			1 January 2018		
(amounts in € 000's)	Closing balance before change in principles	Change in presentation accrued interest	Closing balance after change in presentation	IFRS 9 Classification and measurement	IFRS 9 expected credit loss model	Opening balance after change in principles
ASSETS						
Cash and balances at central banks	1,003,673	(136)	1,003,537	-	(200)	1,003,337
Banks	133,968	-	133,968	-	(100)	133,868
Derivatives	37,418	(107)	37,311	-	-	37,311
Financial assets at fair value through profit and loss	16,613	-	16,613	-	-	16,613
Investments at amortised cost	-	-	-	1,138,828	(277)	1,138,551
Available-for-sale financial assets	787,743	9,551	797,294	(797,294)	-	-
Held-to-maturity financial assets	340,179	2,011	342,190	(342,190)	-	-
Loans and receivables	1,297,830	5,467	1,303,297	-	(1,344)	1,301,953
Associates	485	-	485	-	-	485
Intangible assets	157,950	-	157,950	-	-	157,950
Property, plant and equipment	33,969	-	33,969	-	-	33,969
Current tax assets	16,725	-	16,725	-	481	17,206
Deferred tax assets	6,279	-	6,279	-	-	6,279
Other assets	58,754	-	58,754	-	-	58,754
Prepayments and accrued income	32,475	(17,029)	15,446	-	-	15,446
Total assets	3,924,061	(243)	3,923,818	(656)	(1,440)	3,921,722
LIABILITIES						
Banks	2,538	-	2,538	-	-	2,538
Derivatives	37,055	-	37,055	-	-	37,055
Financial liabilities at fair value through profit and loss	231	-	231	-	-	231
Funds entrusted	3,383,383	124	3,383,507	-	-	3,383,507
Provisions	8,134	-	8,134	-	-	8,134
Current tax liabilities	10	-	10	-	-	10
Deferred tax liabilities	36,443	-	36,443	(164)	-	36,279
Other liabilities	52,084	-	52,084	-	-	52,084
Accruals and deferred income	9,294	(367)	8,927	-	-	8,927
Total liabilities	3,529,172	(243)	3,528,929	(164)	-	3,528,765
<i>Equity attributable to:</i>						
Owners of the parent	393,956	-	393,956	(492)	(1,440)	392,024
Non-controlling interests	933	-	933	-	-	933
Total equity	394,889	-	394,889	(492)	(1,440)	392,957
Total equity and liabilities	3,924,061	(243)	3,923,818	(656)	(1,440)	3,921,722

New standards, amendments of standards and interpretations, that have not yet taken effect or have not yet been ratified by the European Union are listed below. These standards have not yet been applied by BinckBank:

NEW OR AMENDED STANDARDS EFFECTIVE FOR FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2019

IFRIC 23 – Incorporation of income tax uncertainty	This interpretation provides clarification of the processing and explanation of the effects of uncertainties in accounting for income tax. The standard requires a new analysis of the determination of the tax positions. The influence of the interpretation on the financial position and results of BinckBank is not significant.
IFRS 9 – Prepayment features with negative compensation (Amendment)	This amendment clarifies the application of IFRS 9 for prepayment features with negative compensation in relation to the 'Solely Payments of Principal and Interest' (SPPI) test. In specific transactions containing prepayment features the asset can, nevertheless, pass the SPPI test and be measured at amortised cost. Given the specific assets involved, this amendment has no significant impact on the financial position and results of BinckBank.
IFRS 16 – Leases	<p>This new standard describes the treatment of financial and operating lease contracts. Under the new standard, an asset must be recognised in the statement of financial position, for both types of lease. A financial obligation also has to be recognised when payments are spread across multiple periods. BinckBank has several lease contracts for the operational activities, rental premises and leased cars. As a result, the statement of financial position total will increase for the lease commitments arising from these contracts. BinckBank has elected the following options for the transition involved in the initial application of IFRS 16:</p> <ul style="list-style-type: none"> • IFRS 16 will be applied retrospectively, whereby the comparative figures will not be adjusted but the impact will be recognised as an adjustment in the opening balance of equity; • the discounted value of the lease commitment will be determined on the basis of the marginal interest rate at the time of the transition, in which the value of the lease asset will be set to the net present value of the lease commitment. This will have no financial impact on the opening balance of equity. • Leases with a term of 12 months or less and leases of low value assets will not be recognised under assets and liabilities, but will be recognised as lease expenses in the income statement. <p>Due to the transition to IFRS 16, BinckBank's consolidated statement of financial position total will increase by € 6 million as of 1 January 2019. In the assessment a significant assumption is the expected term of the lease. If the transaction with Saxo Bank will be completed, this might effect the expectation of the lease term and subsequently the amount of the asset and lease liability that will be recognised. The effect of the transition to IFRS 16 on equity will be nil and the comparative results will not be adjusted due to the transition options presented above. However, following the application of IFRS 16 the lease expenses will in general be reported slightly earlier in future periods, as the interest charges on the leases will be decrease over time. In addition, lease expenses will be recognised as interest expenses and depreciation, and no longer as a lease amount under other operating expenses.</p>
IAS 19 – Plan amendment, curtailment or settlement	The amendments to IAS 19 Employee Benefits address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendment relates to pensions included in defined benefit plans. Because BinckBank does not offer such a plan, this amendment has no impact on the financial position and results of BinckBank.
IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendment)	This amendment clarifies that recognition based on IFRS 9 should be applied for a long-term interest in an associate or joint venture that is not recognised according to the equity method, and not IAS 28. As BinckBank has no interests in associates or joint ventures at the end of 2018, this amendment is not applicable to BinckBank.
Annual improvements cycle 2015-2017	This relates to a number of minor amendments to existing standards that clarify application of IFRS. These have no significant impact on BinckBank.



NEW OR AMENDED STANDARDS EFFECTIVE FOR FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2020

Conceptual framework – amendments in references to conceptual framework	The IASB has published an amended comprehensive conceptual framework. The conceptual framework is the basis for definitions, recognition and measurement, presentation, and disclosures. The amendment is not so much a new framework, but rather a supplement with details on new subjects or additions and adjustments of evident shortcomings in the existing framework. These adjustments and the impact on the financial position and results of BinckBank are still to be assessed.
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NEW OR AMENDED STANDARDS EFFECTIVE FOR FINANCIAL YEARS BEGINNING ON OR AFTER 1 JANUARY 2021

IFRS 17 – Insurance contracts	This new standard is applicable to organisations that issue insurance contracts and describes the bases for recognition, measurement and presentation of, in particular, insurance liabilities. As BinckBank does not issue insurance contracts, this standard is not expected to have any impact on BinckBank.
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NEW OR AMENDED STANDARDS OF WHICH THE EFFECTIVE DATE HAS BEEN SUSPENDED INDEFINITELY

IFRS 10 en IAS 28 – Amendment of standards to remove conflicting requirements	This amendment relates to the timing and extent of gain or loss recognition for transactions with an associate or joint venture. This amendment has no effect on the financial position and results of BinckBank. In connection with an investigation of the equity method, the IASB has suspended the effective date of this adjustment indefinitely.
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3. Significant accounting judgements and estimates

The preparation of the financial statements involves estimates and assumptions based on subjective presumptions. Situations are assessed on the basis of available financial data and information. These estimates may have a material impact on the amount 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. While 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 reviewed regularly. 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 assessed the bank's ability to operate as a going concern is satisfied that the bank has adequate resources to continue its activities in the foreseeable future. Moreover, the management is not aware of any material uncertainties that may cast doubt on BinckBank's ability to continue as a going concern. For this reason, the financial statements have been prepared in accordance with the continuity principle.

CONSOLIDATION OF ASSOCIATES AND JOINT VENTURES

The consolidated financial statements are prepared on the basis of the consolidation of BinckBank and its associates and joint ventures. In determining whether associates and joint ventures should be consolidated, management has assessed whether there is de facto control as a result of decisive control, risk and reward regarding the variable results of the entity or influence over the appropriation of the results of the entity on the basis of current circumstances and insights, consistent with the conditions of IFRS 10.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Where the fair value of financial assets and financial liabilities cannot be obtained from active markets, they are determined using valuation methods, including cash flow models or other valuation models. Observable market data is used as the input for these models whenever possible, but when this is not possible assessments are required in the determination of fair values. These assessments involve a consideration of input factors such as liquidity risk, credit risk and volatility. Changes in assumptions on these factors can affect the fair value of financial instruments.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

BinckBank carries out a business model and SPPI test for the classification of financial assets. In its business model test, BinckBank assesses how each group of financial instruments is managed, the objective of holding the instruments and the risks associated with holding financial instruments. This assessment involves a degree of estimation that is periodically reconsidered and which may result in adjustments to the classification of the financial instruments.

EXPECTED CREDIT LOSS ON FINANCIAL INSTRUMENTS AT AMORTISED COST

IFRS requires the recognition of an expected credit loss provision for financial assets measured at amortised cost. The determination of the expected credit loss on financial assets measured at amortised cost requires the use of models and assumptions such as on credit behaviour and future economic developments. A provision is formed for expected credit loss on these assets when it is expected that BinckBank will not be able to collect all amounts that it should have been received under the original contractual conditions of the loan. To this end BinckBank makes estimates of the realisable value, being the value of future cash flows and the costs necessary to collect the amounts receivable.

As BinckBank has limited historical information available for some groups of financial instruments, such as mortgage receivables, the parameters of the credit loss model for these instruments are determined on the basis of the available public information that is regarded as being representative for the portfolios held by BinckBank. The provision for expected credit loss is then equal to the difference between the carrying value and the realisable value.



The most significant assumptions and assessments are:

- Definition of a homogeneous group of financial assets with similar characteristics for the assessment of expected credit loss on a collective basis
- Definition of a significant deterioration of credit risk;
- Assumptions in the credit loss model for probability of default (PDs), loss given default (LGD) including cure rates and estimates of cash flows from the liquidation of collateral, allocation of the expected cash flows and future macro-economic factors.

More information about the models used and assumptions regarding the expected credit loss models is enclosed in note 4.2, Financial assets and liabilities.

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 flow generating units to which the goodwill is attributed. BinckBank estimates the value in use by estimating the expected future cash flows from the cash flow generating unit and determining an appropriate discount rate for the calculation of the net present value of those cash flows.

FAIR VALUE OF IDENTIFIED INTANGIBLE ASSETS ACQUIRED THROUGH ACQUISITIONS

BinckBank measures the value of the identifiable intangible assets acquired through 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 to determine the cash flows and applicable discount rate. Where the royalty method is used, an estimate is also made of the appropriate royalty percentage. At each balance sheet date the intangible assets are evaluated for any indication of impairment.

ECONOMIC LIFE OF INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

BinckBank applies standard amortisation and depreciation periods for various groups of assets. BinckBank assesses each asset periodically to establish whether the standard amortisation or depreciation period still corresponds to the expected useful life of the asset. Circumstances may arise during the use of the asset that may result in a situation in which the standard depreciation 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 economic 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 which allow the deferred tax to be recovered.

PROVISIONS AND OFF-BALANCE SHEET LIABILITIES

Provisions and off-balance sheet liabilities are determined based on available information and management estimates. The actual results may differ from these estimates.

4. Accounting policies

4.1 GENERAL

The consolidated financial statements have been prepared on the basis of historical cost, apart from the derivatives and financial assets and liabilities recognised at fair value through profit and loss, which are recognised at fair value.

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

4.2 FINANCIAL ASSETS AND LIABILITIES

Transactions in financial assets and liabilities conforming to standard market conditions are recognised in the accounts on the transaction date. Other financial assets and liabilities are recognised in the statement of financial position at the time of acquisition.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are classified in categories on the basis of the nature and purpose of the assets or liabilities. The determination of the classification of financial assets under IFRS 9 is fundamentally dependent on two criteria: the contractual cash flow of the instrument and the entity's business model for the management of its financial instruments.

On initial recognition, all financial assets and liabilities are recognised at fair value. The costs directly related to transactions involving financial assets classified as financial assets measured at fair value through profit and loss are charged directly to the income statement. The costs directly related to transactions involving financial assets in other classifications are included in the transaction price.

Classification and measurement of financial assets

Under IFRS 9, all financial assets are classified in two categories: they are either measured at amortised cost, or are measured at fair value.

When assets are measured at fair value then gains and losses are either fully recognised in the income statement (fair value through profit and loss, FVTPL) or under other comprehensive income (fair value through other comprehensive income, FVOCI).

Financial assets are classified at initial recognition, namely when the entity becomes party to the contractual provisions of the instrument. Reclassification of an asset at a later moment is possible when certain conditions are met.

Debt instruments

Debt instruments that meet the following two conditions must be measured at amortised cost (net of any impairment) unless the fair value through profit and loss (FVTPL) option has been elected for the instrument:

- when the contractual cash flows are solely payments of principal and interest (SPPI test), and
- the sole objective of the business model is to collect contractual cash flows (business model test).

Any difference between the transaction price and fair value at the time of initial recognition is credited or charged to the result. On the initial recognition of listed instruments any such difference is immediately recognised in the result. With all other instruments, any such difference is recognised in the result only on changes in factors, such as the time factor, that would determine the price in a regular transaction.

Debt instruments that meet the following two conditions must be measured at fair value through other comprehensive income (FVOCI) unless the fair value through profit and loss (FVTPL) option has been elected for the instrument:

- when the contractual cash flows are solely payments of principal and interest (SPPI test), and
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.



Fair value option for financial assets

Even if an instrument meets the two requirements to be measured at amortised cost or FVOCI, IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them with different principles.

Equity instruments

All equity investments within the scope of IFRS 9 must be measured at fair value, with value changes recognised in the income statement, with the exception of equity instruments for which the entity has elected fair value through other comprehensive income (FVOCI).

Fair value through other comprehensive income (FVOCI) option

When an equity investment is not held for trading then an entity can make an irrevocable election at initial recognition to measure the investment at FVOCI and recognise only dividend income in the income statement.

Classification and measurement of financial liabilities

Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

Fair value option for financial liabilities

Financial liabilities may be measured at fair value when:

- doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them with different principles, or
- the liability is part of a group of financial liabilities or financial assets and financial liabilities that is managed and of which the performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

A financial liability which does not meet any of these criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

IFRS 9 requires gains and losses on financial liabilities designated as at FVTPL to be split into the amount of the change in fair value attributable to changes in credit risk of the liability, which is to be presented in other comprehensive income, and the remaining amount, which is to be presented in the income statement. The new guidance allows the recognition of the full amount of the change in fair value in the income statement only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the income statement. This determination is made at initial recognition and is not reassessed.

Amounts presented in other comprehensive income are not subsequently recycled transferred to the income statement: the entity may only transfer the cumulative gain or loss within equity.

Cash and Banks

Cash and Banks consists of cash, bank balances, and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash. These assets have a limited impairment risk. Cash and receivables from banks are measured at amortised cost less a provision for expected credit loss.

Derivatives

Derivatives are financial instruments requiring no or only a limited net initial investment, with future settlement dependent on the underlying notional amount of the contract and movements in certain rates or prices (such as the interest rate or the price of a financial instrument). Derivatives are recognised at fair value, whereby both unrealised and realised gains and losses are recognised directly in the income statement under Result from financial instruments.

Financial assets and financial liabilities at fair value through profit and loss

An instrument is classified as a financial asset or financial liability at fair value through profit and loss when it is held for trading or the fair value option is elected on initial recognition. BinckBank elects the fair value option for specific financial assets and liabilities on the grounds that the instrument eliminates or substantially reduces inconsistencies in measurement and recognition which would otherwise arise on the recognition of assets or of income and expenses with different principles. The financial assets and liabilities at fair value through profit and loss are recognised at fair value. Unrealised and realised gains and losses are recognised directly in the income statement under Result from financial instruments.

Investments at amortised cost

Investments at amortised cost are characterised by fixed or specific payments and a fixed term. These financial instruments are measured at amortised cost only when they meet the business test and SPPI test. After initial recognition, these financial assets are measured at amortised cost using the effective interest method and less a provision for expected credit loss, where relevant.

Loans and receivables

Loans and receivables are financial instruments with fixed or specific payments that are not listed on an active market. Loans and receivables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method and less a provision for expected credit loss, where relevant.

Funds entrusted

Funds entrusted are characterised by fixed or certain payments and are either payable on demand or, in the event of savings products, have a fixed term. The fair value option is not elected for these liabilities, and for this reason after initial recognition these instruments are measured at amortised cost with the application of the effective interest method.

EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AT AMORTISED COST

A provision for expected credit loss must be raised for financial assets recognised at amortised cost or at fair value through other comprehensive income (FVOCI), such as bank balances, bonds, loans and receivables, as well as for financial guarantees and irrevocable facilities. This provision is determined on the basis of an expected credit loss model that is dependent on the extent to which the credit risk of the counterparty changes relative to the initial recognition of the asset.

At each balance sheet date BinckBank assesses all financial assets measured at amortised cost for indications of changes in credit risk which could lead to adjustments to the expected credit loss on this financial asset or group of financial assets. A provision for expected credit loss is only recognised when there is an adverse effect on future cash flows. Reversals of expected credit loss are recognised in the income statement. Amounts subsequently collected after write-off are recorded in the income statement in expected credit loss.

The most important characteristics of the models for the determination of expected credit loss on Investments at amortised cost, Loans and receivables, Cash and balances at central banks and Due from banks are explained in more detail in note 41.5, Credit risks.

The expected credit loss model under IFRS 9 is based on a number of credit quality stages:

- *Stage 1:* Financial instruments that have not had a significant increase in credit risk since initial recognition. A provision for expected credit loss is recognised for these financial instruments based on the probability of default events occurring during the coming 12 months. Interest income is recognised on the basis of the effective interest rate on the gross carrying value;
- *Stage 2:* Financial instruments with a significant increase in credit risk since initial recognition. A provision for expected credit loss is recognised for these financial instruments based on the probability of default events over the expected life of the financial instrument (Lifetime ECL). Interest income is recognised on the basis of the effective interest on the gross carrying value;
- *Stage 3:* Financial instruments with a demonstrable loss event. A provision for expected credit loss is recognised for these financial instruments which is based on the probability of default events over the expected life of the financial instrument (Lifetime ECL). Interest income is recognised on the basis of the effective interest rate on the revised carrying value after deduction of the credit loss provision.



Definition of significant deterioration of credit risk

The various stages refer to 'significant deterioration of credit risk'. BinckBank has adopted the following characteristics for the identification of a significant deterioration of credit risk:

- The borrower is in arrears by more than 2 payment periods, which is equivalent to more than 30 days (stage 2) or 90 days (stage 3);
- The macro-economic factors exhibit a significant risk of significant deterioration of credit risk;
- The external ratings of parties exhibit a relative deterioration of credit risk outside the specified bandwidths.

This definition has been specified for each asset on the basis of its characteristics. The assessment of the quality assessment of the credit risk of parties is in line with risk assessments carried out within the risk management framework.

BinckBank assesses all financial assets measured at amortised cost for any significant deterioration of credit risk. When a significant deterioration of credit risk of an asset arises, then the expected credit loss is determined on the basis of the probability of default during the lifetime of the asset rather than the probability of default during a period of 12 months. A significant deterioration of credit risk is determined by comparing the credit risk on reporting date with the credit risk determined on initial recognition of the asset. This assessment is carried out with objective, available and, when possible, prospective information.

Definition of default

The definition of default is of great importance in determining the credit loss. BinckBank has adopted the following characteristics for the identification of a default:

- The borrower is in arrears for more than 90 days;
- It is unlikely the borrower is able to fulfil its obligations

This definition has been specified for each asset on the basis of its characteristics. BinckBank uses both quantitative and qualitative indications in its assessments on whether the borrower will be able to fulfil its obligations.

Cash and balances with central banks and Due to banks

Cash and balances with central banks and Due to banks are individually assessed for expected credit loss. The provision formed for expected credit loss is determined as the difference between the carrying value and the present value of expected future cash flows, taking account of guarantees and collateral. The movement in the provision is recognised in the income statement under Credit losses from financial assets.

Investments at amortised cost

Investments at amortised cost are individually assessed for expected credit loss. The provision formed for expected credit loss is determined as the difference between the carrying value and the present value of expected future cash flows, taking account of guarantees and collateral, and discounted at the original effective interest rate. The movement in the provision is recognised in the income statement under Credit losses from financial assets.

Loans and receivables

BinckBank's loans and receivables item consists of loans collateralised by securities and receivables from mortgage rights.

Credit collateralised with securities is individually assessed for expected credit loss. The provision for expected credit loss on loans collateralised by securities is then determined both individually (stage 3) and collectively on the basis of the historical loss on the entire portfolio.

BinckBank assesses the individual receivables in the mortgage portfolio for expected credit loss. Changes in credit risk are monitored on the basis of payment arrears, forbearance measures and other additional agreements. BinckBank adopts a fixed criterion whereby arrears in interest and/or redemptions of more than 30 days are regarded as a significant deterioration of credit risk, after which these loans are included in stage 2. Loans with arrears in interest and/or redemptions of more than 90 days are included in stage 3.

In determining the expected future cash flows from a financial asset for which collateral has been received BinckBank takes account of the potential cash flows that will arise on liquidation of the collateral less any costs that will be incurred in obtaining and selling the collateral.

The amount of any impairment loss is measured as the difference between the loan's carrying amount and the present value of future expected cash flows, discounted at the original effective interest rate of the loan. The movement in the provision is recognised in the income statement under Credit losses from financial assets.

Financial guarantee contracts and irrevocable facilities

BinckBank has issued a limited number of guarantee contracts to clients. These guarantees fall within the scope of the management of credit risk and are secured by securities collateral. The irrevocable facilities relate to outstanding mortgage offers for which BinckBank has a financing commitment to the service provider. In view of the nature of the products, the contractual terms and the collateral, BinckBank has assessed the expected credit loss on these off-balance sheet items as very limited and, consequently, has not recognised any provision for expected credit loss.

MODIFICATION OF FINANCIAL INSTRUMENTS

Modification of financial instruments is an issue when the contract conditions are amended in the period between initial recognition and the maturity date (forbearance). Forbearance refers to the situation in which the bank, in view of the debtor's deteriorating condition, has made concessions on the terms and conditions of the loan agreement that are intended to enable the client to fulfil the revised obligations. Amendments to existing contracts may impact future cash flows and, consequently, may impact the determination of the expected credit loss.

In case of amendments, BinckBank assesses the extent to which the amendments are significant and the conditions of the financial asset deviate significantly from the original instrument. When the amendments are significant then BinckBank will derecognise the original contract and recognise the instrument with the new terms. The difference between the carrying value, including the expected credit loss, and the fair value of the newly-recognised instrument is recorded in the income statement. When the amendments to the contract do not result in its derecognition then BinckBank assesses the credit risk on the basis of the new terms and, if necessary, adjusts the expected credit loss to the situation, whereby the original effective interest rate is maintained.

WRITE-OFFS AND RECOVERIES

Financial assets at amortised cost are written off when there is no reasonable expectation of full or partial repayment. Writing off a receivable is, in principle, equal to its derecognition. Any cash flows received on written-off assets, where relevant, are recognised directly in the income statement.

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 recognised on the statement of financial position when:

- 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, pursuant to a special agreement, to pay them to a third party in their entirety and without significant delay; and
- BinckBank has transferred its rights to receive the cash flows from the asset and has either (a) largely transferred all risks and rewards of the asset or (b) not largely transferred all risks and rewards 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 the asset or retained them fully and has not transferred control of the asset, then that asset continues to be recognised for as long as BinckBank remains involved with the asset. Financial liabilities are no longer recognised in the statement of financial position once the performance relating to the obligation has been completed or the obligation has been withdrawn or has expired.



OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are generally presented gross in the statement of financial position. Financial assets and liabilities are set off against each other and the net amount is presented in the statement of financial position at the time that there is a legally enforceable right to set off the amounts and there is an intention to settle the instruments on a net basis, or to realise the asset and settle the liability simultaneously. An entity needs to possess a continuous legally enforceable offsetting right to meet the offsetting criterion.

Consequently, the offsetting right:

- may never be contingent on a future event; and
- must be legally enforceable in all the following circumstances:
 - within the context of the normal course of business;
 - in the event of default; and
 - in the event of the insolvency or bankruptcy of the entity and of all counterparties.

HEDGE ACCOUNTING

BinckBank has decided, on the basis of its risk policy, to hedge interest rate risk on the balance sheet with interest-rate derivatives. BinckBank elects for the application of IAS 39 for hedge accounting, in accordance with IFRS 9, Financial instruments. In this hedging relationship, the interest-rate derivatives are regarded as hedging instruments and a designated proportion of the cash flows from the mortgage rights as the hedged item. BinckBank determines and documents the hedged instrument and the hedging instruments at the inception of the hedge. Furthermore BinckBank assesses hedge effectiveness both at inception and on continuous basis.

The movements in the fair values of the hedging instruments and the hedged item are recognised in the same line of the income statement. Hedge accounting with an effective hedge relationship results in changes in the fair value of hedging instrument and hedged item that set-off each other. On balance, the ineffective portion of the hedge relationship remains as Result from financial instruments in the income statement. The fair value adjustment of the hedged item recognised in the statement of financial position is then amortised over the weighted average term of the hedged items.

SECURITIES LENDING TRANSACTIONS

Securities lending and borrowing transactions are usually collateralised by securities or cash. The related securities in the borrowing or lending transaction are not recognised (borrowing transactions) or derecognised (lending transactions) on the statement of financial position. The collateral received or paid as securities is not recognised respectively derecognised on the statement of financial position. Collateral received or paid as cash is recognised in the statement of financial position as cash advanced (included in due from banks and loans) or received (due to banks or due to customers). Interest received or paid are recognised on an effective interest basis and recorded as interest income or interest expense.

4.3 ACQUISITIONS AND GOODWILL

All acquisitions are recognised using the acquisition method. The identifiable assets, equity, and liabilities of the acquired company or activities are recognised at fair value. Transaction costs associated with an acquisition are recognised directly in the income statement.

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 determine the cash flows and the applicable discount rate. Where the royalty method is used, an estimate is also made of the appropriate royalty percentage. BinckBank makes an estimate of the potential agreements on earn-out arrangements on the basis of the expected future results of the acquired companies or activities. These earn-out arrangements form part of the price paid for the acquired company or activities. 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 combination is measured as the difference between the acquisition price and BinckBank's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquired company or activities. Subsequently, goodwill is measured at cost less any cumulative impairment losses. Goodwill is recognised under intangible assets. Any negative difference between acquisition price and fair value is recognised directly in the income statement. Adjustments to the fair value of acquired assets and liabilities at the acquisition date that are identified before the end of the first year after the acquisition result in an adjustment of the goodwill. Adjustments identified at a later date are recognised as a gain or loss in the income statement.

Goodwill is tested for impairment annually, or more frequently when events or changed circumstances indicate that the carrying amount could be impaired. For this impairment test, goodwill acquired in a business combination is allocated from the acquisition date to BinckBank's cash flow generating units or groups of cash generating units that are expected to benefit from the synergy of the business combination. An impairment is measured by assessing the recoverable amount of the cash generating unit to which the goodwill relates. The recoverable amount is an assets net selling price or its value in use, whichever is higher. An impairment is recognised when the recoverable amount is lower than the carrying amount. Impairment of goodwill is not reversed.

A third-party interest in the acquired company is measured at either the fair value on acquisition date or of the proportional share in the identifiable assets and liabilities of the acquired company or activities.

Gains and losses on the disposal of a company or activity are determined as the difference between the proceeds from disposal and the carrying amount of the company or activity, including goodwill and currency translation reserve.

4.4 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 manner while BinckBank does not have control. Investments in associates are recognised using the equity method. Under the equity method, BinckBank's share in the results of the associate is recognised in BinckBank's income statement as Share in results of associates. BinckBank's share in changes in the reserves of an associate is recognised directly in BinckBank's equity. The carrying amount of the investment is adjusted for these reported results and changes in reserves. When the carrying amount of the investment in an associate falls to nil then no further losses are recognised unless BinckBank has accepted liabilities on behalf of the associate or has already made payments on behalf of the associate. Where necessary, the accounting principles of associates are adjusted to bring them into line with those of BinckBank.

4.5 INTANGIBLE ASSETS

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

Intangible assets are determined as having either a finite or an indefinite useful life. Intangible assets with a finite useful life are amortised over the useful life and tested for impairment when 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 finite useful life is presented in the income statement under 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-flow 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 continues to be justifiable.



4.6 PROPERTY, PLANT, AND EQUIPMENT

Property for own use is carried at historical cost less cumulative depreciation and impairments. All other assets recognised in the statement of financial position as plant and equipment 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:

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

When an asset consists of various 'components' with different useful lives and/or different residual values then the asset is divided into these components and depreciation is applied separately. Useful life and residual value are assessed annually. When it emerges that the estimated values differ from previous estimates then the values are adjusted. When the carrying amount of an asset is higher than the estimated realisable value then an impairment is recognised which is 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 takes place. Repair and maintenance costs are charged to the income statement in the period to which they relate. The costs of significant renovations are capitalised when it is probable 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 are recognised in investment value in real estate. Amortisation of the leasehold is applied on a linear basis over the remaining life to maturity.

4.7 TAX

CURRENT TAX

Current tax (corporation tax) concerns immediately payable and offsettable tax assets and liabilities for current and prior years, measured at the amount expected to be claimed from or paid to the relevant tax authorities. The tax amount is calculated on the basis of the enacted tax rates and applicable tax legislation.

DEFERRED TAX

Deferred tax liabilities are recognised on the basis of 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:

- when 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 company acquisition and does not affect the operating profit before tax or the taxable profit;
- when taxable temporary differences are related to investments in subsidiaries and associates whereby BinckBank is able to control the timing of the settlement of the temporary difference in autonomy and it is probable that the temporary difference will not be settled in the near future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax facilities and unused tax loss carry forwards when it is probable that they can be offset against taxable profits. The carrying amount of the deferred tax assets is assessed at reporting date and reduced to the extent that it is not probable that sufficient taxable profits will be available against which some or all of the deferred tax asset can be offset.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable to the period in which the asset is realised or the liability is settled, as based on the enacted tax rates and applicable tax legislation. The tax on items recognised directly in equity is recognised directly in equity instead of in the income statement. Deferred tax assets and liabilities are recognised as a net amount when 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.



4.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of BinckBank's assets is tested at each balance sheet date to determine whether there are indications for impairment. When there are any such indications then the recoverable amount of the asset is estimated. The recoverable amount is an assets net selling price or the value in use, whichever is higher. An impairment is recognised when the carrying amount of an asset exceeds the recoverable amount.

4.9 FUNDS ENTRUSTED

Funds entrusted comprise savings deposits, demand deposits, and other deposits. These are measured at fair value on initial recognition, inclusive of the transaction costs. Thereafter, they are measured at amortised cost.

4.10 PROVISIONS

A provision is recognised if:

- BinckBank has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

When it is expected that some or all of a provision will be reimbursed, then the reimbursement is recognised only when reimbursement is virtually certain. The expense relating to any provision is recognised net of any reimbursement in the income statement. When the effect of the time value of money is material then the provisions are discounted at a rate, before tax, that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

4.11 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.

4.12 TREASURY SHARES

Equity instruments which are reacquired (treasury shares) are deducted from equity at acquisition price inclusive of the 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.

4.13 OFF-BALANCE SHEET COMMITMENTS

BinckBank has commitments that have a potential credit risk but which do not meet the recognition criteria and, for this reason, are not recognised in the statement of financial position.

CONTINGENT LIABILITIES

Contingent liabilities are liabilities that are not recognised in the statement of financial position because their existence is dependent on 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 that all received collateral is without value.

IRREVOCABLE FACILITIES

Irrevocable facilities are unused credit facilities and all other obligations pursuant to irrevocable commitments that can result in the issuance of loans.

LEASE ARRANGEMENTS

Lease arrangements whereby the risks and benefits relating to the right of ownership are retained largely by the lessor are designated as operating leases. Lease payments made in the capacity of lessee in relation to operating leases are charged to the result during the lease period, after deduction of any premiums received from the lessor. BinckBank is only involved in operational lease contracts as a lessee.



4.14 NET INTEREST INCOME

Interest income consists of the interest on monetary financial assets attributable to the period. Interest on financial assets is recognised 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 early redemption of the underlying financial instrument and the direct costs and revenues, such as the transaction costs charged and any discount or premium. When the risk of early redemption cannot be measured with sufficient reliability, then BinckBank adopts 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 realisable value or fair value are subsequently recognised on the basis of the interest rate that is used to determine the realisable value by discounting the future cash flows.

Interest expenses include interest expenses on all financial obligations and are recognised on the basis of the effective interest method, as well as negative interest paid on financial assets.

4.15 NET COMMISSION INCOME

Commission income comprises payments, excluding interest, received or to be received from third parties, whether on a non-recurring or more regular basis, in respect of brokerage, asset management, and other services. Income is recognised when the service has been provided or to the extent that part of the transaction price can be allocated to the performance completed.

Commission expense comprises payments, excluding interest, paid or to be paid to third parties, respectively, whether on a non-recurring or more regular basis, in respect of brokerage, asset management, and other services.

4.16 RESULT FROM FINANCIAL INSTRUMENTS

The result from financial instruments relates to the results from derivatives and financial assets and liabilities recognised at fair value through profit and loss. The result consists of the movements in the value of these financial instruments attributable to the period.

BinckBank applies fair value hedge accounting to the interest rate risk. The result from financial instruments includes the ineffective portion of hedge accounting relation.

4.17 CREDIT LOSSES ON FINANCIAL ASSETS

Credit losses comprise the movement in the provisions for expected credit loss. This result also contains actual credit loss recorded directly in the profit and loss and recoveries made on loans formerly written off. More information about the principles for impairments of financial assets is enclosed in note 4.2, Financial assets and liabilities.

4.18 OTHER INCOME

All revenues that cannot be classified under other items but do belong to the operating activities are recognised under other income.

4.19 EMPLOYEE EXPENSES

Employee expenses comprise salaries, pension costs, social security contributions, and other employee expenses, such as expenses for share-based payments.

Employees can be eligible for share based payments. The expenses of these transactions with employees settled in equity instruments are determined on the basis of the fair value on the date on which they are awarded. The fair value is based on the underlying price of the share on the date on which they are awarded. The expenses of transactions in own equity instruments are, with a corresponding adjustment in equity, recognised in the period in which the conditions relating to the performance obligations are fulfilled and end on the date on which the relevant employees acquire the full right to the granted shares (the date on which the transaction becomes unconditional). The conditional shares are recognised at fair value, taking into account missed dividends and a lock-up period.

The payment of the variable performance pay in cash to the Executive Board and Identified Staff is made after expiry of the remuneration year and in the three succeeding years. The recognised current liability and non-current cash liability are determined on the basis of the estimated liabilities accrued for performances delivered until balance sheet date.



4.20 DEPRECIATION AND AMORTISATION

This relates to depreciation on property, plant and equipment and amortisation of intangible assets. Information on the principles for depreciation and amortisation is enclosed in the notes to property, plant and equipment and to intangible assets.

4.21 TAX

Tax is recognised in the income statement unless the tax relates to items recognised directly in equity, in which case the tax is recognised in other comprehensive income and directly in equity.

4.22 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 all group companies;
- The calculation is based on daily averages.

The diluted earnings per ordinary share are calculated by adjusting the weighted average number of shares during the period for potential dilution, for example due to outstanding option entitlements. 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 the time they become unconditional.



NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in € 000's)	31 December 2018	31 December 2017
5. CASH AND BALANCES AT CENTRAL BANKS	1,096,838	1,003,573
Cash and balances at central banks	1,097,168	1,003,673
Accrued interest*	(160)	(136)
Provision for expected credit loss	(170)	-
	<u>1,096,838</u>	<u>1,003,537</u>

* Includes change in presentation, see note 2.5

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 and the European Central Bank.

6. BANKS		
Due from banks	134,675	133,968
This item includes all cash and cash equivalents relating to the business activities held in accounts with credit institutions supervised by bank regulators.		
<i>This item comprises:</i>		
Balances available on demand	99,891	101,409
Mandatory reserve deposits	34,898	32,559
Accrued interest*	-	-
	<u>134,789</u>	<u>133,968</u>
Provision for expected credit loss	(114)	-
	<u>134,675</u>	<u>133,968</u>

* Includes change in presentation, see note 2.5

The balances on demand all have original maturities of less than three months. The interest received on the bank balances available on demand are based on floating rates. The mandatory reserve deposits at central banks are not free for withdrawal. The fair value of the bank balances does not significantly differ from the carrying value due to the short term nature of the related assets.

Due to banks	5,274	2,538
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The fair value of the bank balances does not significantly differ from the carrying value due to the short term nature of the related liabilities.



(amounts in € 000's)

31 December 2018

31 December 2017

7. DERIVATIVES

Derivative assets	24,277	37,311
Derivatives held in a hedge relationship		
Interest rate swaps*	-	274
Other derivatives		
Turbos	24,229	36,912
Other	48	125
	<u>24,277</u>	<u>37,311</u>
Derivatives liabilities	26,759	37,055
Derivatives held in a hedge relationship		
Interest rate swaps*	2,071	28
Other derivatives		
Turbos	24,266	36,928
Other	422	99
	<u>26,759</u>	<u>37,055</u>

* Includes change in presentation, see note 2.5

BinckBank uses interest rate swaps to manage interest rate risk. BinckBank has concluded ISDA contracts, inclusive of netting agreements, with a legal right to set off cash flows on the maturity date of the contracts or in the event of default. The derivatives have a notional value of € 146 million (2017: € 96 million). The margin paid on the interest-rate derivatives at 31 December 2018 is € 2.1 million. All interest rate swaps are part of a hedging relationship for which fair value hedge accounting is applied.

In fair value hedge accounting the relationships match the interest rate risks on the designated cash flows of the mortgage portfolio. The hedge relationship is determined monthly following a prospective test of the hedge effectiveness. The effectiveness expresses the degree to which the movement in the fair value of the hedged instrument (cash flow from mortgages) is matched by the fair value movement of the hedging instrument (interest rate swap). A retrospective test carried out at the end of the monthly hedging relationship period measures the actual ineffectiveness. This uses a 36-month regression analysis to assess the effectiveness of the current hedge relationship. Ineffectiveness can arise for a number of reasons, such as:

- mismatch of the timing of interest payments or receipts of the interest rate swap and the cash flows from the mortgages;
- variances in the actual cash flows as compared to the expected cash flows from the mortgages;
- the swap curves used for the measurement of the derivative includes a credit risk surcharge that is not hedged in the hedging relationship.



The details of the hedge accounting relationship are shown in the following table:

(amounts in € 000's)	Notional value	Carrying amount debet	Carrying amount credit	Change in revaluation in hedge relation
31 December 2018				
Interest rate swaps	146,000	-	(2,071)	(2,065)
Loans and receivables		1,407,394	-	-
Fair value adjustment hedged instrument		2,255	-	2,535
Ineffectiveness hedge accounting				470
31 December 2017				
Interest rate swaps	96,000	274	(28)	353
Loans and receivables		1,303,577	-	-
Fair value adjustment hedged instrument		(280)	-	(280)
Ineffectiveness hedge accounting				73

BinckBank issues turbos under its own name to customers. The price risk on an issued turbo position is hedged economically by purchasing a turbo with identical conditions from a third party. The difference in the market value of the purchased and issued turbos is due to the use of a different discount for the credit value adjustment (CVA) for BinckBank on the counterparty and for the customer on BinckBank.

(amounts in € 000's)	31 December 2018	31 December 2017
8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Financial assets at fair value through the profit or loss	13,721	16,613
Financial liabilities at fair value through the profit or loss	161	231

(amounts in € 000's)

31 December 2018

31 December 2017

9. INVESTMENTS AT AMORTISED COST

1,033,590

-

This item comprises:

Government bonds/government-guaranteed bonds*	260,636	-
Other bonds*	773,181	-
Amortised cost as at 31 December	1,033,817	-
Provision for expected credit loss	(227)	-
Balance sheet value as at 31 December	1,033,590	-

* Includes change in presentation, see note 2.5

Movements in investments at amortised cost were:

Amortised cost as at 31 December prior year	-	-
IFRS 9 transition adjustment	1,138,828	-
Amortised cost as at 1 January	1,138,828	-
Redemptions	(460,692)	-
Purchases	361,929	-
Foreign currency translation	10,320	-
Amortisation of premiums/discounts	(13,600)	-
Movement in accrued interest	(2,968)	-
Amortised cost as at 31 December	1,033,817	-
Provision for expected credit loss	(227)	-
Balance sheet value as at 31 December	1,033,590	-

BinckBank holds a portfolio of financial assets valued at amortised cost. This is a portfolio of interest bearing securities with remaining terms until maturity of less than 3.5 years. At year end 2018 the effective yield on the portfolio was 0.52%. This balance sheet item is a result of the implementation of IFRS 9. In 2017 these financial assets were classified under available-for-sale financial assets and held-to-maturity financial assets.

The movements in the provision for expected credit loss is detailed in section 41.5 on credit risk.



(amounts in € 000's)

31 December 2018

31 December 2017

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	797,294
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This item comprises:

Government/government-guaranteed bonds	-	33,865
Other bonds	-	753,878
Accrued interest*	-	9,551
	-	<u>797,294</u>

* Includes change in presentation, see note 2.5

Movements in financial assets available-for-sale were:

Amortised cost as at 31 December prior year	796,638	731,976
IFRS 9 transition adjustment	<u>(796,638)</u>	<u>-</u>
Amortised cost as at 1 January	-	731,976
Redemptions	-	(248,125)
Purchases	-	334,023
Foreign currency translation	-	(9,156)
Amortisation of premiums/discounts	-	(12,752)
Movement in accrued interest	-	<u>672</u>
Amortised cost as at 31 December	-	796,638
Revaluation as at 31 December	-	<u>656</u>
Balance sheet value as at 31 December	-	797,294

This item was a portfolio of interest bearing securities with a remaining term with a maturity of less than 3 years. This item has been reclassified as a result of the implementation of IFRS 9 and is now included in the Investments at amortised cost.

(amounts in € 000's)

31 December 2018

31 December 2017

11. HELD-TO-MATURITY FINANCIAL ASSETS	-	342,190
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This item comprises:

Government/government-guaranteed bonds	-	257,844
Other bonds	-	82,335
Accrued interest*	-	2,011
	-	342,190

* Includes change in presentation, see note 2.5

Movements in held-to-maturity investments were:

Amortised cost as at 31 December prior year	342,190	797,439
IFRS 9 transition adjustment	(342,190)	-
Amortised cost as at 1 January	-	797,439
Redemptions	-	(499,607)
Purchases	-	74,558
Foreign currency translation	-	(19,599)
Amortisation of premiums/discounts	-	(5,194)
Movement in accrued interest	-	(5,407)
Amortised cost as at 31 December	-	342,190

This item was a portfolio of interest bearing securities with a remaining term until maturity of less than 3 years. This item has been reclassified as a result of the implementation of IFRS 9 and is now included in the Investments at amortised cost.

12. LOANS AND RECEIVABLES	1,409,649	1,303,297
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The analysis is as follows:

Receivables collateralised by securities	592,531	558,796
Receivables collateralised by bank guarantees	5,292	2,739
Receivables collateralised by residential property	804,621	736,738
Accrued interest*	6,441	5,467
Other receivables	724	508
Loans and receivables, gross	1,409,609	1,304,248
Provision for expected credit loss	(2,215)	(671)
	1,407,394	1,303,577
Fair value adjustment hedge accounting	2,255	(280)
	1,409,649	1,303,297

* Includes change in presentation, see note 2.5



The receivables covered by securities and bank guarantees contain loans collateralised by securities. The interest rate on these loans is based on EURIBOR or EONIA, with a floor. BinckBank invests in mortgage receivables on Dutch residential mortgages. The portfolio comprises variable interest terms and fixed interest terms for periods between one month and thirty years. Part of the mortgage portfolio has guarantees under the National Mortgage Guarantee Scheme (NHG) and amounts to € 296 million as at 31 December 2018 (31 December 2017: € 318 million). The interest rates for the mortgage portfolio range from 1.3% to 6.4%.

The movements in the provision for expected credit loss is detailed in section 41.5 on credit risk.

(amounts in € 000's) 31 December 2018 31 December 2017

13. INVESTMENT IN ASSOCIATES	-	485
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This refers to the investment in TOM Holding N.V.

Movements during the year were as follows:

Balance as at 1 January	485	-
Capital increases and acquisitions	-	1,504
Dividends and capital refunds	(485)	-
Impairments subsidiaries	-	227
Results for the year	-	(1,246)
Balance as at 31 December	-	485

In 2017 TOM Holding N.V. wound down its activities and was subsequently liquidated during 2018. The residual value after liquidation has been remitted to the shareholders in proportion to their shareholdings.

FINANCIAL STATEMENTS

(amounts in € 000's)

31 December 2018

31 December 2017

14. INTANGIBLE ASSETS	157,214	157,950
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The movements in 2018 were as follows:

	Brand name	Customer deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2018	105	-	195	3,785	153,865	157,950
Investments	-	-	-	581	-	581
Disposals-cost	-	-	-	(6,291)	-	(6,291)
Disposals-cumulative amortisation	-	-	-	6,291	-	6,291
Impairment	-	-	-	-	-	-
Amortisation	(70)	-	(130)	(1,117)	-	(1,317)
Balance as at 31 december 2018	35	-	65	3,249	153,865	157,214

Cumulative cost	350	-	650	4,986	153,865	159,851
Cumulative amortisation and impairment	(315)	-	(585)	(1,737)	-	(2,637)
Balance as at 31 december 2018	35	-	65	3,249	153,865	157,214
Amortisation period (years)	5	10	5-10	5		

The movements in 2017 were as follows:

	Brand name	Customer deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2017	175	8,409	13,431	1,363	144,882	168,260
Investments	-	-	-	3,738	8,983	12,721
Disposals – cost	(31,405)	(84,095)	(131,058)	(4,139)	-	(250,697)
Disposals – cumulative amortisation	31,405	84,095	131,058	4,016	-	250,574
Impairment	-	-	-	-	-	-
Amortisation	(70)	(8,409)	(13,236)	(1,193)	-	(22,908)
Balance as at 31 December 2017	105	-	195	3,785	153,865	157,950

Cumulative cost	350	-	650	10,696	153,865	165,561
Cumulative amortisation and impairment	(245)	-	(455)	(6,911)	-	(7,611)
Balance as at 31 December 2017	105	-	195	3,785	153,865	157,950
Amortisation period (years)	5	10	5-10	5		

The Brand name, Customer deposits, and Customer base items arose on acquisitions of activities. Software comprises purchased software licences and software obtained on acquisitions of activities. At the end of 2017, the intangible assets relating to the acquisition of Alex Vermogensbank are fully amortised.

The goodwill item relates to the surplus of the cost as compared to the fair value of the identifiable assets and liabilities on the acquisition of activities.



GOODWILL IMPAIRMENT TEST

The goodwill presented in the statement of financial position has been allocated entirely to the cash generating unit Retail Nederland. Goodwill is tested for impairment annually or more frequently when events or changes in circumstances indicate that the carrying amount might be impaired. An impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. An impairment is recognised when the recoverable amount is lower than the carrying amount. The recoverable amount is the highest of the fair value less cost of disposal and its value in use.

In 2018, the realisable value of the cash-flow generating unit is based on the fair value less costs to sell. The fair value adopted is based on the planned public offer of Saxo Bank for the shares in BinckBank at an offer price of € 6.35 (cum dividend) per share. As this is a public offer from an informed and benevolent party the fair value is classified as a level 1 value in the fair value hierarchy. This fair value is then allocated to the share of the Retail Nederland cash-flow generating unit relative to BinckBank in its entirety.

No reliable fair value was available in 2017, and for this reason the realisable value is based on value in use. In 2017, management set targets using cash flow projections over a five-year period that were based on financial estimates. Cash flows beyond the five-year period have been extrapolated using a growth rate of 2.0%. Management has compared the principal assumptions made in 2017 against market estimates and market expectations. In 2017, the calculation was based on a discount rate of 10.5%.

The principal assumptions used by management in arriving at the cash flow projections for the purposes of the goodwill impairment test in 2017 were:

- The natural attrition rate and inflow of new private investors based on the trends of the past 5 years and the budget, including a multi-year forecast, respectively; The estimated growth in the number of customers is reflected in the expected numbers of transactions and the entrusted and placed funds;
- The interest margin based on the interest margin realised in the previous year, allowing for the long-term effect of a low interest rate;
- 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 recognised trends in the previous year.

In 2018, the impairment test revealed a value in use based on fair value that was higher than the carrying amount. The results of the test gave no indications of an impairment, and the derived market value was still 30% higher than the carrying amount of the Retail Netherlands cash-flow generating unit (2017: 111%). At 31 December 2018, there were no changes in circumstances as compared to the impairment test carried out the fourth quarter that might give rise to new insights that could lead to the recognition of an impairment.

IMPAIRMENT TESTING OF OTHER INTANGIBLE ASSETS

The other intangible assets are tested for impairment annually or more frequently when events or changes in circumstances indicate that the carrying amount might be impaired. At the end of 2018, the other intangible assets were almost fully amortised and there was no indication of impairment of the remaining assets.

(amounts in € 000's)

31 December 2018

31 December 2017

15. PROPERTY, PLANT AND EQUIPMENT	32,006	33,969
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The movements in 2018 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2018	25,202	2,855	5,877	35	33,969
Investments	-	138	1,653	47	1,838
Disposals – cost	-	(12)	(2,376)	(48)	(2,436)
Disposals – cumulative depreciation	-	12	2,376	48	2,436
Depreciation	(618)	(1,032)	(2,112)	(39)	(3,801)
Balance as at 31 December 2018	24,584	1,961	5,418	43	32,006
Cumulative cost	29,827	10,440	11,797	59	52,123
Cumulative depreciation and impairment	(5,243)	(8,479)	(6,379)	(16)	(20,117)
Balance as at 31 December 2018	24,584	1,961	5,418	43	32,006
Depreciation period (years)	50	5-10	5	5	

The movements in 2017 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2017	25,821	3,422	5,844	41	35,128
Investments	-	991	2,827	-	3,818
Disposals – cost	-	(969)	(8,862)	-	(9,831)
Disposals – cumulative depreciation	-	477	8,261	-	8,738
Depreciation	(619)	(1,066)	(2,193)	(6)	(3,884)
Balance as at 31 December 2017	25,202	2,855	5,877	35	33,969
Cumulative cost	29,827	10,314	12,520	60	52,721
Cumulative depreciation and impairment	(4,625)	(7,459)	(6,643)	(25)	(18,752)
Balance as at 31 December 2017	25,202	2,855	5,877	35	33,969
Depreciation period (years)	50	5-10	5	5	

The market value of the properties has been assessed and is higher than the carrying value. This did not give rise to an impairment of the property. Developments in the Dutch offices market gave no reason to revise this assessment. The investment in real estate includes prepayments in relation to a leasehold (operating lease) that expires on 15 April 2056. In 2018, an amount of € 256 thousand relating to amortisation of the leasehold is recognised under depreciation and amortisation (2017: € 256 thousand).



(amounts in € 000's)

31 December 2018

31 December 2017

16. CURRENT TAX

Current tax assets	16,622	16,725
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The balance at year-end relates to the last three financial years.

Current tax liabilities	12	10
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The reconciliation of the effective tax rate with the tax rate applicable to the consolidated financial statements is as follows:

	2018 Amount	2018 Percentage	2017 Amount	2017 Percentage
Standard tax rate	8,966	25.0%	2,062	25.0%
Effect of different tax rates (in other countries)	137	0.4%	66	0.8%
Effect of substantial-holding exemptions	(2,109)	-5.9%	(216)	-2.6%
Effect of tax facilities	(118)	-0.3%	(2,256)	-27.4%
Other effects	(6,476)	-18.1%	70	0.9%
Total tax expense	400	1.1%	(274)	-3.3%

The tax burden for 2018 amounts to € 0.4 million, which leads to an effective tax rate of 1.1%. The effective tax rate is lower than the nominal tax rate, partly as a result of participation exemptions. In addition, a one-off tax benefit of € 6.3 million has been included in the 2018 tax charge as a result of the application of the lower corporate income tax rates to deferred tax liabilities. The new rates are based on the Tax Plan 2019, in which the current tax rate will be incrementally reduced from 25% in 2019 to 20.5% in 2021.

The effect of the tax facilities during 2017 includes the benefits derived from the settlement reached between BinckBank and the Dutch Tax and Customs Administration on the application of the Innovation Box. In addition, the tax facilities recognise a liquidation loss from the cumulative losses in the participation in TOM Holding N.V., which after its liquidation was deducted from the taxable profit of BinckBank N.V.

Information about BinckBank's policy on tax matters is enclosed in the tax policy section in the Annual Report.

(amounts in € 000's)

31 December 2018

31 December 2017

17. DEFERRED TAX

Deferred tax assets	468	6,279
Deferred tax liabilities	(29,996)	(36,443)
Total asset/(liability)	(29,528)	(30,164)

Maturity of deferred tax receivables:

Within one year	468	6,279
Between 1 and 5 years	-	-
Longer than five years	-	-
	468	6,279

Maturity of deferred tax liabilities:

Within one year	-	(164)
Between 1 and 5 years	(116)	(352)
Longer than five years	(29,880)	(35,927)
	(29,996)	(36,443)

	1 January 2018	Movement via income statement	Movement via balance sheet	31 December 2018
<i>Origin of deferred tax assets and liabilities</i>				
Compensating losses	2,948	-	(2,480)	468
Liquidation loss associates	3,288	-	(3,288)	-
Goodwill and intangible assets	(35,976)	6,521	(250)	(29,705)
Depreciation period differences for fixed assets	(489)	11	187	(291)
Temporary differences as a result of intercompany transactions	232	(232)	-	-
Other	(3)	-	3	-
Total deferred tax	(30,000)	6,300	(5,828)	(29,528)



(amounts in € 000's)	1 January 2017	Movement via income statement	Movement via balance sheet	31 December 2017
<i>Origin of deferred tax assets and liabilities</i>				
Compensating losses	1,048	1,900	-	2,948
Liquidation loss associates	-	3,288	-	3,288
Available-for-sale financial assets*	(280)	-	116	(164)
Goodwill and intangible assets	(31,492)	117	(4,601)	(35,976)
Depreciation period differences for fixed assets	(625)	(22)	158	(489)
Temporary differences as a result of intercompany transactions	465	(233)	-	232
Other	(50)	(8)	55	(3)
Total deferred tax	(30,934)	5,042	(4,272)	(30,164)

* The opening balance in 2018 of the deferred tax relating to the Available-for-sale financial assets has been adjusted to nihil resulting for the transition to IFRS 9.

The tax losses carried forward at the end of 2017 pertain to the deferred tax claim for compensating losses of BinckBank N.V. The expectation is that in the tax calculation the full amount of compensating losses can be offset against positive results in the coming years.

The liquidation loss of subsidiaries refers to the cumulative losses in the associate TOM Holding N.V. which have been deducted from the fiscal result of BinckBank N.V. following the completion of the liquidation of TOM Holding N.V. in 2018.

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 in acquisitions of Alex, Fundcoach and Pritle. The change in deferred tax is mainly due to the application of a reduction in the corporate income tax rate in the valuation of deferred taxes. The new tariffs used are based on the tax plan 2019, in which the corporate income tax rate gradually decreases from 25% in 2019 to 20.5% in 2021.

The depreciation period differences for fixed assets relate to factors including accelerated tax depreciation on certain investments in fixed assets in the years 2010 and 2011.

The temporary differences as a result of intercompany transactions originated from eliminated consolidated transactions, where the current tax in the different tax entities is recorded at different times over a period of several years.

18. OTHER ASSETS	138,526	58,754
<i>This item comprises:</i>		
Trade receivables	1,013	483
Receivables relating to securities sold but not yet delivered	121,817	47,362
Cash flows to be settled – mortgage receivables	6,997	5,926
Other receivables	8,698	4,983
	138,526	58,754

All these receivables have a remaining maturity 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.

(amounts in € 000's)

31 December 2018

31 December 2017

19. PREPAYMENTS AND ACCRUED INCOME	13,407	15,446
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This item comprises:

Commission receivable	6,181	7,484
Other prepayments and accrued income	7,226	7,962
	<u>13,407</u>	<u>15,446</u>

The commission receivable comprises the regular commissions as well as performance-related fees. The other prepayments and accrued income item relate primarily to prepaid IT licenses and other service related contracts.

20. FUNDS ENTRUSTED	3,562,200	3,383,507
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This item comprises:

Demand deposits in savings accounts	191,058	219,707
Demand deposits in current accounts	3,370,756	3,163,676
Accrued interest*	386	124
	<u>3,562,200</u>	<u>3,383,507</u>

* Includes change in presentation, see note 2.5

21. PROVISIONS	3,394	8,134
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This item comprises:

Provisions for legal claims	3,149	7,248
Other provisions	245	886
	<u>3,394</u>	<u>8,134</u>

The provision for legal claims concerns an estimate of the possible loss suffered by BinckBank as a result of legal proceedings instituted against BinckBank.

The movement in the provisions for legal claims was as follows:

Balance as at 1 January	7,248	8,891
Additions through profit and loss	3,720	1,443
Utilised	(6,662)	(2,994)
Unused amounts reversed	(1,157)	(92)
Balance as at 31 December	<u>3,149</u>	<u>7,248</u>



The other provisions include provisions formed for onerous contracts. BinckBank expects that the future economic benefits do not outweigh the costs from the relevant contracts. The term of the provision for onerous contracts is less than 2.5 years.

(amounts in € 000's)	31 December 2018	31 December 2017
<i>The movement in the other provisions was as follows:</i>		
Balance as at 1 January	886	-
Additions through profit and loss	116	886
Utilised	(757)	-
Unused amounts reversed through profit and loss	-	-
Balance as at 31 December	245	886

22. OTHER LIABILITIES	28,040	52,084
<i>This item comprises:</i>		
Liabilities in respect of securities transactions not yet settled	16,683	39,369
Tax and social security contributions	5,012	3,681
Trade payables	4,006	3,740
Other liabilities	2,339	5,294
	28,040	52,084

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 number of transactions.

23. ACCRUED LIABILITIES	11,773	8,927
<i>This item comprises:</i>		
Employee expenses	6,052	5,533
Other accruals and deferred income	5,721	3,394
	11,773	8,927

The employee expenses item includes accruals for holiday allowance, unused holiday leave and performance-related remuneration.

(amounts in € 000's)

31 December 2018

31 December 2017

24. EQUITY	403,384	394,889
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This item comprises:

Issued share capital	6,750	6,750
Share premium reserve	343,565	343,565
Treasury shares	(4,081)	(4,282)
Fair value reserve	-	492
Retained earnings	57,150	47,431
Non-controlling interests	-	933
	<u>403,384</u>	<u>394,889</u>

Issued share capital	6,750	6,750
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	Number	Amount	Number	Amount
Balance as at 1 January	67,500,000	6,750	71,000,000	7,100
Cancelled treasury shares	-	-	(3,500,000)	(350)
Balance as at 31 December	<u>67,500,000</u>	<u>6,750</u>	<u>67,500,000</u>	<u>6,750</u>

A total of 67,500,000 ordinary shares were in issue, each with a nominal value of € 0.10. The share capital is fully paid up. Stichting Prioriteit Binck holds 50 priority shares, each with a nominal value of € 0.10.

(amounts in € 000's)

31 December 2018

31 December 2017

Share premium reserve	343,565	343,565
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Balance as at 1 January	343,565	361,379
Cancelled treasury shares	-	(17,814)
Balance as at 31 December	<u>343,565</u>	<u>343,565</u>

The share premium is exempt from tax and freely distributable.

Treasury shares	(4,081)	(4,282)
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	Number	Amount	Number	Amount
Balance as at 1 January	767,419	(4,282)	5,281,525	(29,468)
Issued to Executive Board and employees	(35,935)	201	(56,985)	318
Issued to third parties	-	-	(957,121)	5,340
Cancelled treasury shares	-	-	(3,500,000)	19,528
Balance as at 31 December	<u>731,484</u>	<u>(4,081)</u>	<u>767,419</u>	<u>(4,282)</u>



At the end of 2018, the carrying amounts of the treasury shares was measured at the average purchase price of € 5.58. The movements in the amounts of treasury shares purchased and sold are recognised under equity. At the end of 2018 the quoted share price was € 6.09 (2017: € 4.43).

(amounts in € 000's)	31 December 2018	31 December 2017
Fair value reserve	-	492

The reserve comprises the fair value gains and losses, after tax, on available-for-sale financial assets.

<i>This item comprises:</i>		
Unrealised profits	-	1,432
Unrealised losses	-	(776)
Tax on unrealised profits and losses	-	(164)
	-	492

The movements in the fair value reserve were as follows:

Balance as at 31 December prior year	492	1,021
IFRS 9 transition adjustment	(492)	-
Balance as at 1 January	-	1,021
Movement in fair value	-	(645)
Tax on the movement in fair value	-	116
Balance as at 31 December	-	492

This reserve comprises the movement in fair value of the available-for-sale financial assets, net of taxes. This item has been reclassified as a result of the implementation of IFRS 9.

Retained earnings	57,150	47,431
Balance as at 31 December prior year	47,431	55,537
IFRS 9 transition adjustment	(1,440)	-
Balance as at 1 January	45,991	55,537
Payment of final dividend	(15,356)	(12,679)
Payment of interim dividend	(8,680)	(2,002)
Grant of rights to shares	216	92
Shares granted to Executive Board and employees	(201)	(318)
Shares issued to third parties	-	(806)
Cancelled treasury shares	-	(1,364)
Result for the year	35,180	8,971
Balance as at 31 December	57,150	47,431

As a result of the introduction of IFRS 9, the opening balance of the retained earnings for 2018 has been adjusted by € 1.4 million. This primarily concerns the initial post tax adjustment for expected credit loss provisions.

(amounts in € 000's)

31 December 2018

31 December 2017

Non-controlling interests	-	933
Balance as at 1 January	933	1,383
Divestment of non-controlling interests	(1,215)	-
Result attributable to non-controlling interests	282	(450)
Balance as at 31 December	-	933

The non-controlling interest was related to the 60% interest in Think ETF Asset Management. This interest was sold in 2018, as a result of which BinckBank no longer has control and the interest has been derecognised. This has also resulted in the reduction of the non-controlling interest to zero.



NOTES TO THE CONSOLIDATED INCOME STATEMENT

(amounts in € 000's)	2018	2017
25. NET INTEREST INCOME	32,070	30,039

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 the following:

Interest income		
Investments at amortised cost	4,370	-
Available-for-sale financial assets	-	2,500
Held-for-trading financial assets	-	2,283
Loans and receivables	36,751	31,535
Other interest income	120	121
	<u>41,241</u>	<u>36,439</u>
Interest expense		
Central banks	4,922	4,022
Financial institutions	2,137	1,674
Funds entrusted	1,037	503
Interest rate swaps	1,073	155
Other interest expense	2	46
	<u>9,171</u>	<u>6,400</u>

As a result of the continuing low, and even negative, interest rates on balances with credit institutions and the ECB BinckBank is, on balance, paying interest on these assets. Interest paid on funds held by BinckBank due to negative interest rates is recognised under interest expenses.

All interest income from the investments at amortised cost and the loans and receivables are based on the effective interest rates, with the exception of penalty interest on early repayments from loans and receivables. The other interest income is not based on the effective interest rates.

The recognised interest income on loans and receivables in stage 3 of credit risk amounts to € 32 thousand (2017: € 19 thousand).

(amounts in € 000's)

2018

2017

26. NET FEE AND COMMISSION INCOME	102,975	105,858
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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	89,984	94,691
Asset management fees	9,632	14,137
Other fee and commission income	19,977	16,011
	<u>119,593</u>	<u>124,839</u>

Fee and commission expense		
Costs of securities transactions	13,723	16,056
Asset management fees	975	1,114
Other fee and commission expenses	1,920	1,811
	<u>16,618</u>	<u>18,981</u>

27. RESULT FROM FINANCIAL INSTRUMENTS	7,013	6,150
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This item comprises:

Result from fair value hedge accounting	470	73
Result from turbos	6,543	5,729
Result from other financial instruments	-	348
	<u>7,013</u>	<u>6,150</u>

The result from financial instruments arises from the valuation of the derivatives, hedge accounting and financial instruments at fair value through the P&L. Derivatives are used to hedge market risks on products offered to customers. BinckBank does not have a trading portfolio in which there is active trading in order to achieve results from value movements.

(amounts in € 000's)

2018

2017

Result from fair value hedge accounting		
Interest rate swaps	(2,065)	353
Fair value adjustment hedged item	2,535	(280)
	<u>470</u>	<u>73</u>

The result from fair value hedge accounting is a result of the ineffective portion of the hedge accounting relationship. BinckBank has entered into a cooperation agreement with UBS for the turbos it has issued, whereby the latter bears the market risk. The revenues depend on the financing level of the turbos issued. In the fair value of the turbos a haircut has been applied to the valuation of the turbo products relating to credit risk. The other results from financial instruments contains the movement in the revaluation of the receivable on DNB in respect of the Deposit Guarantee Scheme – DSB Bank which was settled in 2017.



(amounts in € 000's)

2018

2017

28. IMPAIRMENT LOSSES FINANCIAL INSTRUMENTS

(207)

(92)

This item consists of the movement in the provision for expected credit loss on financial assets valued at amortised cost, such as receivables from (central) banks, investments, loans and receivables, write offs and collection of assets written off in the past.

Cash and balances at central banks	30	-
Due from Banks	(14)	-
Investments at amortised cost	50	-
Loans and receivables	(201)	(96)
Write-offs/recoveries	(72)	4
	<u>(207)</u>	<u>(92)</u>

For a further explanation of the expected credit loss, reference is made to note 41.5 on credit risks.

29. OTHER OPERATING INCOME

943

7,014

This item comprises:

IT services – net result	368	7,248
Other revenues	575	(234)
	<u>943</u>	<u>7,014</u>

In 2017, revenues from the former subsidiary Able were included in the IT services item. Other revenues includes fees for subscriptions, currency results, and other income and expense items that cannot be accounted for under other items.

30. EMPLOYEE EXPENSES

48,905

53,048

This item comprises:

Salaries	34,234	37,591
Social security contributions	5,909	5,960
Pension contributions	2,379	2,702
Annual bonus and other performance related pay	2,109	1,565
Other employee expenses	4,274	5,230
	<u>48,905</u>	<u>53,048</u>

(in numbers)

2018

2017

Number of employees (including members of the board)

Average during the financial year (FTE)	557	631
End of the financial year (headcount)	597	631

REMUNERATION OF THE BOARD

More detailed information about the policy governing the remuneration of the members of BinckBank's Executive Board and Supervisory Board is enclosed in the remuneration section of the Annual Report, on page 81.

Employee expenses includes the following in relation to associated parties (Executive Board and Supervisory Board):

(amounts in € 000's)	2018	2017
Salaries	1,703	1,703
Social security contributions	32	30
Pension costs	50	42
Performance-related pay	234	103
Remuneration of Supervisory Board	223	213
	2,242	2,091

FIXED REMUNERATION OF THE BOARD

The fixed remuneration of the board is as follows:

	Fixed gross salary	Pension contribution	Total fixed remuneration
Fixed remuneration 2018			
V.J.J. Germyns	630	14	644
E.J.M. Kooistra	563	22	585
S.J. Clausing	510	14	524
Total	1,703	50	1,753

Fixed remuneration 2017			
V.J.J. Germyns	630	10	640
E.J.M. Kooistra	563	20	583
S.J. Clausing	510	12	522
Total	1,703	42	1,745

VARIABLE REMUNERATION POLICY

BinckBank has a remuneration policy that is based on the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2017 and the provisions pursuant to the Remuneration Policy (Financial Enterprises) Act as included in the Financial Supervision Act. In 2018, employee expenses of € 216 thousand were recognised (2017: € 92 thousand) relating to the fair value of the variable remuneration in shares for the performance year. The fair value of shares to be allocated in the future is equal to the fair value at the time of measurement 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.



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

	2018	2017
Share price on vesting date	€ 6.09	€ 4.43
Volatility	20.1%	37.1%
Dividend yield	5.9%	4.2%
Risk-free interest rate	0.87%	0.57%
Average fair value of share price	€ 5.00	€ 3.33

The projected volatility is estimated on the basis of the historical daily price fluctuations in 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 remuneration for the Executive Board and Identified Staff is shown in the tables below.

(amounts in € 000's)	Remuneration in cash	Remuneration in shares	Total variable performance pay
Variable remuneration 2018			
V.J.J. Germyns	43	44	87
E.J.M. Kooistra	39	38	77
S.J. Clausing	35	35	70
Other	99	98	197
Total	216	215	431
Variable remuneration 2017			
V.J.J. Germyns	19	19	38
E.J.M. Kooistra	17	17	34
S.J. Clausing	15	16	31
Other	80	-	80
Total	131	52	183

The variable remuneration paid in shares is converted at the closing share prices at the end of the relevant performance year, whereby account is taken of any value-reducing effects.

The following tables list the amounts paid and future payments in shares and cash to the Executive Board and Identified Staff. In 2018, no claw-back was applied to paid variable performance pay. On the definitive allocation of shares in 2017, the number of shares were adjusted to the extent that where the individual allocation was lower than a threshold amount of € 10 thousand the rewards were paid in cash. The statement of movements 2017 was adjusted accordingly. The following tables are included on the basis of projected payments and distributions. The figures in the tables present the amounts and number of shares for the period in which the officer was a member of the Executive Board or was classified as Identified Staff.

(in numbers)	Shares still to be issued per 1 January	Shares issued	Shares granted	Shares still to be issued per 31 December
Movements 2018				
V.J.J. Germyns	17,133	(9,360)	8,701	16,474
E.J.M. Kooistra	16,055	(9,084)	7,785	14,756
S.J. Clausing	6,887	(3,102)	7,043	10,828
Other	22,904	(14,389)	19,552	28,067
Total	62,979	(35,935)	43,081	70,125
Movements 2017				
V.J.J. Germyns	21,537	(10,158)	5,754	17,133
E.J.M. Kooistra	21,345	(10,438)	5,148	16,055
S.J. Clausing	4,373	(2,144)	4,658	6,887
Other	57,149	(34,245)	-	22,904
Total	104,404	(56,985)	15,560	62,979

(in numbers)	2018	2017
Issued shares in lock-up period		
V.J.J. Germyns	16,831	21,494
E.J.M. Kooistra	19,522	25,005
S.J. Clausing	5,246	2,405
Other	23,408	45,272
Total	65,007	94,176

(amounts in € 000's)	2018	2017
31. DEPRECIATION AND AMORTISATION	5,118	26,792

This item comprises the following:

Intangible assets	1,317	22,908
Property, plant and equipment	3,801	3,884
	5,118	26,792



(amounts in € 000's)

	2018	2017
32. OTHER OPERATING EXPENSES	61,345	61,746
<i>This item comprises the following:</i>		
Marketing	14,716	14,525
ICT expenses	9,204	10,086
Audit and professional services	17,062	15,917
Housing	2,034	2,363
Communication and information	7,829	9,785
Costs and contribution to banking supervision	3,767	3,518
Miscellaneous overheads	6,733	5,552
	<u>61,345</u>	<u>61,746</u>

The miscellaneous overheads includes office costs, banking costs, insurance, service expenses on mortgage receivables and movements in provisions.

33. SHARE OF RESULTS IN ASSOCIATES	8,436	864
<i>This item comprises:</i>		
Result of sale of Able Holding B.V. (incl. earn out)	325	1,883
Result of sale of Think ETF Asset Management B.V.	8,111	-
TOM Holding N.V.	-	(1,019)
	<u>8,436</u>	<u>864</u>

ABLE HOLDING

In 2017 BinckBank sold its 100% stake Able Holding B.V. A conditional earn-out arrangement was agreed which resulted in a pay-out in 2018 and accordingly in a revenue.

THINK ETF ASSET MANAGEMENT

On June 29, 2018, the sale of the 60% stake in Think ETF Asset Management B.V. was completed. As a result of the sale BinckBank lost control and as a result, the assets, liabilities and results have been deconsolidated as from that date. The contribution to the proceeds and the result of the activities for the period up to the sale is not material and therefore not presented separately. The final amount received from the sale resulted in a book profit of € 8.1 million. The direct transaction-related costs have been fully accounted for in the result.

TOM HOLDING

In 2017, the associate TOM Holding N.V. had ceased its activities and the management and shareholders had decided to liquidate the entity. In 2018 the receivables and debts have been settled and the entity has ceased to exist. In 2018, TOM Holding N.V. no longer contributed to the result.

(amounts in € 000's)

2018

2017

34. EARNINGS 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:

Result attributable to shareholders of BinckBank N.V.	35,180	8,971
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Number of shares in issue on 1 January	67,500,000	71,000,000
Less: repurchased shares on 1 January	(767,419)	(5,281,525)
	<u>66,732,581</u>	<u>65,718,475</u>

Weighted average number of shares relating to:*

Issued to Executive Board and employees	24,681	39,138
Issued to third parties	-	715,211
Repurchased shares	<u>-</u>	<u>-</u>
Average number of shares in issue	66,757,262	66,472,824

* The figures presented above are based on the total figures disclosed in note 24, taking account of the date of movement in equity.

Earnings per share (in €)	0.53	0.13
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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.



OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(amounts in € 000's)	2018	2017
35. DIVIDEND DISTRIBUTED AND PROPOSED		
<i>Declared and paid during the year</i>		
Dividend on ordinary shares:		
Final dividend for 2017: € 0.23 (2016: € 0.19)	15,356	12,679
Interim-dividend for 2018: € 0.13 (2017: € 0.03)	8,680	2,002
	<u>24,036</u>	<u>14,681</u>
<i>Proposed for approval by the general meeting of shareholders (not recognised as a liability as at 31 December)</i>		
Dividend on ordinary shares:		
Final dividend for 2018: € nil (2017: € 0.23)	-	15,525

36. RELATED PARTY DISCLOSURES

The consolidated financial statements include the following BinckBank related parties:

	Main activity	Country	Interest year-end 2018	Interest year-end 2017
Consolidated companies:				
Bewaarbedrijf BinckBank B.V.	Securities custody	Netherlands	100%	100%
Think ETF Asset Management B.V.	Investment management (untill 1 July 2018)	Netherlands	0%	60%
Associates:				
TOM Holding N.V.	Liquidated in 2018	Netherlands	0%	25.8%

The group of related parties consists of consolidated entities and associates. The interest shown above is equal to the voting rights held in relation to the company concerned. Furthermore the Executive Board and Supervisory Board of BinckBank are identified as related parties.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are conducted on commercial terms and conditions and at market rates. At the end of 2018, BinckBank did not recognise any bad debt provision for receivables from related parties (2017: nil). The need for such provisions is made each year on the basis of an assessment of the financial position of the related party and the markets in which it operates. No guarantees have been issued or received with regard to related parties. Transactions with consolidated entities are fully eliminated in the consolidated financial statements.

Bewaarbedrijf BinckBank B.V.

No related party transactions took place in 2018.

Think ETF Asset Management B.V.

BinckBank sold its 60% interest in Think ETF Asset Management on 29 June 2018. As from this date Think ETF Asset Management is no longer regarded as a related party.

TOM Holding N.V.

TOM Holding N.V. was liquidated in 2018.

Executive Board and Supervisory Board

No transactions involving the Executive Board or the Supervisory Board took place during the year other than arising from a contract of employment or contract of services. No loans were granted to the Executive Board or Supervisory Board in 2018. See note 30, Employee expenses, and the summary of the remuneration report in the Annual Report for further information.

(amounts in € 000's)

31 December 2018

31 December 2017

37. COMMITMENTS AND CONTINGENT LIABILITIES*Contingent liabilities*

Liabilities in respect of contracts of suretyship and guarantees	106	774
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Liabilities in respect of irrevocable facilities

Undrawn credit facilities	10,795	18,638
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SURETYSHIPS AND GUARANTEES

To meet the needs of its customers, BinckBank offers loan related products, such as contracts of suretyship and guarantees. The underlying value of these products is not recognised as assets or liabilities in the statement of financial position. The above figure represents the maximum potential credit risk for BinckBank related 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.

LOAN COMMITMENTS

This relates to the obligations pursuant to mortgage quotations issued.

ALEX BOTTOM-LINE

With the acquisition of Alex Beleggersbank at the end of 2007, BinckBank also acquired the Alex Bottom-Line product, which is an agreement with the Dutch Investors' Association (VEB). If BinckBank terminates this agreement then 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

BinckBank 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 and other contracts that are for periods of less than five years.



The remaining maturity of the outstanding liabilities is as follows:

(amounts in € 000's)	31 December 2018	31 December 2017
Within one year	3,059	4,445
One to five years	2,812	4,425
Longer than five years	946	1,352

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 is of the opinion – 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, other than cases that have already given cause to the formation of a provision.

INTERNATIONAL SERVICES UNDER FOREIGN LAW

BinckBank procures international services from suppliers that may be subject to foreign law, which gives cause to an inherent risk of differences in interpretation. The Executive Board is of the opinion that although the outcome of discussions on any such differences in interpretation that may arise is uncertain, there is no reason at present to assume that this could have material adverse effects on BinckBank's financial position or results.

ALL-CASH PUBLIC OFFER FROM SAXO BANK

On 17 December 2018, BinckBank N.V. and Saxo Bank A/S announced that they had reached conditional agreement on a recommended all-cash public offer of € 6.35 (cum dividend) per issued and outstanding ordinary share and priority share in BinckBank. For the purpose of this agreement, BinckBank hired external consultants. Certain conditions have been laid down in the agreements with Saxo Bank and the external advisers that could have financial consequences for BinckBank in the event of the success or failure of the transaction. A termination fee has been agreed in the merger protocol with Saxo Bank. If the merger protocol is terminated by Saxo Bank because the management board and/or the Supervisory Board of BinckBank have withdrawn their recommendation of Saxo Bank's bid or have revised them negatively, or if the merger protocol is terminated by BinckBank because a superior competitive bid has been announced or issued, BinckBank will forfeit a termination fee of € 4.3 million to Saxo Bank. If the merger protocol is terminated because the regulatory clearances have not been obtained by 1 April 2020, Saxo Bank will forfeit a termination fee of € 4.3 million to BinckBank.

As part of Saxo Bank's bid, BinckBank expects to incur additional costs for external suppliers. Contracts with the external suppliers can contain fees which in some cases are conditional on completion of the transaction. Assuming that the transaction is completed, BinckBank expects to incur costs between € 2.5 and € 3.5 million in the period up to the completion of the transaction.

If the offer is declared unconditional and after settlement of the transaction, working out the details of the acquisition and the associated integration of processes may lead to the redundancy of BinckBank employees. In the merger protocol with Saxo Bank, agreement has been reached on the principles and starting points of a social plan which still has to be drafted. As of settlement, a social plan will be effective for at least three years, applicable to employees with an employment agreement with BinckBank at the time of announcement who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation that arise from (the preparation of) the integration of the BinckBank organisation into the Saxo Bank group. In addition, insofar as necessary subject to approval by DNB, retention packages can be offered to selected employees to ensure their motivation and commitment and the ongoing continuation of the company after the transaction has been effected. The basic principles of the social plan and the retention package have been coordinated between Saxo Bank, BinckBank and the BinckBank works council. A reliable estimate of the contingent liabilities arising from the above that BinckBank has vis-à-vis the staff cannot be reliably estimated at this time but are expected to have a material impact on the financial results of BinckBank.

38. Post balance sheet events

No events took place after balance sheet date that would result in material adjustments.



39. Classification of assets and liabilities by expected maturity

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

(amounts in € 000's)	< 12 months	> 12 months	Total
31 December 2018			
ASSETS			
Cash and balances with central banks	1,096,838	-	1,096,838
Due from Banks	134,675	-	134,675
Derivatives	48	24,229	24,277
Financial assets at fair value through profit or loss	13,721	-	13,721
Investments at amortised cost	247,805	785,785	1,033,590
Loans and receivables	620,554	789,095	1,409,649
Intangible assets	-	157,214	157,214
Property, plant and equipment	-	32,006	32,006
Current tax assets	16,622	-	16,622
Deferred tax assets	468	-	468
Other assets	138,526	-	138,526
Prepayments and accrued income	13,407	-	13,407
Total assets	2,282,664	1,788,329	4,070,993
LIABILITIES			
Due to banks	5,274	-	5,274
Derivatives	781	25,978	26,759
Financial liabilities at fair value through profit and loss	161	-	161
Funds entrusted	3,562,200	-	3,562,200
Provisions	3,342	52	3,394
Current tax liabilities	12	-	12
Deferred tax liabilities	-	29,996	29,996
Other liabilities	26,817	1,223	28,040
Accrued liabilities	11,773	-	11,773
Total liabilities	3,610,360	57,249	3,667,609
Net	(1,327,696)	1,731,080	403,384



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(amounts in € 000's)	< 12 months	> 12 months	Total
31 December 2017			
ASSETS			
Cash and balances with central banks	1,003,537	-	1,003,537
Due from Banks	133,968	-	133,968
Derivatives	18	37,293	37,311
Financial assets at fair value through profit or loss	16,613	-	16,613
Available-for-sale financial assets	257,642	539,652	797,294
Held-to-maturity financial assets	203,792	138,398	342,190
Loans and receivables	583,236	720,061	1,303,297
Investments in associates	485	-	485
Intangible assets	-	157,950	157,950
Property, plant and equipment	-	33,969	33,969
Current tax assets	16,725	-	16,725
Deferred tax assets	6,279	-	6,279
Other assets	58,754	-	58,754
Prepayments and accrued income	15,446	-	15,446
Total assets	2,296,495	1,627,323	3,923,818
LIABILITIES			
Due to banks	2,538	-	2,538
Derivatives	99	36,956	37,055
Financial liabilities at fair value through profit or loss	231	-	231
Funds entrusted	3,383,507	-	3,383,507
Provisions	8,134	-	8,134
Current tax liabilities	10	-	10
Deferred tax liabilities	164	36,279	36,443
Other liabilities	50,882	1,202	52,084
Accrued liabilities	8,927	-	8,927
Total liabilities	3,454,492	74,437	3,528,929
Net	(1,157,997)	1,552,886	394,889



40. Segmentation overview

A segment is a clearly distinct component 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. From an organisational perspective, the operations of BinckBank are primarily segmented in terms of the countries in which BinckBank is active. 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. At 31 December 2018, the business segments are as follows:

- The Netherlands
- Belgium
- France
- Italy
- Group operations

All income and expenses are attributed to the geographical areas on the basis of the operations carried out by the offices. In all countries, this relates to the activities as online broker in financial instruments for the private customer market, inclusive of the associated savings products. Professional Services are also included in the Netherlands and Belgium. The segment The Netherlands also includes asset management services and the issue of financial instruments. All directly attributable income and expenses are recognised within the aforementioned geographical segments, together with the attributed costs of the Group operations.

Group operations includes the departments under the direct management of the Executive Board and for which the income and expenses are not directly included in one of the other business segments. This includes the expenses of the central ICT, operating, and staff departments. In addition, all results from the interest in Think ETF Asset Management B.V. (until the time of the sale) are recognised under Group operations. The allocation of Group operations to the geographical segments is based on an allocation key agreed in advance.

The same accounting policies are used for a business segment as those described for the consolidated statement of financial position and income statement of BinckBank. The amounts the various business segments charged each other have been eliminated and replaced by the allocation of the actual costs.

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 under Group operations.

Tax is managed at group level and for the segment summary is not attributed to the segments.

In both 2018 and 2017, no customer or group of associated customers was responsible for more than 10% of the bank's total income.

The following analysis 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.



FINANCIAL STATEMENTS

Consolidated	2018					
(amounts in € 000's)	Nether-lands	Belgium	France	Italy	Group activities	Total
INCOME STATEMENT						
Net interest income	26,039	1,572	2,566	1,893	-	32,070
Net fee and commission income	76,549	13,557	7,234	3,935	1,700	102,975
Result from financial instruments	5,602	941	-	-	470	7,013
Credit losses from financial assets	(237)	(14)	(27)	(2)	73	(207)
Other income	437	-	22	-	484	943
Total income from operating activities	108,390	16,056	9,795	5,826	2,727	142,794
Employee expenses	8,822	2,992	3,744	1,708	31,639	48,905
Depreciation and amortisation	873	80	30	9	4,126	5,118
Other operating expenses	19,000	5,737	5,955	2,368	28,285	61,345
Total operating expenses	28,695	8,809	9,729	4,085	64,050	115,368
Result from operating activities	79,695	7,247	66	1,741	(61,323)	27,426
Internal cost allocation	(39,828)	(7,314)	(5,759)	(4,567)	57,468	-
Result from operating activities after internal cost allocation	39,867	(67)	(5,693)	(2,826)	(3,855)	27,426
Share in results of associates						8,436
Result before tax						35,862
Tax						(400)
Net result						35,462
Tangible and intangible assets	155,958	237	141	2	32,882	189,220
Total assets	2,971,261	632,520	246,820	166,537	53,855	4,070,993
Total liabilities	2,641,623	615,645	238,494	160,843	11,004	3,667,609



FINANCIAL STATEMENTS

Consolidated	2017					
(amounts in € 000's)	Nether-lands	Belgium	France	Italy	Group activities	Total
INCOME STATEMENT						
Net interest income	23,909	2,101	2,378	1,659	(8)	30,039
Net fee and commission income	82,372	11,615	6,193	2,880	2,798	105,858
Result from financial instruments	4,923	806	-	-	421	6,150
Credit losses from financial assets	(21)	(1)	(29)	3	(44)	(92)
Other income	1,365	1	14	-	5,634	7,014
Total income from operating activities	112,548	14,522	8,556	4,542	8,801	148,969
Employee expenses	10,151	2,794	3,519	1,389	35,195	53,048
Depreciation and amortisation	22,211	52	20	20	4,489	26,792
Other operating expenses	18,124	6,293	4,792	2,179	30,358	61,746
Total operating expenses	50,486	9,139	8,331	3,588	70,042	141,586
Result from operating activities	62,062	5,383	225	954	(61,241)	7,383
Internal cost allocation	(49,201)	(7,330)	(5,660)	(4,420)	66,611	-
Result from operating activities after internal cost allocation	12,861	(1,947)	(5,435)	(3,466)	5,370	7,383
Share in results of associates						864
Result before tax						8,247
Tax						274
Net result						8,521
Tangible and intangible assets	156,749	339	131	11	34,689	191,919
Total assets	2,909,844	560,857	244,475	151,527	57,115	3,923,818
Total liabilities	2,581,477	549,268	237,921	147,927	12,336	3,528,929



41. Risk management

The Executive Board of BinckBank, as a financial institution, is aware of the importance of risk management to the Bank and assigns risk management an important role in the overall management of the organisation.

Risk management supports all stakeholders to ensure the bank's risks are managed and are within the limits of the risk appetite and legal requirements. This chapter describes the risk appetite, organisational, and governance requirements applicable in risk management and the principal of the three lines of defence. After discussion of these general arrangements, the chapter continues with a description of the capital requirements in accordance with Pillar I and Pillar II of the CRR framework. The chapter concludes with the individual risk types BinckBank is exposed to and the way in which the risks are managed.

41.1 RISK APPETITE

Risk appetite is the balance between risk and return and is a core element of BinckBank's business operations. Solid capital and liquidity ratios are essential conditions for a successful proposition to our customers, which is reflected in the risk appetite. Each year the Executive Board draws up a proposal for the risk appetite, which is then reviewed and approved by the Supervisory Board. The risk appetite is monitored by means of a risk dashboard. This sets quantitative standards for the assessment of whether BinckBank has remained within its own risk appetite. Key Risk Indicators (KRI) and Key Performance Indicators (KPI) are included in this dashboard and represent BinckBank's risk profile as closely as possible. Monthly monitoring in the governance committees makes it possible to make timely adjustments and keep the current risk profile within accepted risk appetite parameters.

The risk appetite is based on the following guiding principles:

- BinckBank operates in a balanced manner in the interest of the customers and other stakeholders of the bank
- BinckBank operates in observance of high moral, ethical, and prudential standards
- BinckBank does not take any risks with the funds entrusted that could jeopardise the trust in us
- BinckBank operates in a compliant manner within the boundaries of laws and regulations
- BinckBank strives for transparency in all tax-related matters
- BinckBank publishes the information given to its stakeholders in a consistent and transparent manner
- BinckBank offers a safe and healthy work environment. Employees are treated with dignity and respect
- BinckBank avoids practices that could damage its reputation
- BinckBank promotes a healthy risk culture at all levels of the organisation, with risks discussed in an open and transparent manner and a conscious, well-informed, and balanced assessment is made of the relevant risks versus the return at all levels of decision-making.

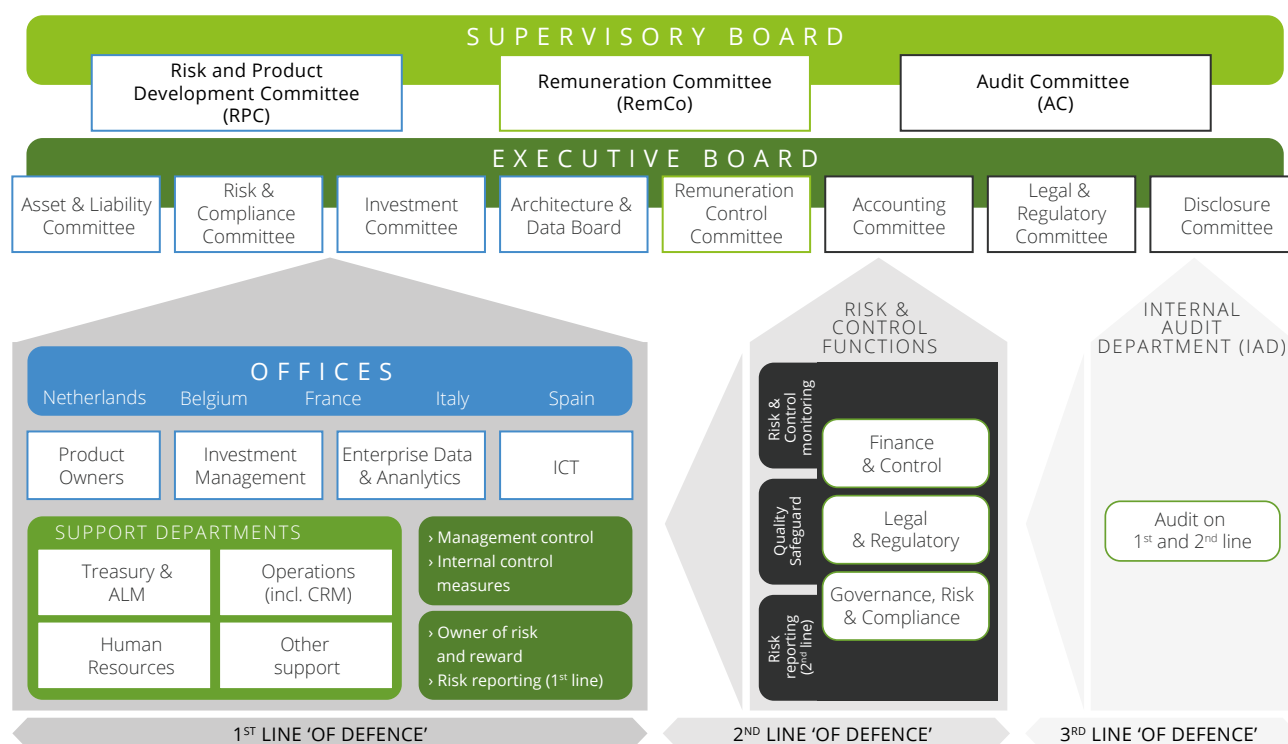
41.2 RISK GOVERNANCE

Efficient and effective risk management is vital to pursuing BinckBank's strategy. The risk management framework with the accompanying policy and systems is continuously improved and adapted to changes in the external setting and the internal organisation. Operational control measures have been described in detail and the effectiveness of these measures is assessed periodically.

GOVERNANCE STRUCTURE AND THREE LINES OF DEFENCE

BinckBank operates according to the Three Lines of Defence principle (3LoD). The 3LoD concept goes further than organisational structure and the designation of roles. BinckBank regards this as a form of operating, cooperating, and thinking, which is also the foundation of the risk culture. The first line in this structure is formed by operational management and support units that are responsible and accountable for the evaluation, management and mitigation of risks. The first line departments are advised and monitored by second-line specialised departments: Governance, Risk & Compliance (GRC), Finance & Control, and Legal & Regulatory. These departments are also responsible for managing risk management-related policy, processes, and methodologies. The Internal Audit Department (IAD) forms the third line of defence that provides additional security to the Executive Board and the Supervisory Board by means of a risk-based approach. The Executive Board is responsible for effectively setting up and managing the governance risk compliance framework. This framework enables the Executive Board to formulate and monitor the risk appetite and to effectively perform risk management and internal control. The Supervisory Board and its subcommittees (the audit committee, risk and product development committee, and remuneration committee) together with the external auditor form the last link in the governance risk compliance framework.





Supervisory Board

The Supervisory Board monitors the risks and capital requirements regarding the operations of the bank and the composition of the portfolio. For this purpose, the Supervisory Board has set up three subcommittees that are explained in more detail in the following table:

SUBCOMMITTEES OF THE SUPERVISORY BOARD	OBJECTIVE	FOCUS AREA
Risk and Product Development Committee	The Risk and Product Development Committee addresses issues relating to the credit risk, market risk, interest risk, solvency and liquidity risk and operational risk. It also advises the Supervisory Board on matters including the risk profile and the risk appetite of BinckBank. It further tests whether new products or changes to existing products, systems, and services comply with the risk appetite and the duty of care to the client.	<ul style="list-style-type: none"> • Credit risk • Market risk • Interest-rate risk • Solvency risk • Liquidity risk • Operational risk • Investment policy on discretionary asset management products • Data and information risk
Remuneration Committee (RemCo)	The RemCo advises the Supervisory Board on matters including the remuneration of the Executive Board and advises on the remuneration of designated persons within the senior management (identified staff) and employees in the control functions.	<ul style="list-style-type: none"> • Staff and remuneration
Audit Committee (AC)	The Audit Committee is responsible for overseeing the design and operation of the internal control system and risk management measures, and for monitoring the implementation of the external auditor's recommendations and the functioning of the IAD.	<ul style="list-style-type: none"> • Financial reporting and disclosure risk • Compliance risk • Legal risks



Executive Board

The Executive Board is responsible for formulating and implementing the strategy of the bank. This includes, inter alia, the capital and funding plan, which is based on the risk and capital policy. The Executive Board is also responsible for the correct performance of the processes that assure the liquidity and capital position of the bank. In addition, the Executive Board is obliged to provide information to the Supervisory Board, which in turn assesses the bank's risk appetite. Decisions are taken during board meetings. The Executive Board has set up the following risk subcommittees to assure that the various categories of risks are managed in the appropriate manner:

SUBCOMMITTEES OF THE EXECUTIVE BOARD	OBJECTIVE	FOCUS AREA
Asset & Liability Committee (ALCO)	The ALCO monitors all the risks affecting BinckBank's balance sheet. The ALCO is mainly concerned with the management of credit risk, market risk (currency risk) and the interest-rate risk, and also assesses the adequacy of BinckBank's liquidity and capital position. This committee also sets the investment policy for the interest rate business.	<ul style="list-style-type: none"> • Credit risk • Market risk • Interest-rate risk • Solvency risk • Liquidity risk
Risk & Compliance Committee (RCC)	The Risk & Compliance Committee supervises operational and compliance risk in the banking business. The Committee has important duties in providing assurances for sound and controlled operations. It further tests whether new products or changes to existing products, systems and services comply with the risk appetite and the duty of care to the client.	<ul style="list-style-type: none"> • Operational risk • Compliance risk • Approval of new products
Investment Committee (IC)	The Investment Committee supervises the implementation of the investment policy for the asset management products. The investment committee assesses changes to the investment policy and approves these where necessary.	<ul style="list-style-type: none"> • Investment policy on discretionary asset management
Architecture & Data Board	The purpose of the Architecture & Data Board is to advise the Executive Board on the use of data and information and to bring ICT systems and architecture in line with the future strategic direction.	<ul style="list-style-type: none"> • Data and information risk
Accounting Committee (AcC)	The AcC monitors the financial and disclosure risk. The AcC focuses on the management of risks associated with accounting processes, accounting manuals, accounting policies, provisions and the application of new accounting standards (IFRS).	<ul style="list-style-type: none"> • Financial reporting and disclosure risk
Legal & Regulatory Committee (LRC)	The objective of the Legal & Regulatory Committee is to supervise the timely identification of new developments in the relevant legislation and regulations and determine their impact on BinckBank and control the legal risks.	<ul style="list-style-type: none"> • Legal risks
Disclosure Committee	The Disclosure Committee supervises the disclosure of price-sensitive information. This committee also supervises the measures implemented in the organisation to treat potentially price-sensitive information as confidential.	<ul style="list-style-type: none"> • Reporting and disclosure risk
ADVISORY COMMITTEE	OBJECTIVE	FOCUS AREA
Control Committee	Each year, on the instructions of the RemCo, the Control Committee performs a risk analysis on the implementation of the remuneration policy and reports on this to the RemCo. The Control Committee also conducts an annual audit to determine whether the remuneration policy complies with the relevant legislation and regulations and the applicable recommendations.	<ul style="list-style-type: none"> • Personnel and remuneration



41.3 CAPITAL MANAGEMENT

BinckBank's capital requirement is determined on the basis of the risk appetite and strategy, taking into account the expectations and requirements of external stakeholders. The capital adequacy is monitored constantly and compared with the risk appetite and strategy. The current and future capital adequacy is discussed monthly in the ALCO, where resolutions can be made for taking corrective steps. A capital and funding plan drawn is up annually containing information about the strategic and tactical assumptions, as well as projections of future developments in the capital position. This plan is included in the ICAAP documentation.

BinckBank's available capital is comprised entirely of core equity Tier 1 capital (CET1). BinckBank does not have any additional Tier 1 capital (AT1) or Tier 2 capital (T2). The CRR includes transitional provisions for various requirements. BinckBank does not take any account of this and adopts the full phase-in as this will prevail in the current financial year when calculating the capital buffer.

(amounts in € 000's)	31 December 2018	31 December 2017
Issued share capital	6,750	6,750
Share premium	343,565	343,565
Treasury shares	(4,081)	(4,282)
Fair value reserves	-	492
Retained earnings	21,970	38,460
Result for the year	35,180	8,971
Non-controlling interests	-	933
Total equity	403,384	394,889
Less: goodwill	(153,865)	(153,865)
Plus: deferred tax liabilities related to goodwill	29,798	36,064
Less: other intangible assets	(3,349)	(4,085)
Less: prudent valuation adjustment	(2)	(788)
Less: non-controlling interests	-	(933)
Less: deferred tax assets	(468)	(6,235)
Less: result for year adjusted for interim dividends	(26,500)	(15,525)
Total available capital – Tier 1	248,998	249,522



41.4 CAPITAL RATIO'S

The CRD IV and CRR directives are applicable to all banks in the Netherlands. This integral framework for the supervision of banks is comprised of three pillars:

- Pillar 1: External capital adequacy requirements for capital risk, market risk, and operational risk;
- Pillar 2: Internal processes relating to risk management and the calculation of internal capital adequacy requirements and economic capital, as well as the manner in which the supervisory authority assesses these internal processes, the Supervisory Review and Evaluation Process (SREP);
- Pillar 3: Obligation to provide risk information for external stakeholders.

Pillar 3 concerns the obligation to provide risk information for external stakeholders and supports the determination of the minimum solvency requirements (Pillar 1) and the solvency requirements laid down by management (Pillar 2). The objective of Pillar 3 is to improve the quality of the institution's risk management through the disciplinary market effect. BinckBank has made its Pillar 3 report available separately on its website (www.binck.com).

Pursuant to the regulations, banks are required to hold sufficient buffer capital to cover the risks arising from banking operations. Pillar 1 provides guidelines for calculating the minimum capital buffer prescribed by the supervisory authorities to cover credit risk, market risk and operational risk. The regulations provide scope for a series of calculation methods for the capital adequacy requirements relating to these risks, which range from relatively simple to more advanced methods. Banks can exercise their discretion, subject to a number of conditions, in electing one of these methods. A number of qualitative requirements are applicable to this selection. Banks that elect a more advanced method may not revert to a simpler method at a later date.

BinckBank uses the standardised methods for calculating the risk-weighted items for credit risk, settlement risk, and operational risk as described in the CRR.

ADDITIONAL CAPITAL BUFFERS

Banks are required to maintain a number of additional capital buffers over and above the required capital required capital for credit risks. The following buffers are relevant to BinckBank:

Countercyclical capital buffer

The countercyclical capital buffer takes account of the credit cycle and the risks of excessive credit growth in the country in question. The countercyclical capital buffer is a minimum of 0% and a maximum of 2.5% of the relevant risk-weighted items and must be drawn from the company's core equity Tier 1 capital. The institution-specific countercyclical buffer calculated by BinckBank is currently very low, primarily because the competent authorities in many countries continue to set most of the country-specific countercyclical buffer requirements at nil.

Capital conservation buffer

The capital conservation buffer was designed to ensure that banks accumulate additional capital buffers over and above the minimum capital requirements outside stress periods.

The framework reduces the choice of banks that have exhausted their capital buffers to further reduce them by paying generous dividends, thus discouraging them from engaging in 'unacceptable practices' such as:

- using recovery forecasts to justify continuing to make generous payments to shareholders. The shareholders, not the savers, should bear the risk that recovery does not materialise;
- attempting to use capital allocation as a means of indicating their financial strength.

The capital requirements will be increased in phases each year from 0.625% of the risk items from 2016 to 2.5% in 2019 (2018: 1.875%).

The buffer requirements of the capital conservation buffer at the end of December 2018 total € 14.7 million (2017: € 10.1 million).

INTERNAL CAPITAL RATIOS

BinckBank also uses an internal capital requirement for determining the amount of capital to be held under Pillar 2. The adequacy of this internal capital requirement is assessed periodically and can lead to higher or lower internal capital requirements. BinckBank uses a minimum internal capital requirement for the Pillar 1 Total Capital Ratio (TCR) of 22.2% and a leverage ratio of at least 3.5%.

LEVERAGE RATIO

The leverage ratio is a simple non-risk sensitive standard under which capital is divided by a sum of balance sheet items and off-balance sheet items. The unweighted balance sheet total rose in 2018, due to an increase in funds entrusted.

A summary of BinckBank's capital requirements and the associated ratios is presented below.

(amounts in € 000's)	31 December 2018	31 December 2017
CAPITAL RATIOS		
Total available capital (A) – Tier 1	248,998	249,522
Credit risk	571,925	581,675
Settlement risk	203	6,455
Operational risk	210,949	221,250
Total risk weighted exposure (B) – Pillar I	783,077	809,380
Capital ratio (=A/B)	31,8%	30,8%
CRR required capital (=B*8%)	62,646	64,750
CRR buffers	14,694	10,117
CRR required capital incl. buffers	77,340	74,868
Required capital based on own internal standard incl. buffers	173,854	149,735
LEVERAGE RATIO		
Risk measure for leverage ratio:		
Unweighted balance sheet total	4,070,993	3,923,818
Prudential adjustments	(123,898)	(144,997)
Risk measure (C)	3,947,095	3,778,821
Leverage ratio (=A/C)	6,3%	6,6%
Required capital based on internal standard (3.5%)	138,148	132,259



41.5 CREDIT RISK, CREDIT APPROVAL AND CREDIT MANAGEMENT

Credit risk is the risk of a counterparty and/or issuing institution that is involved in the trade or issue of a financial instrument defaulting on an obligation and thus harming BinckBank financially. BinckBank's credit risk can be subdivided into the following categories:

- credit risk on cash and investments;
- credit risk on mortgages;
- credit risk on outstanding collateralised loans/margin obligations and financial guarantees and (SRD) obligations; and
- counterparty risk.

The manner in which BinckBank manages these risks is explained below.

MANAGEMENT OF CREDIT RISK FOR CASH AND INVESTMENT

BinckBank deals prudently with the funds entrusted to it by its clients. Funds entrusted that are not used for funding loans are partly held in cash and the remainder is placed in the money market and capital market. All placements are made in a responsible manner in accordance with the established risk appetite. BinckBank's objective with its investment portfolio, within the issued mandate, is to invest the available liquidity in the market in a manner that optimises the interest margin between the raised and placed funds.

The credit risk on cash and placements is monitored daily by the Treasury & ALM Department. It reports to the CFRO and periodically to the Asset and Liability Committee (ALCO). Cash balances are placed in the money and capital market with central governments, regional governments (if guaranteed by central government), central banks and other credit institutions with a minimum credit rating of single A (Fitch or equivalent) and a stable outlook.

Agreements and limits with regard to placing funds in the money and capital markets are established in a limits system adopted by the ALCO to avoid excessive credit risk concentrations. The Treasury & ALM Department is bound by stringent requirements imposed on funds placed with counterparties. Internally-set limits on both the amount and terms of loans to approved counterparties are observed. BinckBank's relatively low risk appetite with regard to credit risk is demonstrated by the policy of investing bonds in relatively safe and liquid instruments, most of which are eligible as collateral at the European Central Bank (ECB).

MANAGEMENT OF CREDIT RISK FOR LOANS AND RECEIVABLES

The credit appetite risk policy is focused on the monitoring and management of mortgage credit risk, credit risk on collateralised loans, margin obligations and financial guarantees.

Mortgages

BinckBank acts as the financier in a collective structure in which the marketing, sales, administration, and management are provided by Dynamic Credit, an AFM-licensed service provider. BinckBank defines its risk appetite within the investment mandate by issuing acceptance criteria and designating one or more credit risk buckets and interest rate reset periods. When viewed from a risk management perspective, the credit risk and outsourcing risk are of particular importance. Appropriate management of the operational risks, including the outsourcing risks, is provided for in the form of agreements laid down in a service level agreement (SLA). These agreements relate primarily to various elements of the mortgage loan process, the management and administration of mortgages issued and the reporting of data. BinckBank reviews compliance with the SLA once a month. Credit acceptance and management of credit risks have been outsourced to Dynamic Credit and are monitored through extensive data on the mortgage portfolio issued within the scope of the statutory requirements. The information received is employed for various purposes including the recognition of any arrears, where relevant.

BinckBank periodically assesses whether the mortgage production lies within its specified limits. BinckBank is in a position to issue a stop notice to terminate the production on its account. The collateral for the mortgages is comprised of a combination of Dutch residential properties with and without a National Mortgage Guarantee (NHG).

In July 2016, BinckBank also purchased a portfolio of existing residential mortgages from Obvion. The agreements reached in this instance relate primarily to the management and administration of mortgages loaned and the reporting of data. Appropriate management of the operational risks, including the outsourcing risks, is provided for in the form of agreements laid down in a service level agreement (SLA). BinckBank reviews compliance with the most important agreements in the SLA once a month. The management of the credit risks is monitored on the basis of the comprehensive data on the mortgage portfolio issued in accordance with the prevailing statutory requirements. The information received is employed for various purposes including the recognition of any arrears, where relevant.

All loans of which the interest and/or redemption is not paid in time are in arrears. A provision is formed when a client is deemed unable to fulfil his/her obligations towards the bank then a provision will be formed. The loan extended to the client is then designated as a non-performing loan.

The service providers are entrusted with the arrears management within the agreements laid down in the SLAs. The service provider is entrusted with the responsibility for the initiation of a forbearance programme to renegotiate the credit agreements. The service provider notifies BinckBank of the initiation of any forbearance programme.

Collateralised loans, margin obligations and financial guarantees

BinckBank offers customers various forms of lending against securities collateral. This advance funding can be used to cover margin requirements relating to derivative positions, for the purchase of securities, or for the cover of financial guarantees. BinckBank has a potential or actual credit risk in respect of the customer in all cases.

Collateralised loans are automatically assessed at the time that they are advanced, taking account of the haircut percentages for the collateral that qualifies for that purpose. This is all carried out in accordance with the guidelines set by the ALCO, subject to the limits set in Section 152 of the *Besluit gedragstoezicht financiële ondernemingen* (BGfo, Market Conduct Supervision (Financial Institutions) Decree).

The loans granted are monitored on the basis of real-time prices with automated systems. The credit risk lies in movements in value of the underlying securities collateral. Specific attention is then given to undesirable concentrations in client portfolios, referred to as the 'concentration risk'. A cover deficit arises when the value of the collateral is insufficient to cover the collateralised loans and/or margin obligations. The client must make up a cover deficit within one to five trading days. When the client fails to comply with this requirement then BinckBank is entitled to wind down the position.

The first-line Credit Risk Management department monitors the outstanding collateralised loans, margin obligations and any excessive concentrations of client portfolios, where relevant. The second-line Risk Management department supervises the Credit Risk Management department.



FORBEARANCE

Forbearance occurs when a client is no longer able to fulfil his obligations towards BinckBank due to financial difficulties or to financial difficulties to be expected within the near future and the bank, in view of these circumstances, has made concessions on the terms and conditions of the credit agreement that are intended to enable the client to fulfil the revised obligations. These concessions on the existing credit agreement relate to the client's financial situation and would not have been made if these circumstances had not arisen. For this reason, forbearance is not an issue when amendments of the conditions of the credit agreement are made for reasons other than the client's financial difficulties.

The objective of the measures implemented in forbearance situations is to maximise the probability of the recovery of the client's payment capacity and, as a result, minimise the losses incurred in writing down all or part of the loan. The measures then need to offer the client an appropriate and sustainable solution that will ultimately enable the client to fulfil the original obligations pursuant to the credit agreement.

In practice, the forbearance measures do not always achieve the intended result, namely the recovery of the client's payment capacity or the prevention of a continued decline in payment capacity. This can, for example, be the case when the client's financial situation continues to deteriorate or an expected improvement in the situation fails to materialise. Any such situations give cause to a new analysis of the client's general and financial situation and the determination of the revised strategy to be adopted.

A forbearance situation ends when the status 'non-performing' has no longer applied to the loan for a period of two years. The 'non-performing' status must last a minimum of one year starting from the last forbearance measure. The client must moreover have made significant and regular payments of interest and/or principal during at least half this period. After expiry of the two-year period, no payments by the borrower may be in arrears for more than 30 days.

(amounts in € 000's)

31 December 2018

31 December 2017

Forbearance

Mortgage receivables with forbearance measures	3,367	1,663
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MANAGEMENT OF COUNTERPARTY RISK

The Treasury & ALM department effects transactions for BinckBank's account and risk. This involves counterparty risk. The ALCO approves the counterparty limits. The vast majority of equities transactions effected by BinckBank are for the account and risk of customers (online brokerage). These transactions are mainly effected on regulated or other markets such as NYSE and Euronext, where use is made of a central counterparty (CCP). The counterparty risk for customers is therefore low.

RISK CONCENTRATIONS

Risk concentrations for financial instruments are identified for the purposes of credit risk management. The following tables give an insight into the various risk concentrations.

Risk concentration by economic sector

The following table lists the credit risk by economic sector.

RISK CONCENTRATION BY ECONOMIC SECTOR AS AT 31 DECEMBER 2018

(amounts in € 000's)	Central banks	Financial institutions	Government/ Government guaranteed	Retail	Other private sector	Total
Cash and balances at central banks	1,096,838	-	-	-	-	1,096,838
Due from banks	34,898	99,777	-	-	-	134,675
Derivatives	-	24,229	-	-	48	24,277
Financial assets at fair value through profit and loss	-	-	-	-	13,721	13,721
Investments at amortised cost	-	772,981	260,609	-	-	1,033,590
Loans and receivables	-	-	-	1,350,897	58,752	1,409,649
	1,131,736	896,987	260,609	1,350,897	72,521	3,712,750
Guarantees	-	-	-	3	103	106
Total	1,131,736	896,987	260,609	1,350,900	72,624	3,712,856

RISK CONCENTRATION BY ECONOMIC SECTOR AS AT 31 DECEMBER 2017

	Central banks	Financial institutions	Government/ Government guaranteed	Retail	Other private sector	Total
Cash and balances at central banks	1,003,537	-	-	-	-	1,003,537
Due from banks	32,559	101,409	-	-	-	133,968
Derivatives	-	37,186	-	-	125	37,311
Financial assets at fair value through profit and loss	-	-	-	-	16,613	16,613
Available-for-sale financial assets	-	762,653	34,641	-	-	797,294
Held-to-maturity financial assets	-	83,196	258,994	-	-	342,190
Loans and receivables	-	-	-	1,244,545	58,752	1,303,297
	1,036,096	984,444	293,635	1,244,545	75,490	3,634,210
Guarantees	-	-	-	634	140	774
Total	1,036,096	984,444	293,635	1,245,179	75,630	3,634,984



Risk concentration by geographical area

The following table lists the credit risk by geographical area.

GEOGRAPHICAL DISTRIBUTION AS AT 31 DECEMBER 2018

(amounts in € 000's)	Supra-national	Netherlands	Belgium, France, Italy	Germany	Other EU-countries	North America	Other countries	Total
Cash and balances at central banks	-	1,093,997	2,841	-	-	-	-	1,096,838
Due from banks	-	113,704	13,434	-	70	6,906	561	134,675
Derivatives	-	-	48	-	-	-	24,229	24,277
Financial assets at fair value through profit and loss	-	-	13,721	-	-	-	-	13,721
Investments at amortised cost	13,128	119,626	154,403	303,511	189,127	165,835	87,960	1,033,590
Loans and receivables	-	1,349,756	46,082	5,418	4,122	-	4,271	1,409,649
	13,128	2,677,083	230,529	308,929	193,319	172,741	117,021	3,712,750
Guarantees	-	3	103	-	-	-	-	106
Total	13,128	2,677,086	230,632	308,929	193,319	172,741	117,021	3,712,856

GEOGRAPHICAL DISTRIBUTION AS AT 31 DECEMBER 2017

	Supra-national	Netherlands	Belgium, France, Italy	Germany	Other EU-countries	North America	Other countries	Total
Cash and balances at central banks	-	995,739	7,798	-	-	-	-	1,003,537
Due from banks	-	100,218	23,905	-	78	8,994	773	133,968
Derivatives	-	274	125	-	-	-	36,912	37,311
Financial assets at fair value through profit and loss	-	-	16,613	-	-	-	-	16,613
Available-for-sale financial assets	-	119,027	200,674	30,151	252,144	84,940	110,358	797,294
Held-to-maturity financial assets	12,528	-	-	271,360	-	58,302	-	342,190
Loans and receivables	-	1,238,245	50,213	6,446	4,122	-	4,271	1,303,297
	12,528	2,453,503	299,328	307,957	256,344	152,236	152,314	3,634,210
Guarantees		774						774
Total	12,528	2,454,277	299,328	307,957	256,344	152,236	152,314	3,634,984

RISK CONCENTRATION BY CREDIT RATING

The assessment of the credit risk of financial assets and liabilities is based on credit ratings provided by rating agencies. Cash and placements with banks are classified on the basis of the short-term credit ratings of rating agencies. The long-term rating is used for the investment portfolio. The loans and receivables relate to credit collateralised with securities and receivables from residential mortgage rights. These are not rated by rating agencies.

FINANCIAL ASSET RISK CATEGORIES AS AT 31 DECEMBER 2018

(amounts in € 000's)	Short term rating		Long term rating				No rating	Total
	F1 or higher	F2 or lower	AAA	between AA+ and AA	between A+ and A-	BBB+		
Cash and balances at central banks	1,096,838	-	-	-	-	-	-	1,096,838
Due from banks	133,790	885	-	-	-	-	-	134,675
Derivatives	-	-	-	-	-	-	24,277	24,277
Financial assets at fair value through profit or loss	-	-	-	-	-	-	13,721	13,721
Investments at amortised cost	-	-	325,521	308,882	385,990	-	13,197	1,033,590
Loans and receivables	-	-	-	-	-	-	1,409,649	1,409,649
	1,230,628	885	325,521	308,882	385,990	-	1,460,844	3,712,750
Guarantees	-	-	-	-	-	-	106	106
Total	1,230,628	885	325,521	308,882	385,990	-	1,460,950	3,712,856

FINANCIAL ASSET RISK CATEGORIES AS AT 31 DECEMBER 2017

	Short term rating		Long term rating				No rating	Total
	F1 or higher	F2 or lower	AAA	between AA+ and AA	between A+ and A-	BBB+		
Cash and balances at central banks	1,003,537	-	-	-	-	-	-	1,003,537
Due from banks	131,361	2,607	-	-	-	-	-	133,968
Derivatives	-	-	-	-	-	-	37,311	37,311
Financial assets at fair value through profit or loss	-	-	-	-	-	-	16,613	16,613
Available-for-sale financial assets	-	-	-	333,790	449,656	13,848	-	797,294
Held-to-maturity financial assets	-	-	233,274	108,916	-	-	-	342,190
Loans and receivables	-	-	-	-	-	-	1,303,297	1,303,297
	1,134,898	2,607	233,274	442,706	449,656	13,848	1,357,221	3,634,210
Guarantees	-	-	-	-	-	-	774	774
Total	1,134,898	2,607	233,274	442,706	449,656	13,848	1,357,995	3,634,984



PROVISION FOR EXPECTED CREDIT LOSS

BinckBank holds provisions for expected credit loss on financial assets measured at amortised cost. The credit risk for financial assets measured at fair value is deemed to be included in the price. The provision for expected credit loss is based on an estimate of the loss arising from difference between the expected cash flows and the contractual cash flows. The methodology takes account of both historical and prospective information and contains subjective estimates made by management. The provisions model is based on a number of factors:

- The magnitude of the deterioration of the credit risk of the counterparty as compared to initial recognition;
- The probability of default of the counterparty (PD);
- The loss given default (LGD), taking account of collateral and forbearance measures;
- The exposure at default (EAD) of the counterparty.

Significant deterioration of credit risk

In the assessment of the credit risk of counterparties to the various stages we make use of the term deterioration of credit risk. BinckBank uses the following key characteristics for identification of a significant deterioration of credit risk:

- The borrower is in arrears for more than 2 collection moments, which corresponds to more than 30 days (stage 2) or 90 days (stage 3);
- Macroeconomic factors reflect a significant risk of deterioration of credit risk;
- The external ratings of the counterparties show a relative deterioration of credit risk exceeding the defined bandwidths.

Definition of default

Within the determination of the credit loss, the definition of default is also of significant importance. The definition of default has been used in the determination of the credit risk and is therefore important for the assessment of the application of the expected 12 months credit loss or credit loss for the entire duration of the instrument. BinckBank uses the following key characteristics for identification of default:

- The borrower is in arrears for more than 90 days;
- The borrower is not expected to be able to meet its obligations.

BinckBank applies both quantitative and qualitative indicators, ALCO analyses and publicly available external credit ratings when assessing the credit risk and whether the borrower is expected to be able to meet its obligations. In this respect BinckBank aligns as much as possible with the risk assessment as applied within the risk management framework.

BinckBank assesses for all financial assets valued at amortised cost or creditworthiness has dropped significantly. The determination of a significant deterioration in credit risk takes place by comparing the credit risk per reporting date in relation to the determined credit risk on initial recognition of the asset. In this assessment BinckBank includes objective, available and where possible forward-looking information. Financial assets whose credit risk has not significantly deteriorated are classified as stage 1. The provision for expected losses for these assets is based on the probability that the counterparty will be in default in a period of 1 year (year PD). For the financial assets for which BinckBank identifies the counterparty has a significant deterioration in credit risk are classified in stage 2 or stage 3. In these cases, the expected credit loss is determined on the basis of the probability of default over the entire term of the asset.

In addition to qualitative and quantitative indicators, BinckBank applies a limit of more than 30 days as an indicator for a transition from stage 1 to stage 2, and a limit of 90 days of delay for the transition from stage 2 to stage 3. These limits can only be waived if there is valid and demonstrable evidence is that the creditworthiness is different than on the basis of these limits.

BinckBank determines the expected credit loss on both an individual and collective basis. A collective approach can be elected as determined by the materiality and presence of identical nature and characteristics of the instruments. BinckBank adopts a collective approach to provisions for collateralised loans. BinckBank has adopted parameters for the calculation of the provision for the mortgage portfolio that are applicable to the entire portfolio.

The expected credit loss provision model makes use of prospective information such as macro-economic factors where this is deemed to be relevant and the information is available. Prospective information other than external credit ratings is not used for financial assets with a term that is so short that macro-economic factors will not have a material influence, such as cash and banks. Prospective information may also be omitted from the model when objective prospective information is not available or is only available at disproportionately high costs or excessive effort.



BinckBank sources externally available credit loss data when it does not have any historical information about movements in credit loss, such as for recently developed mortgage portfolios. Periodic assessments are then carried out to determine whether the characteristics of the adopted portfolios are in sufficient agreement with the characteristics of BinckBank's portfolios.

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

BinckBank has recognised the following expected credit loss on financial assets measured at amortised cost as at 31 December. The table's comparative figure at 31 December 2017 is determined on the basis of an incurred loss model under IAS 39 and is recognised in the opening statement of financial position after the transition to IFRS 9.

The movement in the provision for expected credit loss on the investments at amortised cost is as follows:

(amounts in € 000's)	31 December 2018	1 January 2018	31 December 2017
Cash and balances at central banks	170	200	-
Due to banks	114	100	-
Investments at amortised cost	227	277	-
Available-for-sale financial assets	-	-	-
Held-to-maturity financial assets	-	-	-
Loans and receivables	2,215	2,014	671
Financial guarantees	-	-	-
Provision for expected credit loss	2,726	2,591	671

Cash and balances with central banks and Due from Banks

Cash and balances with central banks and Due from Banks are individually assessed for expected credit loss. Cash and balances with central banks and Due from Banks consists entirely of items available on demand, as a result of which the expected credit loss is determined on the basis of a period of less than one year. The provision for expected credit loss recognised for these assets is set at the 12-month expected loss. No other variables or factors are taken into account in determining the provision for expected credit loss on this portfolio.

Cash and balances with central banks and Due from Banks are all classified in stage 1. The provision for expected credit loss recognised at 31 December 2018 amounts to € 170 thousand for cash and € 114 thousand for banks.

Investments at amortised cost

Financial assets at amortised cost are individually assessed for expected credit loss. As BinckBank's investment portfolio consists solely of investments with an investment grade rating, the exception for low credit risks allowed under IFRS 9 is applied. BinckBank has assumed that the credit risk has not deteriorated since initial recognition and these assets are classified in stage 1.

The provision for expected credit loss recognised for these assets is set at the 12-month expected loss. No other variables or factors are taken into account in determining the provision for expected credit loss on this portfolio.



The movement in the provision for expected credit loss on the investments at amortised cost is as follows:

(amounts in € 000's)	2018			Total
	Stage 1 12-month expected credit loss	Stage 2 lifetime expected credit loss	Stage 3 lifetime expected credit loss	
Provision as at 31 December	-	-	-	-
IFRS 9 transition adjustment	277	-	-	277
Provision as at 1 January	277	-	-	277
Decreases due to derecognition	(46)	-	-	(46)
Increases due to origination and acquisition	37	-	-	37
Changes due to change in credit risk (net)	(46)	-	-	(46)
Changes due to write-offs	-	-	-	-
Changes due to modifications without derecognition (net)	5	-	-	5
Other changes	-	-	-	-
Provision as at 31 December	227	-	-	227

The movement in the carrying value to various stages of credit risk for the investments at amortised cost is as follows:

(amounts in € 000's)	2018			Total
	Stage 1 12-month expected credit loss	Stage 2 lifetime expected credit loss	Stage 3 lifetime expected credit loss	
Gross balance as at 31 December	-	-	-	-
IFRS 9 transition adjustment	1,138,828	-	-	1,138,828
Gross balance as at 1 January	1,138,828	-	-	1,138,828
Decreases due to derecognition	(460,692)	-	-	(460,692)
Increases due to origination and acquisition	361,929	-	-	361,929
Foreign exchange movements	10,320	-	-	10,320
Movements due to amortisation	(13,600)	-	-	(13,600)
Movement accrued interest	(2,968)	-	-	(2,968)
Transfers between stages	-	-	-	-
Gross balance as at 31 December	1,033,817	-	-	1,033,817
Provision for expected credit loss	(227)	-	-	(227)
Balance as at 31 December	1,033,590	-	-	1,033,590

Loans and receivables

BinckBank's loans and receivables consists of loans collateralised with securities and receivables from mortgage rights.

Loans collateralised with securities are individually assessed for expected credit loss. Collateralised loans are automatically assessed at the time that they are advanced, taking account of the funding percentages for the collateral that qualifies for that purpose. The loans granted are then monitored on the basis of real-time prices. The credit risk lies in movements in value of the collateral received. Specific attention is then given to undesirable concentrations in client portfolios, referred to as 'concentration risks'. A cover deficit arises when the value of the collateral is insufficient to cover the collateralised loans and/or margin obligations. The client must make up a cover deficit within one to five trading days. When the client fails to comply with this requirement then BinckBank is entitled to wind down the position. The provision for expected credit loss on credit collateralised with securities is then determined both individually (stage 3) and collectively on the basis of the historical loss on the entire portfolio. No other factors are taken into account in the determination of the provision for expected credit loss on this portfolio.

BinckBank assesses the individual receivables in the mortgage portfolio for expected credit loss. Changes in credit risk are monitored on the basis of payment arrears periods, forbearance measures and other additional agreements. BinckBank adopts a fixed criterion whereby arrears in interest and/or redemptions of more than 30 days are regarded as a significant deterioration of credit risk, after which these loans are included in stage 2. Non-Performing Loans are classified in stage 3.

These are loans that can be designated as:

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

As BinckBank has limited historical information available for the mortgage receivables, the parameters of the model for these instruments are determined on the basis of the available public information representative for the portfolios held by BinckBank. BinckBank has also included macro-economic variables such as the unemployment rate in the probability of default.

BinckBank provides loans solely on the basis of collateral received in the form of marketable securities, bank guarantees or mortgage collateral. The loans and receivables classified by cover ratio are as follows:

(amounts in € 000's)	31 December 2018	31 December 2017
NHG guaranteed	296,332	318,471
Less than 75% of the value of the collateral	820,791	539,796
Between 75% and 90% of the value of the collateral	121,634	273,529
Between 90% and 100% of the value of the collateral	146,876	107,222
Greater than 100% of the value of the collateral	17,535	59,763
Accrued interest (not allocated)	6,441	5,467
Total	1,409,609	1,304,248

The determination of the expected future cash flows from a financial asset for which collateral has been received takes account of the cash flows that will arise on realisation of the collateral less the costs that will be incurred in obtaining and selling the collateral.

The amount of any impairment loss is measured as the difference between the loan's carrying amount and the present value of future expected cash flows, discounted at the original effective interest rate of the loan.

In 2018, an amount of € 71 thousand was written off on loans and receivables because there was no possibility of receiving the remaining cash flows.



The movement in the provision for expected credit loss on loans and receivables is as follows:

(amounts in € 000's)	2018			Total
	Stage 1 12-month expected credit loss	Stage 2 lifetime expected credit loss	Stage 3 lifetime expected credit loss	
Provision as at 31 December	165	-	506	671
IFRS 9 transition adjustment	1,124	163	57	1,344
Provision as at 1 January	1,289	163	563	2,015
Decreases due to redemptions and derecognition	(90)	(2)	(2)	(94)
Increases due to origination and acquisition	296	-	-	296
Changes due to change in credit risk (net)	41	(150)	36	(73)
Changes due to write-offs	-	-	-	-
Changes due to modifications without derecognition (net)	(87)	-	158	71
Other changes	-	-	-	-
Provision as at 31 December	1,449	11	756	2,215

The movement in the carrying value to various stages of creditworthiness for the loans and receivables is as follows:

(amounts in € 000's)	2018			Total
	Stage 1 12-month expected credit loss	Stage 2 lifetime expected credit loss	Stage 3 lifetime expected credit loss	
Gross balance as at 31 December	1,302,200	975	1,073	1,304,248
Decreases due to redemptions and derecognition	(60,531)	(50)	(285)	(60,866)
Increases due to origination and acquisition	158,059	-	216	158,275
Changes due to modifications without derecognition (net)	7,957	-	-	7,957
Transfers between stages	454	(702)	248	-
Other movements	-	-	(5)	(5)
Gross balance as at 31 December	1,408,139	223	1,247	1,409,609
Provision for expected credit loss	(1,449)	(11)	(756)	(2,215)
Net balance as at 31 December	1,409,609	212	491	1,407,394
Fair value adjustment hedge accounting				2,255
Balance as at 31 December				1,409,649

A significant deterioration in the credit risk for the loans and receivables mainly depends on the days past due. The table below shows the breakdown and the provision for expected credit loss for the respective periods:

(amounts in € 000's)	2018		2017	
	Exposure value	Provision	Exposure value	Provision
Days past due				
0-30 days	1,408,139	(1,449)	1,296,453	(164)
31-90 days	223	(11)	975	-
> 90 days	1,247	(756)	1,073	(507)
Total	1,409,609	(2,215)	1,298,501	(671)

FINANCIAL GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

BinckBank has issued a limited number of guarantees on behalf of clients. These guarantees fall within the scope of the management of credit risk and are secured by securities collateral. The irrevocable facilities relate to outstanding mortgage offers for which BinckBank has a financing commitment to the service provider. BinckBank has, in view of the nature of the products, the contractual terms and the security, assessed the expected credit loss on these off-balance sheet items as very limited and, consequently, has not recognised any provision for expected credit loss.

ENCUMBERED AND UNENCUMBERED ASSETS

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. BinckBank has bridged these intra-day time differences, by pledging part of its investment portfolio of fixed-income securities as collateral with its custodian. As there were no overnight exposures during and at the end of 2018 (and 2017), no pledge has been created.

BinckBank has guaranteed payments for the purposes of mortgages financing by pledging part of its investment portfolio of fixed-income securities as collateral with its counterparties.

Financial assets received as collateral

BinckBank provides loans and other facilities on the basis of securities pledged by customers as collateral. BinckBank is not entitled to lend securities received as collateral and may only sell them if the borrower remains in default. BinckBank has established that all the risks and rewards of these securities remain for the account of the customer and for this reason has not recognised these securities in the statement of financial position.

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 carried out subject to conditions based on the ISDA rules with regard to collateral. BinckBank has established that it retains virtually all the risks and rewards of these securities – credit risk and market risk in particular – and therefore continues to recognise them in the statement of financial position. Furthermore, it assumes a financial liability with regard to the cash to be repaid. BinckBank did not use these facilities in either 2018 or 2017, and for this reason no such positions are recognised in the statement of financial position.



The following table lists the value of the financial assets pledged as collateral and/or encumbered.

FINANCIAL ASSETS PLEDGED AND/OR ENCUMBERED

(amounts in € 000's)	(a) Financial assets, gross	(b) Encumbered financial assets	(c)=(a)-(b) Un-encumbered financial assets
31 December 2018			
ASSETS			
Cash and balances at central banks	1,096,838	-	1,096,838
Due to banks	134,675	37,102	97,573
Derivatives	24,277	-	24,277
Financial assets at fair value through profit or loss	13,721	13,721	-
Investments at amortised cost	1,033,590	259,646	773,944
Loans and receivables	1,409,649	-	1,409,649
Total	3,712,750	310,469	3,402,281

31 December 2017			
ASSETS			
Cash and balances at central banks	1,003,537	-	1,003,537
Due to banks	133,968	32,693	101,275
Derivatives	37,311	-	37,311
Financial assets at fair value through profit or loss	16,613	16,613	-
Available-for-sale financial assets	797,294	182,763	614,531
Held-to-maturity financial assets	342,190	83,017	259,173
Loans and receivables	1,303,297	-	1,303,297
Total	3,634,210	315,086	3,319,124

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

Generally, this does not apply to master netting agreements, and the assets and liabilities concerned are therefore presented gross in the statement of financial position. Master netting agreements usually stipulate separate net settlement of all financial instruments falling under the agreements in the event of default on a particular contract. While master netting agreements can substantially reduce credit risk, it should be noted that the extent to which the total credit risk is reduced can vary significantly within a short period, as the receivable is affected by every transaction under the agreement.

The following tables present the financial assets and liabilities that are subject to offsetting in the statement of financial position under IAS 32 and the effects of master netting agreements that do not comply with IAS 32:

	(a)	(b)	(c)=(a)-(b)		(d)	(e)=(c)-(d)
	Financial assets and liabilities, gross	Recognised financial assets and liabilities offset in the balance sheet, gross	Financial assets and liabilities included in the balance sheet, net	Related amounts not offset in the balance sheet		Net amount
				Financial instruments	Collateral received and paid in cash	
(amounts in € 000's)						
31 December 2018						
ASSETS						
Due from banks	134,675	-	134,675	(4,474)	-	130,201
Derivatives	24,277	-	24,277	-	-	24,277
Other assets	138,526	-	138,526	-	(2,071)	136,455
Total	297,478	-	297,478	(4,474)	(2,071)	290,933
LIABILITIES						
Due to banks	5,274	-	5,274	(4,474)	-	800
Derivatives	26,759	-	26,759	-	(2,071)	24,688
Other liabilities	28,040	-	28,040	-	-	28,040
Total	60,073	-	60,073	(4,474)	(2,071)	53,528
31 December 2017						
ASSETS						
Due from banks	133,968	-	133,968	(1,566)	-	132,402
Derivatives	37,311	-	37,311	-	(381)	36,930
Other assets	58,754	-	58,754	-	-	58,754
Total	230,033	-	230,033	(1,566)	(381)	228,086
LIABILITIES						
Due to banks	2,538	-	2,538	(1,566)	-	972
Derivatives	37,055	-	37,055	-	(107)	36,948
Other liabilities	52,084	-	52,084	-	(274)	51,810
Total	91,677	-	91,677	(1,566)	(381)	89,730



CAPITAL REQUIREMENTS PILLAR 1 FOR CREDIT RISK

BinckBank applies the standardised method as described in the CRR to calculate the risk weighted assets for credit risk purposes. The following table shows how the risk-weighted items are determined.

	Exposure net of value adjustments and provisions		Risk weighted exposure amount		8% Pillar capital requirement	
(amounts in € 000's)	2018	2017	2018	2017	2018	2017
Credit risk standardised method						
Central governments or central banks	1,366,434	1,202,189	-	108	-	9
Regional governments or local authorities	20,267	131,917	-	-	-	-
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	22,265	12,528	-	-	-	-
International organisations	-	-	-	-	-	-
Institutions	656,351	800,978	235,744	278,677	18,860	22,294
Corporates	337,839	305,810	90	29	7	2
Retail	352,595	372,724	49,476	52,440	3,958	4,195
Secured by mortgages on immovable property	741,055	660,268	167,568	134,097	13,405	10,728
Exposures in default	585	660	298	187	24	15
Covered bonds	143,805	83,196	14,380	8,320	1,150	666
Claims on institutions and corporates with a short-term credit assessment	132,740	113,075	47,147	47,159	3,772	3,773
Equity	125	1,720	313	4,301	25	344
Other items	62,409	60,284	56,909	56,357	4,553	4,509
Total	3,836,470	3,745,349	571,925	581,675	45,754	46,535

MAXIMUM CREDIT RISK

The maximum credit risk of items in the statement of financial position is, in general, the carrying value of the relevant financial asset. The maximum credit risk of off-balance sheet items is the maximum amount that could possibly be paid. Collateral received is not taken into account in determining the maximum credit risk. The maximum credit risk of the following items differs from the carrying value.

(amounts in € 000's)	Total	Limit	Neither past due nor impaired	Past due	Impaired	Provision	Non- Performing Loans
31 December 2018							
Loans and receivables							
Collateralised by securities	592,526	592,632	592,531	-	-	(5)	-
Collateralised by bank guarantees	5,292	14,670	5,292	-	-	-	-
Collateralised by residential property	803,123	813,918	803,874	688	2,246	(1,498)	2,246
Other receivables	12	724	-	-	724	(712)	724
Total	1,400,953	1,421,943	1,401,697	688	2,970	(2,215)	2,970
31 December 2017							
Loans and receivables							
Collateralised by securities	558,796	559,570	558,796	-	-	-	-
Collateralised by bank guarantees	2,739	10,524	2,739	-	-	-	-
Collateralised by residential property	736,573	755,211	735,198	975	565	(165)	565
Other receivables	2	508	-	-	508	(506)	508
Total	1,298,110	1,325,813	1,296,733	975	1,073	(671)	1,073

The total outstanding amount in the tables is presented less the provision for expected credit loss.

SECURITIES LENDING

BinckBank usually acts as the principal in the borrowing and lending of securities.

The following table lists the receivables and payables relating to securities recognised and loans provided, inclusive of the collateral received.

(amounts in € 000's)	2018	2017
Receivables in respect of securities lending	32,581	14,026
Collateral received	36,749	12,784
Liabilities in respect of securities lending	29,762	12,895
Collateral Paid	33,550	11,632

Received and paid collateral contains mainly non-cash positions.



41.6 MARKET RISK

BinckBank's sole market risk in Pillar 1 is currency risk. Currency risk is the risk of fluctuations in the value of items denominated in foreign currency due to movements in exchange rates. The policy is not to take active foreign-exchange trading positions.

The currency risk associated with the assets and liabilities is presented in the following table.

CURRENCY EXPOSURE AS AT 31 DECEMBER 2018

(amounts in € 000's)	Assets	Liabilities	Balance
EUR	3,651,093	3,651,322	(229)
GBP	6,251	6,093	158
USD	394,764	394,950	(186)
Other currencies	18,885	18,628	257
Total	4,070,993	4,070,993	-

CURRENCY EXPOSURE AS AT 31 DECEMBER 2017

(amounts in € 000's)	Assets	Liabilities	Balance
EUR	3,576,373	3,577,373	(1,000)
GBP	5,006	5,250	(244)
USD	326,361	324,242	2,119
Other currencies	16,078	16,953	(875)
Total	3,923,818	3,923,818	-

41.7 INTEREST RATE RISK

Interest rate risk relates to the sensitivity of the interest rate result and/or the market value of the bank to interest rate movements. Movements in the yield curve result in changes in interest cash flows and/or the cash value thereof. Interest rate movements can affect both the interest rate result and the bank's market value. A distinction can be made between the following forms of interest rate risk:

- *Repricing risk*: the interest rate risk arising from timing differences in interest rate adjustments of instruments. The earlier or later repricing of assets than liabilities creates interest rate risk. The repricing risk depends on factors including the extent to which interest rate movements are spread evenly across the yield curve (parallel yield curve shift);
- *Yield curve risk*: the interest rate risk arising from non-parallel shifts in the yield curve;
- *Optionality risk*: the interest rate risk arising when specific options have been made available to clients (for example, partially penalty-free right of early redemption or a capped variable interest rate) and this risk is not or cannot be fully hedged;
- *Basis risk*: the interest rate risk that arises when movements in an instrument used as a hedge do not precisely mirror movements in the corresponding item in the statement of financial position (for example, a mortgage based on one-month Euribor versus a swap based on three-month Euribor).

Interest rate risk management involves the use of models to determine the interest rate risk of the assets and liabilities, whereby account is taken of the contractual and client behavioural aspects of the products.

BinckBank pursues a prudent interest rate risk policy, which considers both the short-term and the long-term interest rate risk. The short-term interest rate risk is primarily addressed from the perspective of income (earnings-at-risk). This encompasses an analysis of the sensitivity of interest income in a series of interest rate scenarios. The earnings scenarios were recalibrated in 2018, when account was taken of the current low interest rates and other factors. The horizon of the earnings at risk scenarios was also extended to two years. The earnings-at-risk analyses reveal that the following are the most adverse scenarios:

- Increased competition for customer savings, resulting in higher interest rates paid on customer deposits.
- Further decline of market interest rates, in which BinckBank is unable reduce the deposit interest rate to less than zero per cent. This scenario assumes that customers regard zero per cent as a 'natural' minimum interest rate. Customers receiving less than zero per cent could be inclined to transfer their deposits to competing banks or even withdraw them in cash.

In 2018, the results of the scenarios for earnings-at-risk remained within the defined limits.

The long-term interest rate risk is controlled by adopting the economic value approach, which assesses how changes in interest rates could impact the value of the bank's assets and liabilities. Duration analysis is the most important instrument in economic value calculations. The bank's duration of equity is an indication of the net effect of parallel interest rate movements on the economic value.

During 2018, the duration of equity was managed by ALCO within a bandwidth of 0.7 to 3.3 years. Customer interest in long term fixed interest rate loans, in particular mortgages, remained high due to the low interest rate climate. The resulting upward effect on the duration was mitigated by entering into interest rate swaps. The implementation of a new ALM model for the management of interest rate risk in the banking book (IRRBB) resulted in significant improvements in the management of exposure to IRRBB on a forward-looking basis.

With the duration of 1.1 years at the end of 2018, the value of equity would decrease by 3.7% (€ 17.8 million) if interest rates were to increase in parallel by 100 basis points. With a parallel decline in interest rates of 100 basis points the value of equity would increase by the same amount.



The following tables present the interest rate sensitivity on the basis of the contractual interest rate maturities of the individual balance sheet items.

INTEREST RATE MATURITY CALENDAR AS AT 31 DECEMBER 2018

(amounts in € 000's)	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Non- interest bearing	Total
ASSETS							
Cash and balances at central banks	1,096,838	-	-	-	-	-	1,096,838
Due from banks	134,675	-	-	-	-	-	134,675
Derivatives	-	-	-	-	-	24,277	24,277
Financial assets at fair value through profit or loss	-	-	-	-	-	13,721	13,721
Investments at amortised cost	16,968	224,701	791,921	-	-	-	1,033,590
Loans and receivables	611,082	49,295	207,055	516,404	25,813	-	1,409,649
Total	1,859,563	273,996	998,976	516,404	25,813	37,998	3,712,750
LIABILITIES							
Due to banks	5,274	-	-	-	-	-	5,274
Derivatives	43	316	94	1,618	-	24,688	26,759
Financial liabilities at fair value through profit or loss	-	-	-	-	-	161	161
Funds entrusted	3,562,200	-	-	-	-	-	3,562,200
Total	3,567,517	316	94	1,618	-	24,849	3,594,394

INTEREST RATE MATURITY CALENDAR AS AT 31 DECEMBER 2017

(amounts in € 000's)	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Non- interest bearing	Total
ASSETS							
Cash and balances at central banks	1,003,537	-	-	-	-	-	1,003,537
Due from banks	133,968	-	-	-	-	-	133,968
Derivatives	-	-	-	-	-	37,311	37,311
Financial assets at fair value through profit or loss	-	-	-	-	-	16,613	16,613
Available-for-sale financial assets	23,391	237,313	536,590	-	-	-	797,294
Held-to-maturity financial assets	22,839	182,452	136,899	-	-	-	342,190
Loans and receivables	567,122	26,321	89,721	571,387	48,746	-	1,303,297
Total	1,750,857	446,086	763,210	571,387	48,746	53,924	3,634,210
LIABILITIES							
Due to banks	2,538	-	-	-	-	-	2,538
Derivatives	-	-	-	-	-	37,055	37,055
Financial liabilities at fair value through profit or loss	-	-	-	-	-	231	231
Funds entrusted	3,383,507	-	-	-	-	-	3,383,507
Total	3,386,045	-	-	-	-	37,286	3,423,331



INTEREST RATE RISK ON THE RESULT

The short-term interest risk is addressed from an income perspective. The effect of a gradual movement in interest rates on BinckBank's profitability is determined using an Earnings-at-Risk model. This measures the impact of the interest-rate risk on the adjusted net result determined by calculating the expected interest income and interest expense on the basis of a gradual change in the market interest rate over a period of one year. This clearly expresses effect of the interest rate sensitivity on BinckBank's result.

GRADUAL PARALLEL YIELD CURVE SHIFT

(amounts in € 000's)	Effect on the result	
	31 December 2018	31 December 2017
<i>Over a period of 1 year</i>		
+200 basis points	12,396	9,913
-200 basis points	(688)	(774)
<i>Over a period of 2 years</i>		
+200 basis points	37,630	33,075
-200 basis points	(4,044)	(5,298)

INTEREST RATE RISK ON CAPITAL

An economic value approach is adopted to the long-term interest rate risk. This approach examines movements in the value of the assets and liabilities caused by sudden shifts in the yield curve, or interest rate shocks. The economic value approach uses, in particular, duration analyses. The duration of equity is an indication of movements in the economic value of equity due to interest rate fluctuations.

The investments in mortgages with longer fixed interest periods has an upward effect on the duration of equity. As the duration of the assets is higher than that of the liabilities, a decline in the interest rate has a negative effect on BinckBank's equity. BinckBank controls the sensitivity of its equity to interest-rate movements with tolerance levels and monthly interest-rate risk reports to the ALCO. The effect of an interest-rate shock of 200 basis points on equity is presented in the following table (before tax).

SUDDEN PARALLEL YIELD CURVE SHIFT

	Effect on equity	
	31 December 2018	31 December 2017
+200 basis points	(18,457)	(21,163)
-200 basis points	(2,454)	(3,424)

41.8 LIQUIDITY RISK

Liquidity risk is the risk that BinckBank will not be able to meet its payment obligations. BinckBank adopts a prudent policy on liquidity risk that is designed to ensure that demand by its customers for their cash can be met at all times. There were no materially significant liquidity incidents in the reporting year 2018.

The most important objective of our liquidity risk management is to ensure that the bank is capable of retaining or generating sufficient cash liquidity to meet its payment obligations in full as soon as they become payable and at acceptable conditions. As liquidity risk can theoretically threaten the continuity of a bank BinckBank maintains a low liquidity risk tolerance. One of the most important elements of our approach to liquidity risk management is ensuring that stakeholders are always confident of the solidity of the bank. The policy for the measurement, monitoring, and control of liquidity risks in BinckBank is laid down in the Internal Liquidity Adequacy Assessment Process (ILAAP), which is updated and evaluated by the supervisory authority each year.

BinckBank controls liquidity risks with a risk framework that provides for the extensive measurement, evaluation and calibration of indicators related to liquidity risk. The framework consists of the risk appetite, liquidity buffers, monitoring and reporting, forecasts, capital and funding plans and planning for unforeseen financing. Clear escalation procedures are in place in the event of a threat of the liquidity falling below the lower limit of the internal liquidity target. Escalation is based on what is referred to as a 'traffic-lights' model. This is a system of warning signals that leads to an increased level of vigilance with respect to the liquidity position. Code green applies 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 on BinckBank's reputation and/or heavy cash outflow in combination with a limited cash balance.

The ILAAP includes an annual revision of the liquidity risk target and limits. The limits include, but are not restricted to, levels for the liquidity coverage ratio (LCR), net stable funding ratio (NSFR), liquidity buffers and the stress test results, all of which are reported to the ALCO monthly. As the liquidity buffer is the most important form of defence against liquidity risk, the quality and volume of the buffer is monitored daily, together with inflows and outflows of funds entrusted.

LIQUIDITY STRESS TESTS

Scenario analysis is part of our liquidity and funding plans. Stress tests are a key element of these analyses. We carry out stress tests to assess the bank's resilience to various adverse liquidity events, ranging from BinckBank's events and systemic events to combinations of the two. The liquidity stress tests are based on various alternative sources of liquidity (Contingency Funding). These sources are:

- Repurchase agreements;
- Multi-currency credit facility (with securities collateral);
- Liquidation of the investment portfolio;
- Disposal of the mortgage portfolio;
- European Central Bank reserve requirement.

The stress tests carried out in the past years reveal that BinckBank has sufficient liquid assets, contingent assets and other financing options to comply with the internal and external liquidity requirements. The bank's policy is focused on investing funds entrusted in a manner that avoids undesirable risk concentrations and ensures that sufficient liquid assets are available to guarantee liquidity in the event that a stress scenario occurs.



FINANCIAL INSTRUMENTS – REMAINING CONTRACTUAL MATURITY

The liabilities on the basis of the remaining contractual maturity of financial liabilities are as follows:

UNDISCOUNTED LIABILITIES CLASSIFIED BY REMAINING CONTRACTUAL MATURITY AS AT 31 DECEMBER 2018

(amounts in € 000's)	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Total
LIABILITIES						
Due to banks	5,274	-	-	-	-	5,274
Derivatives	-	781	-	1,712	24,266	26,759
Financial liabilities at fair value through profit or loss	-	161	-	-	-	161
Funds entrusted	3,562,200	-	-	-	-	3,562,200
Total	3,567,474	942	-	1,712	24,266	3,594,394

UNDISCOUNTED LIABILITIES CLASSIFIED BY REMAINING CONTRACTUAL MATURITY AS AT 31 DECEMBER 2017

	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Total
LIABILITIES						
Due to banks	2,538	-	-	-	-	2,538
Derivatives	-	99	-	28	36,928	37,055
Financial liabilities at fair value through profit or loss	-	231	-	-	-	231
Funds entrusted	3,383,507	-	-	-	-	3,383,507
Total	3,386,045	330	-	28	36,928	3,423,331

FINANCIAL INSTRUMENTS BY EXPECTED MATURITY

Funds entrusted are designated as demand deposits. In practice, a longer behaviour-typical maturity is allocated to these products. The positions at the end of the year are representative of the positions during the year. In addition, the loan facilities and possibilities for liquidation of the interest-bearing securities are shown. These are fixed-interest securities which can be traded in an active market or used as collateral for lending from DNB.

MATURITY CALENDAR AS AT 31 DECEMBER 2018

(amounts in € 000's)	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Total
ASSETS						
Cash and balances at central banks	1,096,838	-	-	-	-	1,096,838
Due from banks	134,675	-	-	-	-	134,675
Derivatives	-	48	65	(65)	24,229	24,277
Financial assets at fair value through profit or loss	-	13,721	-	-	-	13,721
Investments at amortised cost	16,216	231,587	785,786	-	-	1,033,589
Loans and receivables	611,654	46,341	207,123	516,382	28,148	1,409,648
	1,859,383	291,697	992,974	516,317	52,377	3,712,748
Guarantees	-	-	-	103	3	106
Total	1,859,383	291,697	992,974	516,420	52,380	3,712,854
LIABILITIES						
Due to banks	5,274	-	-	-	-	5,274
Derivatives	-	781	-	1,712	24,266	26,759
Financial liabilities at fair value through profit or loss	-	161	-	-	-	161
Funds entrusted	3,562,200	-	-	-	-	3,562,200
Total	3,567,474	942	-	1,712	24,266	3,594,394
Liquidity surplus/deficit on basis of contractual maturities	(1,708,091)	290,755	992,974	514,708	28,114	118,460
Credit and lending facilities and possibilities for liquidation	1,017,373	(231,587)	(785,786)	-	-	-
Liquidity surplus/deficit taking account of credit and lending facilities and possibilities for liquidation	(690,718)	59,168	207,188	514,708	28,114	118,460



MATURITY CALENDAR AS AT 31 DECEMBER 2017

(amounts in € 000's)	< 1 month	> 1 month < 1 year	> 1 year < 5 year	> 5 year < 10 year	> 10 year	Total
ASSETS						
Cash and balances at central banks	1,003,537	-	-	-	-	1,003,537
Due from banks	133,968	-	-	-	-	133,968
Derivatives	-	18	65	316	36,912	37,311
Financial assets at fair value through profit or loss	-	16,613	-	-	-	16,613
Available-for-sale financial assets	25,736	241,458	530,100	-	-	797,294
Held-to-maturity financial assets	22,998	182,806	136,386	-	-	342,190
Loans and receivables	567,122	16,114	65,274	79,179	575,608	1,303,297
	1,753,361	457,009	731,825	79,495	612,520	3,634,210
Guarantees	-	37	-	737	-	774
Total	1,753,361	457,046	731,825	80,232	612,520	3,634,984
LIABILITIES						
Due to banks	2,538	-	-	-	-	2,538
Derivatives	-	99	-	28	36,928	37,055
Financial liabilities at fair value through profit or loss	-	231	-	-	-	231
Funds entrusted	3,383,507	-	-	-	-	3,383,507
Total	3,386,045	330	-	28	36,928	3,423,331
Liquidity surplus/deficit on basis of contractual maturities	(1,632,684)	456,716	731,825	80,204	575,592	211,653
Credit and lending facilities and possibilities for liquidation	1,090,750	(424,264)	(666,486)	-	-	-
Liquidity surplus/deficit taking account of credit and lending facilities and possibilities for liquidation	(541,934)	32,452	65,339	80,204	575,592	211,653

41.9 OPERATIONAL RISK

Operational risk is the risk of loss caused by inadequate or deficient internal processes and systems, human error or external events and fraud. Due to the nature of its business activities, BinckBank has a high inherent operational risk. Operational risk is determined by factors including the large number of complex administrative entries that must be processed on a daily basis. Another important aspect of the operational risk is that communication with the customer and third parties (stock exchanges) is primarily via the internet or telephone. This means that daily practice depend heavily on ICT and external connections. As a result, BinckBank is inherently sensitive to ICT disruptions. A third aspect that leads to a high inherent operation risk is BinckBank's commitment to innovation and the improvement of its services, which results in the regular implementation of system adjustments and improvements.

A framework of processes, systems, and accompanying control measures has been established to consistently control operational risks. This, together with a clear organisational structure within the 3LoD model, forms the basis for the design of internal control system. BinckBank's first-line departments carry out a number of risk management processes. Risk management in the second line of defence has a coordinating, advisory, and controlling role to safeguard the correct performance of the first-line risk management processes. Although a large number of risk-mitigating measures are included in the risk management framework, it is nevertheless conceivable that BinckBank is confronted with an operational loss. BinckBank is insured with third parties for certain types of operational loss. This insurance includes policies for directors' and officers' liability, corporate liability, professional liability, inventory, reinstatement costs, and trading loss.

In 2018, the internal target was that these operational losses on regular operations would not exceed 1.0% of total income from operations. In 2018, operational losses amounted to 2.09% (1.12% in 2017) of the total income from operations. These operational losses consist primarily of the financial result of out-trades, compensation for customers (claims) and losses resulting from faults in the ICT systems and operational processes. Movements in current claims and provisions for operational losses are included.

SPECIFIC OPERATIONAL RISKS

ICT risk

As 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 critical business processes and customer services. Specific control measures have been implemented to reduce this risk. These include measures in the areas of IT administration, software development, and cybersecurity.

Information security

Information security is regarded as a company-wide responsibility for the protection of customer and commercial information. The second line is responsible for formulating the strategic information security policy and the risk management framework, and monitors the correct adherence to this policy. The first line of defence is responsible for the security of BinckBank's systems, applications and data. Implementing the appropriate measures based on targeted risk assessments for business and IT processes guarantees that the data of our customers and our company data are protected in the appropriate manner.

Business Continuity Management (BCM)

The availability of critical services and the security of customers, visitors, and employees are of the highest importance to BinckBank. BinckBank has implemented a BCM process to ensure the availability of its critical services. BCM forms part of the overall risk management framework. The Business Community Council meets at least once per quarter. The Council also acts as the crisis team in the event of an emergency and operates on the basis of a clearly defined and tested crisis management process. BinckBank also has a financial recovery plan, which specifies the measures that BinckBank can implement to recover from a financial or other crisis in autonomy. BinckBank uses the standardised approach (SA) to calculate its operational risk under Pillar 1. The SA divides the operating income in the three preceding financial years into various business lines with prescribed capital requirements of between 12% and 18%. The following table provides an insight into the calculation of the capital requirement arising from the operational risk.



STANDARDISED APPROACH AS AT 31 DECEMBER 2018

	Operating income				Risk weighting	Capital requirement
(amounts in € 000's)	2016	2017	2018	Average		
BUSINESS LINE						
Retail brokerage	89,996	93,949	99,254	94,400	12%	11,328
Retail banking	26,133	29,975	32,093	29,400	12%	3,528
Agency services	7,951	4,584	1,397	4,644	15%	697
Asset management	12,987	11,720	8,375	11,027	12%	1,323
Total	137,067	140,228	141,119	139,471		16,876

STANDARDISED APPROACH AS AT 31 DECEMBER 2017

	Operating income				Risk weighting	Capital requirement
	2015	2016	2017	Average		
BUSINESS LINE						
Retail brokerage	107,254	89,996	93,949	97,066	12%	11,648
Retail banking	25,702	26,133	29,975	27,270	12%	3,273
Agency services	7,928	7,951	4,584	6,821	15%	1,023
Asset management	19,204	12,987	11,720	14,637	12%	1,756
Total	160,088	137,067	140,228	145,794		17,700

41.10 BUSINESS RISK

Business risk can be defined as the threat to BinckBank's results or equity arising from an adequate response to changes in environmental factors or incorrect strategic decisions.

Environmental factors are competitor activities, customers, potential entrants to the market and government institutions. BinckBank's business risk is mainly reflected in its dependence on the transaction volume in the financial markets. This makes BinckBank's profitability heavily reliant on the sentiment and volatility of the stock exchange. In 2017 and 2018, various projects were initiated with the objective of creating a more stable flow of revenue to reduce the business risk. Services such as 'Laten Beleggen', 'Binck Forward', and investments in the Dutch residential mortgage market with a recurrent earnings model will result in a more stable revenue stream.

41.11 FINANCIAL REPORTING RISK

The financial reporting risk is the risk of BinckBank failing to comply with the legislation and regulations governing financial reports and the disclosure of information to the market, governments, and supervisory authorities. BinckBank endorses the importance of providing accurate, timely, and comprehensive reports to the market, governments, and regulators. The demand for information, data points, and detailed reports has increased at all external reporting levels – reports to the supervisory authority, financial statements and tax reports – in recent years and a further increase is expected in the coming years. BinckBank draws on the expertise of internal specialists in all areas of the reporting activities. In addition, external advisers are brought in where needed to support internal specialists in certain areas. BinckBank has established stringent standards on the timeliness and accuracy of the reports to meet the external requirements. Compliance with these standards is monitored monthly. Monitoring the adequacy of the external financial reports is the responsibility of the accounting committee and the audit committee.

41.12 LEGAL AND COMPLIANCE RISK

The legal and compliance risk is the risk of BinckBank failing to comply with the applicable legislation and regulations, which may result in loss. BinckBank attaches paramount importance to values including integrity and reliability, as is manifested by its code of conduct, house rules, insider trading regulations and its whistleblower programme. BinckBank strives to comply with all existing, changing and new legislation and regulations in a commercially responsible manner.

41.13 FAIR VALUE**FAIR VALUE OF FINANCIAL INSTRUMENTS**

BinckBank has classified its financial instruments measured at fair value in the statement of financial position in a hierarchy of three levels based on the priority of the input to the measurement. The fair value hierarchy assigns the highest priority to quoted prices in an active market for similar assets and liabilities and the lowest priority to measurement techniques not based on observable market data. 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 an ongoing basis.

The fair value hierarchy consists of three levels:

- Level 1: fair value is determined on the basis of quotations in an active market;
- Level 2: measurement methods with observable market parameters;
- Level 3: measurement methods that draw on non-observable input (input that is not observable in the market) that has a more than insignificant impact on the fair value of the instrument.

Observable input relates to market data obtained from independent sources. Non-observable input is input that is based on subjective assumptions made by BinckBank about factors that market players could use to determine the price of an asset or liability and which are developed on the basis of the best information available in the circumstances. Non-observable input may consist of volatility, correlation, spreads of discount rates, default rates, recovery rates, prepayment rates, and certain credit spreads. Measurement techniques that are dependent on a proportion of non-observable inputs require a higher level of the contribution from management for the determination of the fair value.

Measurement techniques or models used to determine fair value are regularly assessed and validated by qualified staff independent of the staff who developed the techniques or models. Models are calibrated to ensure that the results reflect actual data and comparable market prices. Models use available observable data to minimise the use of non-observable inputs. BinckBank makes exclusive use of third-party valuation models and does not make any in-house estimates relating to the input. All measurement methods employed are internally assessed and approved. Most of the data used in these measurement methods is validated at periodic intervals. Measurement methods are inherently subjective. For this reason, measuring the fair value of certain financial assets and liabilities is largely dependent on estimates. The use of other measurement methods and assumptions could yield materially different estimates of fair values.



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

(amounts in € 000's)	Level 1	Level 2	Level 3	Total
31 December 2018				
Derivatives	24,229	48	-	24,277
Financial assets at fair value through profit and loss	13,721	-	-	13,721
Total	37,950	48	-	37,998
Derivatives	24,266	2,493	-	26,759
Financial liabilities at fair value through profit and loss	161	-	-	161
Total liabilities	24,427	2,493	-	26,920
31 December 2017				
Derivatives	36,912	399	-	37,311
Financial assets at fair value through profit and loss	16,613	-	-	16,613
Available-for-sale financial assets	-	797,294	-	797,294
Total assets	53,525	797,693	-	851,218
Derivatives	36,928	127	-	37,055
Financial liabilities at fair value through profit and loss	231	-	-	231
Total liabilities	37,159	127	-	37,286

Available-for-sale financial assets consist of an investment portfolio of readily marketable bonds that are primarily traded by professional market parties without the intermediation of a regulated market. Price quotes are available from brokers on request. Transactions in these bonds are not centrally registered or published by a stock exchange and for this reason BinckBank is of the opinion that there is no demonstrably active market and has classified these instruments as level 2.

Following the transition to IFRS 9, the entire investment portfolio has been classified as 'Financial assets at amortised cost' and no assets are now measured at fair value. For this reason, the 'Available-for-sale financial assets' portfolio is no longer included in the fair value hierarchy.

No financial assets were reclassified to another level in 2018 and 2017.

FINANCIAL INSTRUMENTS WITH A FAIR VALUE THAT DIFFERS FROM THE CARRYING VALUE

The fair value of balance sheet items that are not recognised at fair value in the balance sheet after initial recognition are as follows:

FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The fair value of balance sheet items that are not recognised at fair value in the statement of financial position after initial recognition are as follows:

(amounts in € 000's)	Carrying value	Fair value
31 December 2018		
Investments at amortised cost	1,033,590	1,032,298
Loans and receivables	1,409,649	1,418,646
31 December 2017		
Held-to-maturity financial assets	342,190	341,330
Loans and receivables	1,303,297	1,309,618

The fair value of Cash and balances with central banks and Due from banks is equal to the carrying value. Investments at amortised cost consist of an investment portfolio of readily marketable bonds that are primarily traded by professional market parties without the intermediation of a regulated market. Price quotes are available from brokers on request. The fair value of loans and receivables is based on measurement models such as discounted cash flow models. The significant variables in the measurement model are interest, expected early redemption rates and expected credit loss.



COMPANY
FINANCIAL
STATEMENTS



Company balance sheet (before profit appropriation)

(amounts in € 000's)

	Note	31 December 2018	31 December 2017
ASSETS			
Cash and balances with central banks*	c	1,096,838	1,003,537
Due from banks*	d	134,675	131,610
Loans and receivables*	e	1,409,649	1,303,297
Bonds and other fixed income securities*	f	1,033,590	1,139,484
Equities and other non-fixed-income securities	g	13,721	16,613
Investment in associates and group companies	h	125	1,721
Intangible assets	i	157,214	157,950
Property, plant and equipment	j	32,006	33,969
Current tax assets	k	16,622	16,725
Deferred tax assets	l	468	6,279
Other assets*	m	162,802	95,704
Prepayments and accrued income*	n	13,407	15,422
Total assets		4,071,117	3,922,311
LIABILITIES			
Due to banks	d	5,274	2,538
Funds entrusted*	o	3,562,200	3,383,507
Current tax liabilities	k	12	10
Deferred tax liabilities	l	29,996	36,443
Other liabilities*	p	55,084	89,060
Accruals and deferred income*	q	11,773	8,663
Provisions	r	3,394	8,134
Total liabilities		3,667,733	3,528,355
Issued share capital		6,750	6,750
Share premium reserve		343,565	343,565
Treasury shares		(4,081)	(4,282)
Revaluation reserve		-	492
Other reserves		30,650	40,462
Unappropriated profit		26,500	6,969
Equity	s	403,384	393,956
Total equity and liabilities		4,071,117	3,922,311

* Includes change in presentation (see note 2.5 of the consolidated financial statements)



Company income statement

(amounts in € 000's)

	Note	2018	2017
INCOME			
Interest income		41,241	36,447
Interest expense		(9,171)	(6,401)
Net interest income	t	32,070	30,046
Fee and commission income		117,770	121,622
Fee and commission expense		(16,470)	(18,591)
Net fee and commission income	u	101,300	103,031
Results from financial instruments	v	7,013	6,150
Credit losses from financial instruments	w	(207)	(92)
Other operating income	x	943	1,092
Total income from operating activities		141,119	140,227
EXPENSES			
Employee expenses	y	48,383	47,893
Depreciation and amortisation	z	5,118	26,506
Other operating expenses	aa	61,880	59,672
Total operating expenses		115,381	134,071
Result from continuing operations		25,738	6,156
Results of associates and group companies		9,842	1,378
Result before tax		35,580	7,534
Income tax expense	ab	(400)	1,437
Net result		35,180	8,971

NOTES TO THE COMPANY FINANCIAL STATEMENTS

a. GENERAL

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 Strozilaan 310, 1083 HN Amsterdam. BinckBank N.V. provides online brokerage services in financial instruments for private and professional investors. In addition to its brokerage services, BinckBank N.V. offers asset management and savings services. Hereafter 'BinckBank' refers to BinckBank N.V. and to its various subsidiaries.

The company financial statements for BinckBank for the period ending on 31 December 2018 have been prepared by the Executive Board and approved for publication pursuant to the resolution of the Executive Board and the Supervisory Board dated 11 March 2019.

Amsterdam,

Executive Board:

V.J.J. Germyns (chairman)

E.J.M. Kooistra (CFRO)

S.J. Clausing (COO)

Supervisory Board:

J.W.T. van der Steen (chairman)

Ms C.J. van der Weerd-Norder (vice-chairman)

Ms J.M.A. Kemna

Ms M. Pijnenborg

J.G. Princen

A. Soederhuizen

b. GENERAL ACCOUNTING PRINCIPLES

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. The option described in Section 362 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 accounting policy relating to associates.

The investments in associates are recognised and measured using the equity method. 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

(amounts in € 000's)

31 December 2018

31 December 2017

c. CASH AND BALANCES AT CENTRAL BANKS

1,096,838

1,003,537

This item comprises:

Cash and balances at central banks

1,097,168

1,003,673

Accrued interest on cash and balances at central banks*

(160)

(136)

Provision for expected credit loss

(170)

-

1,096,838

1,003,537

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

This item includes all cash in ledger 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 and the European Central Bank. For the disclosure of the provision for expected credit loss, we refer to the notes to the consolidated financial statements.

d. BANKS**Due from banks**

134,675

131,610

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:

Balances available on demand

99,891

99,051

Mandatory reserve deposits

34,898

32,559

134,789

131,610

Provision for expected credit loss

(114)

-

134,675

131,610

The balances on demand all have original maturities of less than three months. The interest received on the bank balances available on demand are based on floating rates, derived from market rates. Included in the balance available on demand as at 31 December 2018 no amount is recognised as collateral received related tot securities lending (2017: € 1.0 million). For the disclosure of the provision for expected credit loss, we refer to the notes to the consolidated financial statements.

Due to banks

5,274

2,538

The liabilities all have a maturity of less than 3 months.



(amounts in € 000's)

31 December 2018

31 December 2017

e. LOANS AND RECEIVABLES	1,409,649	1,303,297
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This item comprises receivables from clients, including overnight loans and overdrafts that are collateralised by securities, bank guarantees, and receivables secured by mortgages on immovable property.

The analysis is as follows:

Receivables collateralised by securities	592,531	558,796
Receivables collateralised by bank guarantees	5,292	2,739
Receivables collateralised by residential property	804,621	736,738
Accrued interest on loans and receivables	6,441	5,467
Other loans and receivables*	724	508
	<u>1,409,609</u>	<u>1,304,248</u>
Less: provision for expected credit loss	(2,215)	(671)
	<u>1,407,394</u>	<u>1,303,577</u>
Fair value adjustment hedge accounting	2,255	(280)
	<u>1,409,649</u>	<u>1,303,297</u>

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

The receivables covered by securities and bank guarantees contain collateralised loans. The interest rate on these loans is based on EURIBOR or EONIA, with a floor. The interest rates for the mortgage portfolio range from 1.2% to 6.2%. For the disclosure of the provision for expected credit loss, we refer to the notes to the consolidated financial statements.

f. BONDS AND OTHER FIXED-INCOME SECURITIES	1,033,590	1,139,484
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This item comprises:

Government bonds/government-guaranteed bonds*	260,636	291,709
Other bonds	773,181	847,775
	<u>1,033,817</u>	<u>1,139,484</u>
Provision for expected credit loss	(227)	-
	<u>1,033,590</u>	<u>1,139,484</u>

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

BinckBank holds a portfolio of financial assets valued at amortised cost. This is a portfolio of interest bearing securities with remaining terms until maturity of less than 3.5 years. This balance sheet item is a result of the implementation of IFRS 9. In 2017 part of these financial assets were measured at fair value whilst now these instruments are measured at amortised costs. At year end 2018 the effective yield on the portfolio was 0.52% (2017: 0.56%). For the explanation of the provision for expected credit loss, we refer to the notes to the consolidated financial statements.



(amounts in € 000's)

31 December 2018

31 December 2017

g. EQUITIES AND OTHER NON-FIXED INCOME SECURITIES	13,721	16,613
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h. INVESTMENT IN ASSOCIATES AND GROUP COMPANIES	125	1,721
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This item comprises:

Group companies	125	1,236
Associates	-	485
	<u>125</u>	<u>1,721</u>

Movements during the year were as follows:

Balance as at 1 January	1,721	6,463
Capital increases and acquisitions	-	1,504
Divestments	(1,727)	(2,617)
Dividends received	-	(4,400)
Reclassification due to intragroup transactions	-	1,276
Impairment	-	227
Share of results in associates and group companies	131	(732)
Balance as at 31 December	<u>125</u>	<u>1,721</u>

The divestments relate to the sale of the interests in Think ETF Asset Management B.V. in April 2018 and Able Holding B.V. in October 2017.

The reclassification due to intragroup transactions relates to group transactions in 2013 which were reclassified to other liabilities due to the sale of Able Holding B.V. in 2017.

OVERVIEW OF GROUP COMPANIES

The group companies are listed in the following table.

	Place	Country	Interest year-end 2018	Interest year-end 2017
Bewaarbedrijf BinckBank B.V.	Amsterdam	Netherlands	100%	100%
Think ETF Asset Management B.V.	Amsterdam	Netherlands	0%	60%

Information about the aforementioned capital interests is disclosed in note 13 to the consolidated statement of financial position.

FINANCIAL STATEMENTS

(amounts in € 000's)

31 December 2018

31 December 2017

i. INTANGIBLE ASSETS	157,214	157,950
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The movements in 2018 were as follows:

	Brand name	Customer deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2018	105	-	195	3,785	153,865	157,950
Investments	-	-	-	581	-	581
Disposals – cost	-	-	-	(6,291)	-	(6,291)
Disposals – cumulative amortisation	-	-	-	6,291	-	6,291
Amortisation	(70)	-	(130)	(1,117)	-	(1,317)
Balance as at 31 December 2018	35	-	65	3,249	153,865	157,214
Cumulative cost	350	-	650	4,986	153,865	159,851
Cumulative amortisation and impairment	(315)	-	(585)	(1,737)	-	(2,637)
Balance as at 31 December 2018	35	-	65	3,249	153,865	157,214
Amortisation period (years)	5	10	5 -10	5		

The movements in 2017 were as follows:

	Brand name	Customer deposits	Customer base	Software	Goodwill	Total
Balance as at 1 January 2017	175	8,409	13,431	1,189	144,882	168,086
Investments	-	-	-	3,720	8,983	12,703
Disposals – cost	(31,405)	(84,095)	(131,058)	(3,318)	-	(249,876)
Disposals – cumulative amortisation	31,405	84,095	131,058	3,318	-	249,876
Amortisation	(70)	(8,409)	(13,236)	(1,124)	-	(22,839)
Balance as at 31 December 2017	105	-	195	3,785	153,865	157,950
Cumulative cost	350	-	650	10,696	153,865	165,561
Cumulative amortisation and impairment	(245)	-	(455)	(6,911)	-	(7,611)
Balance as at 31 December 2017	105	-	195	3,785	153,865	157,950
Amortisation period (years)	5	10	5-10	5		



FINANCIAL STATEMENTS

(amounts in € 000's)

31 December 2018

31 December 2017

j. PROPERTY, PLANT AND EQUIPMENT	32,006	33,969
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The movements in 2018 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2018	25,202	2,855	5,877	35	33,969
Investments	-	138	1,653	47	1,838
Disposals – cost	-	(12)	(2,376)	(48)	(2,436)
Disposals – cumulative depreciation	-	12	2,376	48	2,436
Depreciation	(618)	(1,032)	(2,112)	(39)	(3,801)
Balance as at 31 December 2018	24,584	1,961	5,418	43	32,006
Cumulative cost	29,827	10,440	11,797	59	52,123
Cumulative depreciation and impairment	(5,243)	(8,479)	(6,379)	(16)	(20,117)
Balance as at 31 December 2018	24,584	1,961	5,418	43	32,006
Amortisation period (years)	50	5 -10	5	5	

The movements in 2017 were as follows:

	Real estate	Fixtures, fittings and equipment	Computer hardware	Other	Total
Balance as at 1 January 2017	25,821	3,390	5,553	41	34,805
Investments	-	475	2,356	-	2,831
Disposals – cost	-	(103)	(6,995)	-	(7,098)
Disposals – cumulative depreciation	-	103	6,995	-	7,098
Depreciation	(619)	(1,010)	(2,032)	(6)	(3,667)
Balance as at 31 December 2017	25,202	2,855	5,877	35	33,969
Cumulative cost	29,827	10,314	12,520	60	52,721
Cumulative depreciation and impairment	(4,625)	(7,459)	(6,643)	(25)	(18,752)
Balance as at 31 December 2017	25,202	2,855	5,877	35	33,969
Amortisation period (years)	50	5-10	5	5	

The investment in real estate includes prepayments in relation to a leasehold (operating lease) that expires on 15 april 2056. In 2018, an amount of € 256 thousand in relation to amortisation of the leasehold is recognised under depreciation and amortisation (2017 € 256 thousand).



(amounts in € 000's)	31 December 2018	31 December 2017
k. CURRENT TAX		
Current tax assets	16,622	16,725
Current tax liabilities	(12)	(10)
Total assets/(liabilities)	16,610	16,715

The balance as per year end relates to the last three financial years.

l. DEFERRED TAX		
<i>This item comprises:</i>		
Deferred tax assets	468	6,279
Deferred tax liabilities	(29,996)	(36,443)
Total assets/(liabilities)	(29,528)	(30,164)

<i>Origin of deferred tax liabilities:</i>		
Compensating losses	468	2,948
Liquidation-loss associates	-	3,288
Available-for-sale financial assets	-	(164)
Goodwill and intangible assets	(29,705)	(35,976)
Depreciation term differences for fixed assets	(291)	(489)
Temporary differences as a result of intercompany transactions	-	232
Other	-	(3)
Total deferred tax	(29,528)	(30,164)

m. OTHER ASSETS	162,802	95,704
<i>This item comprises:</i>		
Trade receivables	1,013	167
Receivables relating to securities sold, but not yet delivered	121,817	47,362
Derivative financial interests*	24,277	37,311
Cash flows to be settled – mortgage receivables	6,997	5,926
Other receivables	8,698	4,938
	162,802	95,704

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

The trade receivables, receivables relating to securities sold , but not yet delivered and the other receivables have a remaining maturity 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. The derivative financial instruments contain the fair value of the turbos purchased by BinckBank as hedge of the market risk on the issued turbos. The fair value of these derivative financial instruments contains a haircut for the counterparty credit risk exposure.



(amounts in € 000's)

31 December 2018

31 December 2017

n. PREPAYMENTS AND ACCRUED INCOME	13,407	15,422
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This item comprises:

Commission receivable	6,181	7,484
Other prepayments and accrued income	7,226	7,938
	<u>13,407</u>	<u>15,422</u>

The commission receivable comprises the regular commissions as well as performance-related fees. The other prepayments and accrued income item relate primarily to prepaid IT licenses and other service related contracts.

o. FUNDS ENTRUSTED	3,562,200	3,383,507
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This item comprises:

Demand deposits in savings accounts	191,058	219,707
Demand deposits in current accounts	3,370,756	3,163,676
Accrued interest on funds entrusted*	386	124
	<u>3,562,200</u>	<u>3,383,507</u>

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

p. OTHER LIABILITIES	55,084	89,060
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This item comprises:

Derivative financial interests*	26,759	37,055
Equity positions	161	231
Liabilities in respect of securities transactions not yet settled	16,683	39,369
Tax and social security contributions	5,012	3,631
Amounts owed to group companies	124	124
Trade payables	4,216	3,643
Other liabilities	<u>2,129</u>	<u>5,007</u>
	<u>55,084</u>	<u>89,060</u>

* Includes change in presentation (see note 2.5 of the consolidated financial statements)

The derivative financial instruments contain the fair value of the turbos issued by BinckBank, interest rate swaps and other derivatives. 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 number of transactions.

(amounts in € 000's)

31 December 2018

31 December 2017

q. ACCRUALS AND DEFERRED INCOME	11,773	8,663
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This item comprises:

Employee expenses	6,052	5,473
Other accruals and deferred income	5,721	3,190
	<u>11,773</u>	<u>8,663</u>

The employee expenses item includes accruals for holiday allowance, unused holiday leave and performance-related remuneration.

r. PROVISIONS	3,394	8,134
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The movement in the legal provisions was as follows:

Balance as at 1 January	8,134	8,891
Additions through profit and loss	3,836	2,329
Utilised	(7,419)	(2,994)
Unused amounts reversed through profit and loss	(1,157)	(92)
Balance as at 31 December	<u>3,394</u>	<u>8,134</u>

s. EQUITY	403,384	393,956
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Issued share capital	6,750	6,750
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	Number	Amount	Number	Amount
Balance as at 1 January	67,500,000	6,750	71,000,000	7,100
Cancelled treasury shares	-	-	(3,500,000)	(350)
Balance as at 31 December	<u>67,500,000</u>	<u>6,750</u>	<u>67,500,000</u>	<u>6,750</u>

The number of shares in issue is 67,500,000, each with a nominal value of € 0.10. The share capital is fully paid up. Stichting Prioriteit Binck holds 50 priority shares, each with a nominal value of € 0.10.

Share premium reserve	343,565	343,565
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Balance as at 1 January	343,565	361,379
Cancelled treasury shares	-	(17,814)
Balance as at 31 December	<u>343,565</u>	<u>343,565</u>

The share premium is exempt from tax and freely distributable.



(amounts in € 000's)

31 December 2018

31 December 2017

Treasury shares	(4,081)		(4,282)	
	Number	Amount	Number	Amount
Balance as at 1 January	767,419	(4,282)	5,281,525	(29,468)
Issued to Executive Board and employees	(35,935)	201	(56,985)	318
Issued to third parties	-	-	(957,121)	5,340
Cancelled treasury shares	-	-	(3,500,000)	19,528
Balance as at 31 December	731,484	(4,081)	767,419	(4,282)

At the end of 2018, the carrying amounts of the treasury shares was measured at an average purchase price of € 5.58. The movements in the amounts of treasury shares purchased and sold are recognised under equity. At the end of 2018 the quoted share price was € 6.09 (2017: € 4.43).

Revaluation reserve	-	492
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Balance as at 31 December prior year	492	
IFRS 9 transition adjustment	(492)	
Balance as at 1 January	-	1,021
Movement in fair values	-	(645)
Taxation on the movements	-	116
Balance as at 31 December	-	492

This reserve comprises the movement in fair value of the available-for-sale financial assets, net of taxes. This item has been reclassified as a result of the implementation of IFRS 9.

Other reserves	30,650	40,462
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Balance as at 31 December prior year	40,462	
IFRS 9 transition adjustment	(1,440)	
Balance as at 1 January	39,022	53,660
Grant of rights to shares	216	92
Shares granted to Executive Board and employees	(201)	(318)
Shares issued to third parties	-	(806)
Cancelled treasury shares	-	(1,364)
Result for the year	(8,387)	(10,802)
Balance as at 31 December	30,650	40,462

As a result of the introduction of IFRS 9, the opening balance of the retained earnings for 2018 has been adjusted by € 1.4 million. This primarily concerns the initial post tax adjustment for expected credit loss provisions.



FINANCIAL STATEMENTS

(amounts in € 000's)

31 December 2018

31 December 2017

Unappropriated result	26,500	6,969
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Balance as at 1 January	6,969	1,877
Addition to/(reduction from) other reserves	8,387	10,802
Payment of final dividend	(15,356)	(12,679)
Result for the year	35,180	8,971
Payment of interim dividend current year	(8,680)	(2,002)
Balance as at 31 December	26,500	6,969



NOTES TO THE COMPANY

INCOME STATEMENT

(amounts in € 000's)

2018

2017

€. NET INTEREST INCOME

32,070

30,046

This includes all income and expense items relating to the lending and borrowing of money, providing that 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

Bonds and other fixed income securities	4,370	4,783
Loans and receivables	36,751	31,543
Other interest income	120	121
	<u>41,241</u>	<u>36,447</u>

The recognised interest income on loans and receivables in stage 3 of credit risk amounts to € 32 thousand (2017: € 19 thousand).

Interest expense

Interest paid to central banks	4,922	4,022
Interest paid to financial institutions	2,137	1,674
Interest paid on funds entrusted	1,037	503
Interest rate swaps	1,073	155
Other interest expense	2	47
	<u>9,171</u>	<u>6,401</u>

As a result of the continuing low, and even negative, interest rates on balances with credit institutions and the ECB BinckBank is, on balance, paying interest on these assets. Interest paid on funds held by BinckBank due to negative interest rates is recognised under interest expenses.

(amounts in € 000's)

2018

2017

u. NET FEE AND COMMISSION INCOME	101,300	103,031
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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	89,984	94,691
Asset management fees	7,809	10,920
Other fee and commission income	19,977	16,011
	<u>117,770</u>	<u>121,622</u>

The item asset management fees includes a performance fee of € 0.1 million over 2018 (2017: € 1.9 million). Other fee and commission income includes all-in fees and other securities services.

Fee and commission expense		
Costs of securities transactions	13,721	16,056
Asset management fees	829	849
Other fee and commission expenses	1,920	1,686
	<u>16,470</u>	<u>18,591</u>

Other commission expense includes fees for the deposit and withdrawal of securities, transfer fees, other management activities, and custody fees.

v. RESULT FROM FINANCIAL INSTRUMENTS	7,013	6,150
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This item comprises:

Result from hedge accounting	470	73
Result from turbo's	6,543	5,729
Result from other financial instruments	-	348
	<u>7,013</u>	<u>6,150</u>

The result from financial instruments arises from the valuation of the derivatives, hedge accounting and financial instruments at fair value through the income statement. Derivatives are used to hedge market risks on products offered to customers. BinckBank does not have a trading portfolio in which there is active trading in order to achieve results from value movements.



(amounts in € 000's)

2018

2017

Result from fair value hedge accounting

Interest rate swaps	(2,065)	353
Fair value adjustment hedged item	2,535	(280)
	470	73

The result from fair value hedge accounting is a result of the ineffective portion of the hedge accounting relationship.

BinckBank has entered into a cooperation agreement with UBS for the turbos it has issued, whereby the latter bears the market risk. The revenues depend on the financing level of the turbos issued. In the fair value of the turbos a haircut has been applied to the valuation of the turbo products relating to credit risk.

The other results from financial instruments contains the movement in the revaluation of the receivable on DNB in respect of the Deposit Guarantee Scheme – DSB Bank which was settled in 2017.

w. IMPAIRMENT LOSSES FINANCIAL INSTRUMENTS

(207)

(92)

This item consists of the movement in the provision for expected credit loss on financial assets valued at amortised cost, such as receivables from (central) banks, investments, loans and receivables and collection of assets written off in the past.

This item comprises the following:

Change in expected credit loss on:

Cash and balances at central banks	30	-
Due from Banks	(14)	-
Investments at amortised cost	50	-
Loans and receivables	(201)	(96)
Write-offs/recoveries	(72)	4
	(207)	(92)

x. OTHER OPERATING INCOME

943

1,092

This item comprises:

IT services	368	1,326
Other revenues	575	(234)
	943	1,092

This includes fees for subscriptions, courses, currency results, and other income and expense items that cannot be accounted for under other items.

(amounts in € 000's)	2018	2017
y. EMPLOYEE EXPENSES	48,383	47,893

This item comprises:

Salaries	33,891	33,967
Social security contributions	5,870	5,592
Pension contributions	2,357	2,323
Profit sharing and other performance related pay	2,004	1,488
Other employee expenses	4,261	4,523
	<u>48,383</u>	<u>47,893</u>

Details of the remuneration paid to the individual members of the Executive Board and Supervisory Board of BinckBank N.V. is disclosed in the consolidated financial statements.

Number of employees (including members of the board)	2018	2017
Average during the financial year	604	621
of which employed in The Netherlands	497	510
End of the financial year (headcount)	597	623
of which employed in The Netherlands	486	510

(amounts in € 000's)	2018	2017
z. DEPRECIATION AND AMORTISATION	5,118	26,506

This item comprises amortisation and depreciation on:

Intangible assets	1,317	22,839
Property, plant and equipment	3,801	3,667
	<u>5,118</u>	<u>26,506</u>

The decrease in amortisation of intangible assets is mainly due to the intangible assets related to the acquisition of Alex Beleggersbank. These assets have been fully amortised at the end of 2017. As a result, no amortisation charges for these assets are recognised in 2018.



(amounts in € 000's)

	2018	2017
aa. OTHER OPERATING EXPENSES	61,880	59,672

This item comprises the following:

Marketing	14,467	13,981
ICT expenses	10,453	11,047
Audit and professional services	16,780	14,442
Housing	2,034	2,029
Communication and information	7,816	9,619
Costs and contribution to banking supervision	3,606	3,193
Miscellaneous overheads	6,724	5,361
	<u>61,880</u>	<u>59,672</u>

The miscellaneous overheads includes office costs, banking costs, insurance, service expenses on mortgage receivables and movements in provisions.

ab. TAX

Tax	400	(1,437)
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The reconciliation of the effective tax rate with the tax rate applicable to the consolidated financial statements is as follows:

	2018 Amount	2018 Percentage	2017 Amount	2017 Percentage
Standard tax rate	8,895	24,8%	1,884	22,8%
Effect of different tax rates (in other countries)	137	0,4%	66	0,8%
Effect of substantial-holding exemptions	(2,461)	-6,9%	(345)	-4,2%
Effect of tax facilities	-	0,0%	(3,344)	-40,5%
Other effects	(6,171)	-17,2%	302	3,7%
Total tax expense	400	1,1%	(1,437)	-17,4%

ac. NOTES TO FEES OF GROUP AUDITOR

The following fees, including VAT, were charged to the company, its subsidiaries and other consolidated entities in relation to the procedures performed by the external audit firm and its affiliates as referred to in Section 2:382a of the Dutch Civil Code:

(amounts in € 000's)	Deloitte Accountants B.V.	Deloitte other network organisations	Total
2018			
Audit of the financial statements, including the audit of the company financial statements and other statutory audits of subsidiaries and consolidated companies	367	28	395
Other audit services	46	18	64
Fiscal advisory services	-	-	-
Non-audit services	-	-	-
	413	46	459
2017			
Audit of the financial statements, including the audit of the company financial statements and other statutory audits of subsidiaries and consolidated companies	394	42	436
Other audit services	107	18	125
Fiscal advisory services	-	-	-
Non-audit services	-	-	-
	501	60	561

ad. COMMITMENTS AND CONTINGENT LIABILITIES

(amounts in € 000's)	31 December 2018	31 December 2017
<i>Contingent liabilities</i>		
Liabilities in respect of contracts of suretyship and guarantees	106	774
<i>Liabilities in respect of irrevocable facilities</i>		
Unused credit facilities	10,795	18,638

SURETYSHIPS AND GUARANTEES

To meet the needs of its customers, BinckBank offers loan related products, such as contracts of suretyship and guarantees. The underlying value of these products is not recognised as assets or liabilities in the statement of financial position. The above figure represents the maximum potential credit risk for BinckBank related 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.

ALEX BOTTOM-LINE

With the acquisition of Alex Beleggersbank at the end of 2007, BinckBank also acquired the Alex Bottom-Line product, which is an agreement with the Dutch Investors' Association (VEB). If BinckBank terminates this agreement then 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

BinckBank 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 and other contracts that are for periods of less than five years.

The remaining maturity of the outstanding liabilities is as follows:

(amounts in € 000's)	31 December 2018	31 December 2017
Within one year	3,059	4,445
One to five years	2,812	4,425
Longer than five years	946	1,351

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 is of the opinion – 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, other than cases that have already given cause to the formation of a provision.

INTERNATIONAL SERVICES UNDER FOREIGN LAW

BinckBank procures international services from suppliers that may be subject to foreign law, which gives cause to an inherent risk of differences in interpretation. The Executive Board is of the opinion that although the outcome of discussions on any such differences in interpretation that may arise is uncertain, there is no reason at present to assume that this could have material adverse effects on BinckBank's financial position or results.

ALL-CASH PUBLIC OFFER FROM SAXO BANK

On 17 December 2018, BinckBank N.V. and Saxo Bank A/S announced that they had reached conditional agreement on a recommended all-cash public offer of € 6.35 (cum dividend) per issued and outstanding ordinary share and priority share in BinckBank. For the purpose of this agreement, BinckBank hired external consultants. Certain conditions have been laid down in the agreements with Saxo Bank and the external advisers that could have financial consequences for BinckBank in the event of the success or failure of the transaction.

A termination fee has been agreed in the merger protocol with Saxo Bank. If the merger protocol is terminated by Saxo Bank because the management board and/or the Supervisory Board of BinckBank have withdrawn their recommendation of Saxo Bank's bid or have revised them negatively, or if the merger protocol is terminated by BinckBank because a superior competitive bid has been announced or issued, BinckBank will forfeit a termination fee of € 4.3 million to Saxo Bank. If the merger protocol is terminated because the regulatory clearances have not been obtained by 1 April 2020, Saxo Bank will forfeit a termination fee of € 4.3 million to BinckBank.

Contracts with external advisers can contain fees that are conditional on completion of the transaction. In that case BinckBank will have to pay these success fees to its advisers. These fees are based on the total transaction amount and will be material.

If the offer is declared unconditional and after settlement of the transaction, working out the details of the acquisition and the associated integration of processes may lead to the redundancy of BinckBank employees. In the merger protocol with Saxo Bank, agreement has been reached on the principles and starting points of a social plan which still has to be drafted. As of settlement, a social plan will be effective for at least three years, applicable to employees with an employment agreement with BinckBank at the time of announcement who become redundant or are confronted with a fundamental change in function as a result of changes in the organisation that arise from (the preparation of) the integration of the BinckBank organisation into the Saxo Bank group. In addition, insofar as necessary subject to approval by DNB, retention packages can be offered to selected employees to ensure their motivation and commitment and the ongoing continuation of the company after the transaction has been effected. The basic principles of the social plan and the retention package have been coordinated between Saxo Bank, BinckBank and the BinckBank works council. A reliable estimate of the contingent liabilities arising from the above that BinckBank has vis-à-vis the staff cannot be reliably estimated at this time but are expected to have a material impact on the financial results of BinckBank.



ae. POST BALANCE SHEET EVENTS

No events took place after balance sheet date that would result in material adjustments.

af. PROPOSAL FOR PROFIT APPROPRIATION

The offer price of the public offer of Saxo Bank has taken account of dividends (cum-dividend). For that reason, the entire 2018 result, after deduction of the distributed interim dividend, will be added to the reserves. As a result, BinckBank will not pay a final dividend for 2018.

The profit appropriation and the proposed dividend distribution will then be as follows:

(amounts in € 000's)	2018
Profit for 2018	35,180
Less: interim dividend paid	(8,680)
Available for profit allocation	26,500
Less: addition to the other reserves	(26,500)
Proposed dividend	-



OTHER INFORMATION

Independent auditor's report

To: the shareholders and Supervisory Board of BinckBank N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018 INCLUDED IN THE ANNUAL ACCOUNTS

OUR OPINION

We have audited the accompanying financial statements 2018 of BinckBank N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of BinckBank N.V. as at 31 December 2018, and of its result and its cash flows for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of BinckBank N.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2018.
2. The following statements for 2018: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2018.
2. The company profit and loss account for 2018.
3. The notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of BinckBank N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).



We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 1,400,000. The materiality is based on 5% of profit before tax, adjusted for the one-off gain from the sale of Think ETF Asset Management B.V. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 70,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

BinckBank N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of BinckBank N.V.

Our group audit focused on significant group components. We have performed audit procedures ourselves regarding the branches of the group entities. We have also made use of component auditors from the Deloitte network to perform specific audit procedures on the branches of Belgium, France and Italy. With respect to the remaining entities we have performed review or specific audit procedures ourselves.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

GENERAL OBSERVATION

As part of the audit of the financial statements, we have obtained an understanding the internal controls that are relevant for the financial statements 2018 in order to select the audit procedures that are appropriate in these circumstances. The governance, risk & compliance framework enables Binckbank in managing the internal control environment effectively. This framework is maintained by the departments in the first line of defense of BinckBank N.V. and periodically reviewed by the second and third line of defense. The second and third line of defense report on a frequent basis to the Executive Board and the Supervisory Board. We believe that BinckBank's internal control framework meets the required criteria and it allows us to perform a system based audit in an effective manner.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Cut-off and accuracy of interest income and fee and commission income

Key audit matter

BinckBank N.V. has several income sources, as disclosed in note 25 and 26 of the financial statements, of which interest income and fee and commission income are the most significant. Given the relative size of these revenue streams we have identified cut-off and accuracy of interest income and fee and commission income as a key audit matter.

Audit procedures performed

We have tested the design, implementation and operating effectiveness of the (application) controls with respect to the cut-off and accuracy of the interest income and fee and commission income. Furthermore, we have performed a substantive analytical review using data analytics techniques complemented with detailed substantive procedures to test the underlying pricing arrangements. Finally, we have evaluated the internal accounting policies for compliance with EU-IFRS.



- Valuation of goodwill

Key audit matter

Reference is made to disclosure note 14 in the financial statements 2018. BinckBank N.V. has capitalized € 154 million of goodwill. Given the relative size of this balance in combination with the estimation uncertainty we have decided to identify valuation of goodwill as a key audit matter.

Audit procedures performed

We have tested the impairment assessment prepared by the external expert employed by management. As part of our evaluation of this assessment, we have evaluated the fair value and the determination of the book value on reasonableness. The fair value is derived from the intended offer by Saxo Bank on the shares of BinckBank N.V. As part of these testing procedures we have obtained information supporting the assumptions and tested this information, where possible, with the use of external sources. Furthermore, we tested the arithmetic accuracy of the impairment test.

- Reliability and continuity of the automated systems

Key audit matter

Given the activities of BinckBank N.V., the continuity of the operations is highly dependent on the IT-infrastructure as also explained in the Risk management paragraph of the annual accounts. Therefore, reliability and continuity of the automated systems has been a key audit matter during our audit.

Audit procedures performed

We have tested the reliability and continuity of the automated systems relevant for our audit. For this purpose we have made use of IT auditors within our audit team. Our procedures included testing the design, implementation and operating effectiveness of the relevant general IT and application controls.

- Legal disputes and compliance with law and regulation

Key audit matter

Law and regulation with respect to financial institutions is extensive and subject to change. BinckBank N.V. is active in several jurisdictions which all have their specific requirements. Furthermore, BinckBank N.V. is involved in several legal disputes. We have focused on the accounting and disclosures in respect of legal disputes.

Audit procedures performed

We have tested the design, implementation and operating effectiveness of the relevant processes for our audit with respect to the legal and compliance functions. Furthermore, we have performed detailed substantive procedures on the related provisions and have requested confirmations of the involved layers. During these procedures we have made use of local specialists when deemed required. We also considered whether the disclosures in note 21 of the financial statements in respect of this legal exposure is compliant with the relevant accounting requirements. We focused on the adequacy of disclosure of the related risks and assumptions.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of:

- BinckBank at a glance
- Key figures
- About BinckBank
- Report of the Executive Board
- Corporate Governance
- Risk Management
- Management Statement
- Report of the Supervisory Board
- Other information

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

ENGAGEMENT

We were engaged by the Supervisory Board as auditor of BinckBank N.V. on April 22, 2014, as of the audit for the year 2014 and have operated as statutory auditor ever since that financial year.

NO PROHIBITED NON-AUDIT SERVICES

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public interest entities.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 11 March 2019

Deloitte Accountants B.V.

Signed on the original: R.J.M. Maarschalk

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:

J.W.T. van der Steen

Ms C.J. van der Weerd-Norder

V.J.J. Germyns



PROVISIONS OF THE ARTICLES OF ASSOCIATION REGARDING 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 – when and insofar as profits allow – an amount equal to six per cent (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 the provisions of previous paragraph and the previous sentence are 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 Section 105(4) Book 2 of the Dutch 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 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.

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COLOPHON

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BINCK*BANK

14. ARTICLES OF ASSOCIATION

14.1 Articles of Association following Settlement

Definitions

Article 1.

In these articles of association the following terms shall have the meanings assigned to them:

1. company: the company governed by these articles of association;
2. general meeting: the body consisting of the shareholders with voting rights and other persons with voting rights;
3. meeting of shareholders: the meeting of the general meeting and other persons entitled to attend meetings;
4. persons entitled to attend meetings:
 - shareholders with voting rights;
 - shareholders without voting rights;
 - holders of a right of usufruct and holders of a right of pledge with voting rights;
 - other (holders of rights granted by the law to) holders of depositary receipts in respect of shares issued with the cooperation of the company;
5. auditor: an auditor as referred to in article 393 of Book 2 of the Dutch Civil Code, or an organisation in which such accountants work together;
6. annual meeting: the meeting of shareholders, intended for the handling of the annual accounts and the directors' report;
7. annual accounts: the balance sheet and the profit and loss account, with explanatory notes;
8. directors' report: report of the condition of the company as at the last day of the financial year and of the developments of the financial year and the results of the company and its group companies, whose financial data have been included in the annual accounts;
9. subsidiary:
 - a legal entity in which the company or one or more of its subsidiaries, by virtue of an agreement with other persons entitled to vote or otherwise, are able, individually or collectively, to exercise more than half of the voting rights in the meeting of shareholders;
 - a legal entity of which the company or one or more of its subsidiaries are members or shareholders and, by virtue of an agreement with other persons entitled to vote or otherwise, are able, individually or collectively, to appoint or dismiss more than half of the directors or supervisory directors, even if all those entitled to vote do so.

A company operating under its own name in which the company or one or more subsidiaries as partners are fully liable towards the creditors for the debts shall be treated as a subsidiary.

The above applies without prejudice to the provisions of article 24a (3) and (4) of Book 2 of the Dutch Civil Code;

10. group company: a legal entity or company, with which the company is joined in an organisation;
11. Wft: Wet op het financieel toezicht [Dutch Financial Supervision Act];
12. Wge: Wet Giraal effectenverkeer [Securities (Bank Giro Transactions) Act];
13. Eurodear Netherlands: the central institution within the meaning of the Wet Giraal Effectenverkeer, viz. the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. [Dutch Central Securities Depository];
14. affiliated institution: an affiliated institution within the meaning of the Wge;
15. participant: a participant in the collective deposit as referred to in the Wge;
16. collective deposit: collective deposit within the meaning of the Wge;
17. giro depot: giro depot within the meaning of the Wge;
18. intermediary: intermediary within the meaning of the Wge;
19. dependent company: (i) a legal entity to which the company or one or more dependent companies individually or collectively and for their own account provide at least half of the issued capital;
(ii) a company of which an enterprise is registered in the trade register and for which the company or a dependent company as a partner is fully liable for all the debts;
20. enterprise division: the enterprise division of the Amsterdam Court of Appeal.

Name and seat

Article 2.

1. The name of the company is: BinckBank N.V.
2. It has its official seat in Amsterdam.

Object

Article 3.

The object of the company is:

- conducting the banking business;
- managing assets, both for its own account and for that of third parties;
- acting as a trustee and holding other positions involving confidentiality;
- trading in options, securities, futures and commodities and related products, as well as entering into currency transactions, all of these both for its own account and for that of third parties, to the extent necessary as a member of the appropriate, officially or unofficially recognized, stock exchanges in the Netherlands and abroad;
- obtaining accounts payable, whether or not on the due date, and to extend credit or make investments for its own account;
- taking part in, financing, otherwise taking an interest in and conducting the management of other companies and enterprises;
- providing guarantees, providing security or otherwise warrant performance or bind itself jointly and severally or otherwise with regard to obligations of group companies; and
- doing all that is related to the above in the widest sense or may be conducive thereto.

Capital

Article 4.

The company's authorized capital is ten million euros (EUR 10,000,000) and is divided into one hundred million (100,000,000) shares, each having a nominal value of ten euro cents (EUR 0.10).

Issue of shares

Article 5.

1. Shares may be issued only pursuant to a resolution of the general meeting, which shall also contain the price and the further conditions of issue.

The general meeting may transfer its powers as referred to in the previous sentence to another corporate body designated for that purpose for a specific period not exceeding five years.

The designation shall provide how many shares may be issued. The designation may be renewed from time to time for periods not exceeding five years. The designation may not be withdrawn, unless otherwise provided in the resolution in which the designation is made.

Within eight days from a resolution of the general meeting to issue shares or to designate another corporate body, the company shall deposit a full text of such resolution at the office of the trade register. Within eight days from each issue of shares the company shall report such issue to the office of the trade register, stating the number.

This paragraph applies by analogy to the granting of rights to subscribe for shares, but does not apply to the issuing of shares to a person exercising a previously acquired right to subscribe for shares.

2. When shares are issued, each shareholder shall have a pre-emptive right in proportion to the aggregate amount of his shares, subject to the provisions of the law.

Notwithstanding the previous sentence, no pre-emptive right exists in respect of shares issued:

- to employees of the company or of a group company;
- for a contribution other than in cash.

The company shall publish the issue in respect of which a pre-emptive right exists as well as the period within which such right may be exercised in the Staatscourant [Government Gazette] as well as in a newspaper of national circulation.

The pre-emptive right may be exercised for a period of at least two weeks from the date of the publication in the Staatscourant.

The pre-emptive right may be limited or excluded by a resolution of the general meeting.

In the proposal to that effect the reasons for the proposal and the choice for the intended price must be explained in writing.

The pre-emptive right may also be limited or excluded by the corporate body designated in accordance with paragraph 1, if that body has been granted the power to limit or exclude the pre-emptive right by a resolution of the general meeting for a specific period of no more than five years.

The designation may each time be renewed for a period of no more than five years.

Unless provided otherwise upon designation, such designation may not be withdrawn.

A resolution by the general meeting to limit or exclude the pre-emptive right or to propose or withdraw such designation requires a majority of at least two thirds of the votes cast, if less than half of the issued capital is represented in the meeting.

Within eight days from the date of the resolution the company shall deposit the full text of that resolution at the office of the trade register. When rights are granted to subscribe for shares, the shareholders shall have a pre-emptive right; the above provisions of this paragraph shall apply by analogy.

Shareholders have no pre-emptive rights in respect of shares issued to a person exercising a previously acquired right to subscribe for shares.

3. The price at which the shares are issued must not be below par, without prejudice to the provisions of article 80 (2) of Book 2 of the Dutch Civil Code.
4. When shares are subscribed for, at least the nominal amount must be paid in respect thereof, as well as, if the share is subscribed for at a higher amount, the difference between those amounts.
5. Payment has to be effected in cash, to the extent that a contribution other than in cash has not been agreed upon.

Payment in foreign currency is permitted only with the approval of the company.

In that case the payment obligation shall be performed for the amount at which the amount paid may freely be exchanged into euros.

The amount paid is determined by the exchange rate on the date of payment.

Notwithstanding the provisions of the previous sentence, the company may demand payment at the exchange rate on a specific date within a period of two months prior to the last day on which payment has to be effected, provided the shares or the depositary receipts in respect of those shares are included in the official list of an exchange outside the Netherlands immediately after they have been issued.

If payment has been made in foreign currency, the company shall deposit a statement as referred to in article 93a (2) of Book 2 of the Dutch Civil Code at the office of the trade register.

Own shares

Article 6.

1. When shares are issued, the company cannot subscribe for shares in its own capital.
2. Acquisition by the company of partly paid shares in its capital shall be void.
3. The company may acquire fully paid-up shares in its own capital for no consideration only, or if:
 - a. its equity capital, less the acquisition price, is at least equal to the nominal amount of the shares in its capital, plus the reserves that have to be maintained by virtue of the law;
 - b. the nominal amount of the shares in its capital acquired, held or held in pledge by the company, or held by a subsidiary, does not exceed half of the issued capital;
 - c. acquisition by the board of directors has been authorized by the general meeting.The acquisition of bearer shares in breach of the provisions of this paragraph shall be void.
4. For the purpose of article 6 (3) (a) the company's equity shall be that specified in the most recently adopted balance sheet, less the acquisition price for shares in the capital of the company, the amount of the loans as referred to in article 98 (c) (2) of Book 2 of the Dutch

Civil Code and any payments from profits or reserves to others, which have become due by the company and its subsidiaries after the balance sheet date. If a financial year has lapsed for more than six months without the annual accounts having been adopted, acquisition in accordance with paragraph 3 is not permitted.

5. In its authorization the general meeting shall determine how many shares may be acquired, how they may be acquired as well as the minimum and the maximum price of the share.

The authorization shall be valid for a maximum of 18 months.

6. The previous paragraphs do not apply in respect of shares acquired by the company by general title.

The authorization as referred to in article 6 (3) (c) is not required, if the company acquires shares in its own capital that have been included in the official list of an exchange, with a view to transferring these to employees of the company or of a group company by virtue of a scheme applicable to them.

7. The company may accept its own shares as security only with due observance of and within the limits as provided for in article 89a of Book 2 of the Dutch Civil Code.
8. The above provisions apply by analogy to depositary receipts in respect of shares in the capital of the company.

Capital reduction

Article 7.

1. The general meeting of shareholders may decide to reduce the issued capital by withdrawal of shares or by reducing the nominal amount of the shares by way of an amendment to the articles of association.

In such a resolution the shares to which the decision relates must be specified and the implementation of the resolution must have been provided for.

2. A decision to withdraw shares may only relate to shares held by the company or shares of which it holds the depositary receipts.

3. Reducing the nominal amount of the shares without repayment must be effected on a proportional basis in respect of all the shares.

The requirement of proportionality may be waived with the consent of all shareholders concerned.

4. Partial repayment on shares is possible only for the purpose of giving effect to a resolution to reduce the nominal amount of the shares.

A repayment of that kind must be effected in respect of all shares on a proportional basis.

The requirement of proportionality may be waived with the consent of all shareholders concerned.

5. A resolution to reduce the capital requires the prior or simultaneous approval of the general meeting.

6. The notice convening a meeting in which a resolution as referred to in this article is adopted shall state the purpose of the capital reduction and the manner of implementation.

A resolution to reduce the capital requires a majority of at least two thirds of the votes cast, if less than half of the issued capital is represented.

The provision in the previous sentence applies by analogy to a resolution as referred to in paragraph 5.

7. The company is obliged to publish the resolutions referred to in this article in accordance with the provisions of the law.

To the extent not provided otherwise by the law, a resolution to reduce the issued capital shall not enter into force as long as the creditors of the company may lodge an objection.

Shares

Article 8.

The shares are registered shares or bearer shares, at the option of the holder.

The registered shares are numbered in the manner to be determined by the board of directors.

Bearer shares

Article 9.

1. All bearer shares are represented by one global certificate.
2. The company will cause this global certificate to be entrusted to Euroclear Netherlands for the holder(s) concerned.

This global certificate and all the entries required in that respect shall be signed in the manner provided for by these articles of association regarding the representation of the company.

3. The company grants a right in respect of a bearer share to an entitled party as a result of the (a) Euroclear Netherlands enabling the company to credit a share to the global certificate, or cause it to be credited thereto, and (b) the entitled party designating an affiliated institution which accordingly credits that entitled party as a participant in its collective deposit.
4. Without prejudice to the provisions of the first and the second sentence of article 26 (4) of these articles of association, the administration of the global certificate has been irrevocably entrusted to Euroclear Netherlands, who are irrevocably authorized to do all that is necessary on behalf of the entitled party or parties with regard to the relevant shares, including accepting, transferring and assisting in crediting shares to and debiting these from the global certificate.
5. If a participant of the affiliated institution wishes one or more registered shares delivered to him for a number not exceeding that for which he is a participant, (a) Euroclear Netherlands will enable the company to debit the shares from the global certificate, or have them debited therefrom, (b) the affiliated institution concerned will accordingly debit the entitled party as a participant in its collective deposit and (c) the company will enter the holder in the register, or cause him to be entered therein.

The shareholder's request to that effect must be addressed to the company in writing, stating the name of the affiliated institution as referred to in (b). Notwithstanding the provisions of section 50c Wge, delivery of a share from the giro depot may take place only in the cases listed in section 45 (3) or (4) Wge and in accordance with section 45 (1) and (2) Wge, while delivery from the collective deposit is possible only in the cases listed in section 26 (3) and (4) Wge and in accordance with section 26 (1) and (2) Wge.

6. A holder of a registered share may at all times have it converted into a bearer share as a result of (a) Euroclear Netherlands enabling the company to credit a share to the global certificate, or cause it to be credited thereto, and (b) an affiliated institution designated by the entitled party accordingly crediting the entitled party as a participant in its collective

deposit and (c) the company removing the entitled party as a holder of the relevant share from the register, or having him removed therefrom.

The shareholder's request to that effect must be addressed to the company in writing, stating the name of the affiliated institution as referred to in (b).

7. Conversion of bearer shares into registered shares and vice versa is not possible in the period between the registration date as referred to in article 26 (5), or, if applicable, as referred to in article 26 (10), and the date of the meeting of shareholders for which the registration date has been scheduled.

Registered shares

Article 10.

1. No share certificates are issued by the company in respect of registered shares.
2. If one or more registered shares, or a right of usufruct or a right of pledge in respect of one or more shares form part of a community of property (not being a marital community of property), those entitled thereto will be able to exercise their rights only, if, when exercising their rights, they have themselves represented by a person who has been authorized in writing for that purpose by all of them.
3. The board of directors maintains a register where the names and addresses of all the holders of registered shares are entered, stating the number of shares held by them, the date on which they acquired the shares, the date of acknowledgement or service and the amount paid on each share.
4. The shareholders' register also contains the names and addresses of those having a right of usufruct or a right of pledge in respect of shares, stating the date on which they acquired the shares, the date of acknowledgement or service and whether they were granted the right to vote attached to the shares or the rights granted by the law to holders of depositary receipts issued with the cooperation of a company.
5. Each shareholder, holder of a right of usufruct or holder of a right of pledge is obliged to make sure that his address is known to the company.
6. The register is updated on a regular basis.
7. On request the board of directors will provide a shareholder, a holder of a right of usufruct or a holder of a right of pledge for no consideration with an extract from the register in relation to his right to a share.

If a right of usufruct or a right of pledge is established on a share, the extract will state in whom the rights referred to in paragraph 4 of this article.

8. The board of directors will submit the register at the company's office in order to be inspected by the shareholders, as well as by the holders of a right of usufruct and a right of pledge in whom the rights granted by the law to holders of depositary receipts in respect of shares issued with the cooperation of the company, are vested.

The provisions in the previous sentence do not apply to the part of the register which is maintained outside the Netherlands to comply with the legislation in force there or in accordance with stock market regulations.

9. All entries in and copies of or extracts from the shareholders' register shall be signed in accordance with the provisions in these articles of association with regard to representation.

Right of usufruct and right of pledge

Article 11.

1. A right of usufruct may be established on shares.
2. The shareholder has the right to vote in respect of shares on which a right of usufruct has been established.

Notwithstanding the provisions of the previous sentence, the right to vote attached to shares shall be vested in the holder of a right of usufruct, if such has been determined upon the establishment of that right.

3. The shareholder without voting rights and the holder of a right of usufruct with voting rights, shall have the rights granted by the law to holders of depositary receipts in respect of shares issued with the cooperation of the company.

The holder of a right of usufruct without voting rights does not have the rights referred to in the previous sentence.

Article 12.

1. Shares may be pledged.
2. The provisions of article 11 (2) and (3) apply by analogy to the right to vote in respect of pledged shares and to the rights to attend meetings of the holders of a right of pledge.

Transfer of shares and limited rights

Article 13.

1. The transfer of a registered share or the establishment or the transfer of a limited right in respect thereof requires a notarial deed to that effect or, - if article 86c of Book 2 of the Dutch Civil Code applies to the company - a private deed.
2. Except in the case of the company itself being a party to the legal act, the transfer has to be acknowledged by it or served on it.

Board of directors

Article 14.

1. The company has a board of directors.
2. The board of directors is charged with the management of the company, subject to the limitations imposed by these articles of association.
3. The board of directors is authorized to enter into legal acts
 - concerning the subscribing for shares whereby special obligations have been imposed on the company;
 - involving the acquisition of shares on grounds other than those on which the public is provided with the opportunity to take a share in the company; and
 - concerning payment in respect of shares other than in cash.

A board resolution to enter into those legal acts requires the approval of the general meeting.

Article 15.

1. The board of directors is made up of two or more members.

The number of members of the board of directors is determined by the general meeting with due observance of the provisions in the previous sentence. If at any moment fewer members of the board of directors are in office than the number determined by the general meeting, the other members, or the other member, will form a duly authorized board of directors, without prejudice to the obligation to fill the vacancies as soon as possible.

2. Members of the board of directors must meet the integrity and suitability standards as meant in articles 3:8 and 3:9 of the DFSA.
3. Members of the board of directors are appointed by the supervisory board. The supervisory board shall inform the general meeting about the intended appointment of a member of the board of directors. This appointment will not come into effect until the regulator has confirmed that the member of the board meets the integrity and suitability standards as meant in articles 3:8 and 3:9 of the DFSA.
4. A member of the board of directors is appointed or reappointed for a period running from the day of appointment, or reappointment, until the end of the annual general meeting held in the fourth calendar year following the calendar year of the appointment, or reappointment, or until such earlier moment as has been determined upon appointment, or reappointment.
5. The supervisory board is at all times authorized to suspend or dismiss any member of the board of directors.
6. The supervisory board will only dismiss a member of the board of directors after the general meeting has been consulted on the intended dismissal.
7. A suspension may be extended once or several times, but in total shall not exceed a period of three months. The general meeting can terminate the suspension at any time.
8. The company has a policy in the field of the remuneration of the board of directors. The policy is adopted by the general meeting. The remuneration policy shall at least deal with the matters detailed in articles 383c - 383e of Book 2 of the Dutch Civil Code, insofar as they concern the board of directors.
9. The proposal to adopt the remuneration policy shall not be presented to the general meeting until the works council has been provided with the opportunity to determine its position on the matter well in time before the date of convening the meeting as referred to in article 26 of these articles of association. The position of the works council will be presented to the general meeting together with the proposal to adopt the remuneration policy. The chairman, or a member of the works council designated by him, may explain the position of the works council in the general meeting. The absence of such a position shall not affect the decision-making process on the remuneration policy. Article 16 (7) of these articles of association applies by analogy.
10. The remuneration of members of the board of directors is determined by the supervisory board, with due observance of the policy adopted by the general meeting in paragraph 8.
11. With regard to the schemes in the form of shares or subscribing for shares, the supervisory board shall submit a proposal to the general meeting in order to be approved by that body. The proposal shall at least determine the number of shares or rights to subscribe for shares that may be granted to the board of directors and the criteria for granting or altering such number. Absence of the approval of the general meeting shall not affect the power on the part of the supervisory board to represent the company.

Internal organisation of the board of directors.

Article 16.

1. The supervisory board appoints one of the members of the board of directors as chairman of the board of directors, with the approval of the general meeting.

2. The board of directors may adopt further rules concerning its operation and internal organisation, including rules concerning the holding of, the convening of and the decision-making process in or outside, its meetings, as well about the allocation of duties.
The adoption or amendment of such rules requires the prior approval of the general meeting.
3. The board of directors is authorized – without prejudice to its own responsibilities – to appoint officers with such powers and titles as will be determined by the board of directors.
4. The following resolutions of the board of directors require the approval of the supervisory board:
 - a. issuing and acquiring shares in and debt instruments payable by the company or debt instruments payable by a limited partnership or a general partnership of which the company is a fully liable partner;
 - b. cooperating in the issue of depositary receipts in respect of shares;
 - c. applying for permission for the documents referred to in a. and b. to be traded on a regulated market or a multilateral trading facility, as referred to in section 1:1 of the Financial Supervision Act (Wet op het financieel toezicht), or under a system similar to a regulated market or multilateral trading facility from a state not being a member state, or applying for the withdrawal of such admission;
 - d. entering into or terminating the long-term cooperation of the company or a dependent company with another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of a major significance for the company;
 - e. subscribing for a participation representing a value of at least one fourth of the amount of the issued capital plus the reserves according to the company's balance sheet with explanatory notes, by the company itself or by a dependent company in the capital of another company, as well as substantially extending or reducing such participation;
 - f. making investments requiring an amount equal to at least one fourth of the company's issued capital plus the reserves according to its balance sheet with explanatory notes;
 - g. a proposal to amend the articles of association;
 - h. a proposal to dissolve the company;
 - i. applying for bankruptcy and for a suspension of payment;
 - j. terminating the employment contracts of a considerable number of employees of company or of a dependent company at the same time or within a short time-span;
 - k. a drastic change in the working conditions of a significant number of employees of the company or of a dependent company;
 - l. a proposal to reduce the issued capital.

Without prejudice to the provisions elsewhere in these articles of association, all resolutions adopted by the board of directors concerning such legal acts as have been clearly defined by the general meeting and communicated in writing to the board of directors, shall also require the approval of the supervisory board.

Absence of the approval as referred to in this paragraph shall not affect the power on the part of the board of directors or its members to represent the company.

5. Requiring the approval of the general meeting are the resolutions adopted by the board of directors concerning a significant change in the identity or the character of the company or its business, including in any case:
 - a. transferring the enterprise, or practically the entire enterprise, to a third party;
 - b. entering into or terminating the long-term cooperation of the company or a subsidiary with another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance for the company;
 - c. acquiring or disposing of a participation in the capital of a company representing a value of at least one third of the amount of the assets according to the consolidated balance sheet with explanatory notes according to the most recently adopted annual accounts of the company, performed by itself or by a subsidiary.

Absence of the approval of the general meeting regarding a resolution as mentioned above shall not affect the power on the part of the board of directors or its members to represent the company.

6. The request for approval of a resolution as referred to in paragraph 5 shall not be presented to the general meeting until the works council has been provided with the opportunity to determine its position on the matter well in time before the date of convening the meeting as referred to in article 26 of these articles of association. The position of the works council will be presented to the general meeting together with the request for approval. The chairman, or a member of the works council designated by him, may explain the position of the works council in the general meeting. The absence of such a position shall not affect the decision-making process on the request for approval.
7. For the purpose of paragraph 6 works council shall also mean the works council of a subsidiary, provided the employees are employed with the company and the group companies are for the larger part active inside the Netherlands. Where there is more than one works council, their powers shall be exercised jointly by them. If a central works council has been set up for the enterprise or enterprises involved, the powers shall be vested in the central works council.
8. A member of the board of directors shall not take part in the consultations and decision-making, if he has a direct or indirect personal interest in these which is in conflict with the interest of the company and its business. If, as a result hereof, a board resolution may not be adopted, the resolution shall be adopted by the supervisory board.

Absence or inability to act

Article 17.

1. In the event of the absence or inability to act of one or more members of the board of directors, the remaining members or the remaining member of the board of directors will be charged temporarily with the management of the company.
2. In the event of the absence or inability to act of all the members of the board of directors, the management of the company will temporarily be entrusted to one or more persons to be designated by the supervisory board – from its midst or otherwise.

Representation

Article 18.

1. The board of directors represents the company to the extent not provided for otherwise by the law. The power to represent the company shall also be vested in two members of the board of directors acting jointly.

The power to represent the company shall furthermore be vested in a member of the board of directors acting jointly with a holder of a power of attorney, such at all times with due observance of the limitations imposed on the authorization granted to that holder of a power of attorney.

2. The board of directors may appoint holders of a power of attorney, in the service of the company or otherwise, with a general or limited power to represent the company. Each holder of a power of attorney shall represent the company with due observance of the limitations which have been imposed on his/her powers. The board of directors determines the titles of the holders of a power of attorney.

Supervisory board

Article 19.

1. The company has a supervisory board.
2. The supervisory board is charged with the supervision of the management conducted by the board of directors and of the general affairs of the company and its business.

The supervisory board assists and advises the board of directors.

It shall furthermore be charged with all that it has been instructed to do by the law and these articles of association.

In the performance of their duties the supervisory directors shall be guided by the interests of the company and its business, to which end they shall balance the relevant interests of those involved with the company. In so doing, the supervisory board shall also consider the relevant social aspects of business practice in relation to the enterprise.

3. The board of directors shall provide the supervisory board in good time with the information required for the performance of its duties.
4. At least once a year the board of directors shall inform the supervisory board in writing of the main features of the strategic policy, the general and financial risks and the management and control system of the company.
5. The supervisory board may seek advice for the proper performance of its duties at the company's expense.

Article 20.

1. The supervisory board is made up of three or more natural persons. The number of supervisory directors is determined by the general meeting with due observance of the provisions in the previous sentence.

If at any moment fewer members of the supervisory board are in office than the number determined by the general meeting, the other members, or the other member, will form a duly authorized supervisory board, without prejudice to the obligation to fill the vacancies as soon as possible.

2. The supervisory receive a fixed remuneration, which is determined by the general meeting. No shares and/or rights to shares are awarded to supervisory directors by way of remuneration. Any shares in the company owned by a supervisory director shall serve as a long-term investment. The company shall not provide its supervisory directors with any personal loans, guarantees and the like, unless in the normal conduct of business and following the approval of the supervisory board. Any loans shall not be cancelled.

3. The position of supervisory director cannot be held by:
 - a. persons employed by the company;
 - b. persons employed by a dependent company;
 - c. directors and persons employed by an employees' organization that is usually involved in determining the employment conditions of the persons referred to in a. and b.
4. Supervisory directors must meet the integrity and suitability standards as meant in Articles 3:8 and 3:9 of the DFSA.

Article 21.

1. The supervisory board draws up a profile regarding its number and composition, with due regard for the nature of its business, its activities and the required expertise and background of the supervisory directors. The supervisory board shall for the first time discuss the profile in the general meeting and with the works council upon its adoption and thereafter each time it is amended.

The supervisory board must be made up in such a manner as will enable it to properly perform its duties.

The supervisory board shall aim for a mixed composition, inter alia in terms of gender and age.

The members of the supervisory board should be able to operate independently and critically towards each other, towards the board of directors and in respect of a particular interest, regardless of its nature.

2. Subject to the provisions of paragraph 7, the supervisory directors are appointed by the general meeting on the recommendation of the supervisory board. The supervisory board announces the list of candidates simultaneously to the general meeting and to the works council. Reasons shall be stated for the list of candidates. The list of candidates shall not be presented to the general meeting until the works council has been provided with the opportunity to determine its position on the matter well in time before the date of convening the meeting as referred to in article 26 of these articles of association. The chairman, or a member of the works council designated by him, may explain the position of the works council in the general meeting. The absence of such a position shall not affect the decision-making process on the appointment. The appointment of a supervisory director will not come into effect until the regulator has confirmed that the supervisory director meets the integrity and suitability standards as meant in articles 3:8 and 3:9 of the DFSA.
3. The general meeting and the works council may recommend persons to the supervisory board to be nominated as supervisory directors. To that end they shall in time be informed by the supervisory board when, as a result of what and in accordance with which profile a position has to be filled in its midst. If the enhanced powers of recommendation referred to in paragraph 5 apply to the position, this shall also be communicated by the supervisory board.
4. In the event of a recommendation or nomination for the appointment or reappointment of a supervisory director, the information provided about the candidate includes his name, age, profession, the amount represented by the shares held by him in the capital of the company and his present and past positions, to the extent relevant with respect to the performance of his duties as a supervisory director. It shall also be stated with which legal entities he is already connected as a supervisory director; if among these are legal entities

forming part of the same group, mentioning the name of the group will suffice. Reasons shall be stated for the recommendation and the nomination for the appointment or reappointment. In the event of a reappointment, regard shall be had for the way in which the candidate has performed his duties as a supervisory director.

5. As far as one third of the number of members of the supervisory board is concerned, a person recommended by the works council shall be nominated by the supervisory board, unless the supervisory board objects to the recommendation because it expects that the recommend person will be unsuitable to perform the duties of a supervisory director, or because as a result of that person's appointment in accordance with the recommendation the supervisory board will not be properly composed. If the number of members of the supervisory board cannot be divided by three, the next lower number that can be divided by three will be considered for the purpose of determining the number of members to whom these enhanced powers of recommendation apply.
6. If the supervisory board objects to the nomination, it shall inform the works council of its objection, stating reasons. The supervisory board shall without delay enter into consultations with the works council, with a view to reaching agreement on the nomination. If the supervisory board comes to the conclusion that agreement cannot be reached, a representative of the supervisory board designated for that purpose shall request the enterprise division to declare the objection well-founded. The request shall not be filed until four weeks have passed from the start of the consultations with the works council. The supervisory board shall put the recommended person on the list of candidates if the enterprise division declares the objection unfounded. If the enterprise division declares the objection well-founded, a new recommendation may be made by the works council in accordance with paragraph 5.
7. The general meeting may reject the nomination by an absolute majority of the votes that have been cast, representing at least one third of the issued capital. If the shareholders withhold their support from the candidate by an absolute majority of the votes, but this majority did not represent at least one third of the issued capital, a new meeting may be convened, in which the nomination may be rejected by an absolute majority of the votes. In that case the supervisory board shall make a new nomination. Paragraphs 3 - 6 of this article shall apply. If the general meeting does not appoint the nominated person and does not resolve to reject the nomination, the supervisory board shall appoint the nominated person.
8. The general meeting may transfer the powers granted to it in accordance with paragraphs 3 - 9 for a period to be determined by it, each time not exceeding two consecutive years, to a committee of shareholders whose members are appointed by it; in that case the supervisory board shall inform the committee in accordance with paragraph 3. The general meeting is at all times entitled to cancel the transfer.
9. In response to a request to that effect the enterprise division may dismiss a supervisory director for neglect of duties, for other serious reasons or due to a drastic change of circumstances, according to which the company cannot reasonably be expected to keep the supervisory director in office any longer.
The request may be filed by the company, represented for the purpose thereof by the supervisory board, as well as by a representative of the general meeting or of the works council designated for that purpose.
10. A supervisory director may be suspended by the supervisory board. The suspension shall end by operation of law, if the company has not within one month from the date on which

the suspension took effect filed a request for dismissal as referred to in paragraph 9 with the enterprise division.

11. If all supervisory directors are absent other than pursuant to the provisions of paragraphs 12 - 15 of this article, the appointment will be made by the general meeting in the manner set forth in article 159 of Book 2 of the Dutch Civil Code.
12. The general meeting may resolve to pass a motion of no confidence in the supervisory board by an absolute majority of the votes cast, representing at least one third of the issued capital. Reasons shall be stated for the resolution. The resolution may not be adopted with regard to supervisory directors who have been appointed by the enterprise division in accordance with paragraph 14.
13. A resolution as referred to in paragraph 12 shall not be adopted until the board of directors has notified the works council of the proposal for the resolution and the underlying grounds. That notification shall take place at least thirty days before the general meeting is held in which the proposal will be discussed. If the works council adopts a position on the proposal, the board of directors shall inform the supervisory board and the general meeting of this position. The works council may cause its position to be explained in the general meeting.
14. The resolution referred to in paragraph 12 results in the immediate dismissal of the members of the supervisory board. In that case the board of directors shall without delay request the enterprise division to appoint one or more temporary supervisory directors. The enterprise division shall provide for the consequences of the appointment.
15. The supervisory board shall ensure that within a period to be determined by the enterprise division a new supervisory board is composed, with due observance of the provisions of paragraphs 1 - 8 and 16.
16. For the purpose of this article works council means the works council of the enterprise of the company or of the enterprise of a dependent company. If there are multiple works councils, the powers arising from this article shall be exercised by these works councils individually; in the event of a nomination as referred to in paragraph 5, the powers arising from this paragraph shall be exercised by these works councils collectively. If a central works council has been set up for the enterprise or enterprises, the powers of the works council arising from this article shall be vested in the central works council.

Article 22.

1. A member of the supervisory board is appointed or reappointed for a period running from the day of appointment, or reappointment, until the end of the annual general meeting held in the fourth calendar year following the calendar year of the appointment, or reappointment, or until such earlier moment as has been determined upon appointment, or reappointment. The term of office of a supervisory director shall not exceed three four-year periods as referred to in the previous sentence.
2. Retiring supervisory directors may at once be reappointed.

Internal organisation supervisory board

Article 23.

1. The supervisory board shall appoint one of its members as chairman of the supervisory board.

2. The chairman of the supervisory board shall more in particular be charged with holding regular consultations with the board of directors regarding the general progress of the business of the company.

The supervisory board shall at all times have access to all the company's offices and is authorized to inspect all correspondence, records, documents and other data carriers as well as the cash funds and other assets of the company.

3. The allocation of duties among the members of the supervisory board, as well as its operation are laid down in regulations. In those regulations the supervisory board shall include a passage about its interaction with the board of directors, the general meeting of shareholders and, where appropriate, the works council.

The adoption or amendment of such regulations requires the prior approval of the general meeting.

4. A certificate, signed by the chairman of the supervisory board and the secretary of the meeting, stating that a specific resolution has been adopted, shall serve as proof of such resolution vis-a-vis third parties.
5. A supervisory director shall not take part in the consultations and the decision-making, if he has a direct or indirect personal interest in these which is in conflict with the interest of the company and its business. If, as a result hereof, the supervisory board cannot adopt a resolution, the resolution shall nevertheless be adopted by the supervisory board.

General meeting and meetings of shareholders

Article 24.

Vested in the general meeting, within the limitations imposed by the law and these articles of association, shall be all powers that have not been granted to others.

Article 25.

1. The annual meeting is held within six months from the end of each financial year.
2. Among the matters to be discussed in that annual meeting are:
 - the remuneration policy;
 - the provision and dividends policy;
 - the board of directors' report and the auditor's report;
 - the annual accounts, or the adoption of the annual accounts and the allocation of the profits; and
 - granting discharges to the board of directors and the supervisory directors.
3. Without prejudice to the provisions of articles 108a, 110, 111 and 112 of Book 2 of the Dutch Civil Code extraordinary meetings of shareholders shall be held as often as such is deemed necessary by the board of directors, the supervisory board or by a shareholder holding more than fifty percent (50%) of the issued and outstanding capital of the company. Extraordinary meetings of shareholders shall furthermore be held as often as a request to that effect is addressed to the board of directors and/or the supervisory board in writing by those entitled to attend meetings representing at least one tenth of the issued capital, listing in detail the items to be discussed.
4. If those entitled to attend meetings representing at least one tenth of the issued capital have in accordance with the provisions of the previous paragraph requested the board of directors and/or the supervisory board to convene a meeting of shareholders, and if in the subsequent period of thirty days no meeting has been convened, to be held no later than

sixty days from the date of dispatch of that request, those making the request shall themselves be authorized to convene a meeting.

Article 26.

1. Meetings of shareholders are convened by the board of directors, the supervisory board or by a shareholder holding more than fifty percent (50%) of the issued and outstanding capital of the company, not later than on the forty-second day before the date of the meeting.
2. The notice convening the meeting shall mention:
 - a. the items to be discussed;
 - b. the place and time of the meeting of shareholders;
 - c. the procedure for taking part in the meeting of shareholders by written proxy;
 - d. the procedure for taking part in the meeting of shareholders and exercising the right to vote by means of an electronic means of communication, if such right is capable of being exercised in accordance with article 27 (6) of these articles of association, as well as the address of the website of the company, as referred to in section 5:25ka of the Financial Supervision Act;
 - e. the registration date, as well as the way in which those entitled to vote or to attend meetings may have themselves registered and the way in which they can exercise their rights.
3. In order to attend the general meeting and (to the extent entitled to vote) to take part in the votes, holders of registered shares and those inferring their right to attend meetings from registered shares for any other reason, must in advance inform the board of directors of their intention to do so in writing.
4. As far as the right to vote and/or the right to attend meetings is concerned, the company shall, with analogous application of the provisions of articles 88 and 89 of Book 2 of the Dutch Civil Code, regard as entitled to attend meetings the person referred to in a written statement from an intermediary, which mentions that, as at the registration date as referred to in paragraph 5, or, if applicable, as referred to in paragraph 10, (a) the number of bearer shares mentioned in that statement forms part of its collective deposit and (b) the person referred to in the statement is a participant in its collective deposit for the number of bearer shares concerned.

The provisions in the previous sentence apply by analogy to the person having a right of usufruct or a right of pledge in relation to one or more bearer shares.

The notice convening the meeting shall mention the latest date by which the notification must have been made to the board of directors or the statement from the affiliated institution must have been filed respectively.
5. For the purpose of article 117 (1) and (2) and article 117 (a) (1) and (4) of Book 2 of the Dutch Civil Code, the persons to be regarded as entitled to vote or to attend meetings are those who, on the twenty-eighth day before the date of the meeting of shareholders, are entitled to those rights and have been entered as such in a register designated by the board of directors, regardless as to who at the time of the meeting of shareholders are entitled to the shares or the depositary receipts in respect thereof, or are the holders of a right of usufruct or a right of pledge on those shares.
6. An item regarding the discussion of which a written request has been made by one or more persons entitled to attend meetings and who are authorized to do so by virtue of the

provisions of the next paragraph, shall be listed in the notice convening the meeting, or shall be given notice of in the same way, if the company has received the reasoned request not later than on the sixtieth day before the date of the meeting. The board of directors may decide that requests as referred to in article 25 (3) as well as in this paragraph, may be submitted electronically, provided these requests meet the conditions to be imposed by the board of directors in that case, which conditions will be posted on the company's website.

7. A request for an item to be discussed may be made by one or more holders of shares who individually or collectively represent at least one hundredth part of the issued capital or, if the shares have been admitted to trading on a regulated market or a multilateral trading facility as referred to in article 1:1 of the Financial Supervision Act, or under a system similar to a regulated market or multilateral trading facility from a state not being a member state, who represent a value of at least fifty million euros (EUR 50,000,000), or an amount determined by the governmental decree referred to in article 114a of Book 2 of the Dutch Civil Code.
8. For the purpose of this article the holders of depositary receipts in respect of shares issued with the cooperation of the company shall be treated as holders of shares.
9. If the company qualifies as an entity as referred to in section 3A:2 (a) - (e) of the Financial Supervision Act, convening of a meeting of shareholders regarding a resolution to issue must take place, contrary to the provisions of paragraph 1, not later than on tenth day before the date of the meeting, provided the conditions have been fulfilled for the purpose of imposing measures pursuant to section 1:75a of that act, and the issue of shares is required in order to prevent the conditions for liquidation as referred to in section 3A:18 (1) from being fulfilled.
10. If the meeting of shareholders is convened in accordance with paragraph 9, the persons to be regarded as entitled to vote or to attend meetings are, contrary to the provisions of paragraph 5, those who on the second day after the day the meeting has been convened, are entitled to those rights and have been entered as such in a register designated by the board of directors, regardless as to who at the time of the meeting of shareholders are entitled to the shares or the depositary receipts in respect thereof.

Article 27.

1. The meetings of shareholders are held in Amsterdam or in the municipality Haarlemmermeer (Schiphol Airport).
2. Acting as the chairman of the meetings of shareholders is the chairman of the supervisory board and, in his absence, a supervisory appointed by the supervisory board. If no chairman is appointed in the manner set forth above, the meeting shall itself appoint a chairman.
3. The meetings of shareholders may be attended by all those entitled to attend meetings, who have been provided with a statement or who have communicated their intention to attend, all this as referred to in article 26 (3) and (4), as well as the members of the board of directors and the supervisory board.
Where admitting others to the meeting is concerned, the chairman of the meeting shall decide.
4. Those entitled to attend meetings may be represented by a holder of a written proxy. Persons entitled to attend meetings may inform the company of the proxy by electronic means.

5. Minutes shall be kept of the proceedings of the meetings of shareholders by a secretary appointed for that purpose by the chairman of the meeting, which minutes shall be signed by the chairman and the secretary in order to be adopted.
- Contrary to the provisions of the first sentence, the chairman of the meeting and/or the board of directors may decide to have a notarial record drawn up.
- The documents previously mentioned in this paragraph are available at the company's office in order to be inspected by those entitled to attend meetings.
- Each of these will be provided with copies or extracts of those documents at no more than cost price.
- The board of directors may decide that those entitled to attend meetings are authorized, in person or by written proxy, to take part in the general meeting by way of an electronic means of communication, to address the meeting and, if entitled to do so, to exercise the right to vote. The requirement that the proxy is set out in writing is met if it is recorded electronically. If the person entitled to attend meetings takes part in the general meeting by way of an electronic means of communication, it is required that the person concerned may be identified by way of the electronic means of communication, that he has direct access to the proceedings at the meeting and, if entitled to do so, that he can exercise the right to vote. The person entitled to attend meetings must furthermore be able to take part in the consultations by way of the electronic means of communication.
- The board of directors may impose conditions on the use of the electronic means of communication, provided such conditions are reasonable and necessary with regard to identifying the persons entitled to attend meetings and the reliability and the security of the communication. If the board of directors has imposed conditions on the use of the electronic means of communication, those conditions shall be made known in the notice whereby the meeting is convened.
6. The board of directors may decide that votes cast prior to the general meeting by way of an electronic means of communication or by letter, shall be treated as votes cast at the time of the meeting of shareholders. These votes shall be cast within a period to be determined by the board of directors, which period must not commence until the registration date as referred to in article 26 paragraph 5, or, if applicable, as referred to in paragraph 10 of that article. A person entitled to attend meetings who prior to the meeting of shareholders has cast his vote by electronic means, shall remain entitled, by means of written proxy or otherwise, to take part in the general meeting and to address that meeting. Once a vote has been cast, it cannot be revoked.

Article 28.

1. Each share confers the right to cast one vote.
- No vote may be cast at the general meeting of shareholders for a share owned by the company or a company's subsidiary, nor for a share of which either of them holds the depositary receipts. However, holders of a right of usufruct and holders of a right of pledge in respect of shares owned by the company and its subsidiaries are not excluded from the right to vote, if the right of usufruct or the right of pledge was established before the share was owned by the company or its subsidiary.
- The company or its subsidiary cannot cast a vote for a share in respect of which it has a right of usufruct or a right of pledge.
- When determining to what extent the shareholders cast their votes, are present or represented, or the extent to which the share capital is provided or represented, shares of

which the law provides that no votes may be cast in respect thereof shall not be considered.

Members of the board of directors and supervisory directors have an advisory vote in that capacity.

2. Voting shall be in the manner determined by the chairman, including by voice, by ballot, by electronic means or by acclamation.
3. Blank votes shall be regarded as votes not cast.
4. All resolutions shall be adopted by a simple majority of the votes cast, unless a larger majority is prescribed by the law or these articles of association.
5. The chairman's decision pronounced at a meeting on the outcome of a vote will be decisive.

The same applies for the contents of a resolution that has been adopted, insofar as the vote concerned a proposal that had not been set down in writing.

However, if immediately after the decision referred to in the previous paragraph has been pronounced, its correctness is disputed, a second vote will be held, if the majority of the general meeting so desires, or, if the original vote was not a vote by roll call or a vote by ballot, if one person entitled to vote so desires.

As a result of this second vote the legal effects of the original vote shall be cancelled.

6. The company shall for each resolution that has been adopted detail:
 - a. the number of shares in respect of which valid votes have been cast;
 - b. the percentage represented by the number of shares in the issued capital as referred to in a.;
 - c. the total number of valid votes cast;
 - d. the number of votes cast in favour of and against the resolution, as well as the number of abstentions.
7. If depositary receipts in respect of shares have been issued with the cooperation of the company which have been admitted to trading on a regulated market or a multilateral trading facility, as referred to in section 1:1 of the Financial Supervision Act, or under a system similar to a regulated market or multilateral trading facility from a state not being a member state, the holder of the depositary receipts shall at his request be authorized, to the exclusion of the person issuing the authorization, to exercise the voting right attached to the relevant share(s) in a general meeting specified in the proxy. A holder of depositary receipts thus authorized may exercise the voting right as he sees fit. The articles 88 (4) and 89 (4) of Book 2 of the Dutch Civil Code do not apply.
8. The person entitled to vote may limit, exclude or revoke the proxy only if:
 - a. a public offer has been announced or made in respect of shares in the capital of the company or in respect of depositary receipts, or if the legitimate expectation exists that such an offer will be made, without agreement having been reached about the offer with the company;
 - b. a holder of depositary receipts or multiple holders of depositary receipts and shares agree among themselves to cooperate and, together with subsidiaries or otherwise, to provide, or cause to be provided, at least twenty-five per cent (25 %) of the issued capital of the company; or

- c. in the opinion of the person entitled to vote, exercising of the right to vote by a holder of depositary receipts is fundamentally at odds with the interest of company and its business.

The person entitled to vote shall inform the holders of depositary receipts and the other shareholders of his reasoned decision to limit, withdraw or revoke the power of attorney.

- 9. The power to limit, exclude or revoke does not exist, if the person entitled to vote has legal personality and the majority of the votes in the board of directors of the legal entity may be cast by:
 - a. present or former members of the board of directors as well as by present or former supervisory directors of the company or its group companies;
 - b. natural persons employed by the company or its group companies;
 - c. regular advisers of the company or its group companies.
- 10. When a resolution on whether to limit, exclude or revoke the proxy and a resolution regarding the way in which the right to vote is exercised are put to the vote, no votes may be cast by the persons referred to in paragraph 9.

Notices convening meetings and notices

Article 29.

- 1. All notices convening meetings of shareholders are effected by means of an electronically published announcement, which shall remain directly and permanently accessible until the meeting of shareholders.

All other notices from the company are effected by way of an advertisement in at least one national newspaper, without prejudice to the provisions of article 5 paragraph 2 of these articles of association.
- 2. Documents to be inspected by those entitled to attend meetings are deposited at the company's office and at such other locations, including a banking institution in Amsterdam, as will be stated in a notice convening a meeting or a notice.
- 3. Notices that by law or these articles of association have to be addressed to the general meeting may be effected either by including these in the notice convening the meeting, or in the document that has been deposited in the locations referred to in paragraph 2, provided mention is made of this in the notice convening the meeting.
- 4. Not later than on the day on which the meeting of shareholders is convened, the company shall by way of its website provide the following information to its shareholders:
 - a. the notice convening the meeting of shareholders, stating the location, the time, the agenda and the right to attend the meeting;
 - b. to the extent applicable, any documents to be submitted to the general meeting;
 - c. the draft decisions to be submitted to the general meeting, or, no draft decisions are submitted to the general meeting, an explanation provided by the company's board of directors regarding each item to be discussed;
 - d. to the extent applicable, the draft decisions submitted by shareholders regarding the items that have been submitted by them in order to be discussed and that have been put on the agenda of the general meeting;
 - e. to the extent applicable, an authorization form and a form for exercising the right to vote by letter.

Not later than on the day the meeting of shareholders is convened, the company shall inform the shareholders by way of its website of the total number of shares and voting rights on the day of convening. If the total number of shares and voting rights on the registration date as referred to in article 26 paragraph 5, or, if applicable, as referred to in paragraph 10 of that article, has changed, the company shall on the first working day after the registration date also inform the shareholders by way of its website of the total number of shares and voting rights on the registration date. Not later than fifteen days after the date of the meeting of shareholders the company shall in accordance with article 120 (4) or (5) of Book 2 of the Dutch Civil Code publish the results of the votes on its website. The company shall keep the information published on its website in accordance with this article available for at a period of least one year from the date of publication.

Financial year; annual accounts; directors' report; half yearly financial reporting

Article 30.

1. The financial year coincides with the calendar year.
2. Within four months from the end of the financial year the board of directors shall draw up the annual accounts and shall make these available at the company's office in order to be inspected by the shareholders. Within that same period the board of directors shall also make the directors' report available in order to be inspected by the shareholders. If articles 158 -161 and article 164 of Book 2 of the Dutch Civil Code apply to the company, the board of directors shall also send the annual accounts to the works council referred to in article 158 (11) of Book 2 of the Dutch Civil Code.

The annual accounts shall be signed by all the members of the board of directors and by all the supervisory directors.

If one or more signatures are missing, the reason for this shall be stated. Within four months from the end of the financial year the company shall make the annual financial statements as referred to in section 5:25c (2) of the Financial Supervision Act available to all. The annual financial statements shall be kept available for the public for a period of at least five years.

3. In its directors' report the company shall mention compliance with the rules of the code of conduct designated by order in council in article 391 (4) of Book 2 of the Dutch Civil Code.
4. The company shall instruct an external auditor to be appointed by the general meeting to audit the annual accounts and the directors' report drawn up by the board of directors and to report on these to the board of directors and the supervisory board, and to issue an opinion, all this as referred to in article 393 (1) of Book 2 of the Dutch Civil Code. If the general meeting does not perform the above-mentioned appointment, the supervisory board will be authorized to do so, or, should they fail to do so, the board of directors. The external auditor may be questioned about his opinion as referred to in article 395 (5) of Book 2 of the Dutch Civil Code by the general meeting. The external auditor shall to that end attend the meeting concerned and is authorized to address it.
5. Within two months from the first six months of the financial year the board of directors shall draw up the half-yearly financial report, as referred to in section 5:25d (2) of the Financial Supervision Act, after which these shall be made available to all by the company. The half-yearly financial report shall be kept available for the public for a period of at least five years.

6. If the half-yearly financial report has been audited or reviewed by an auditor, the opinion or certificate signed and dated by him shall be made available to all, together with the half-yearly financial report.
7. If the half-yearly financial report has not been audited or reviewed by an auditor, this shall be mentioned by the company in its half-year report.
8. The half-yearly directors' report, which forms part of the half-yearly financial report, shall at least list the main events that have occurred in the course of the first six months of the financial year concerned, as well as the effect of these events on the half-yearly accounts, and a description of the major risks and uncertainties for the remaining six months of the financial year concerned. The half-yearly directors' report shall also contain the main transactions with affiliated parties.

Article 31.

1. The supervisory board draws up a report of its activities in the financial year. The company shall make sure that the annual accounts, the board of directors' report - containing the report of the supervisory directors - and the information to be added under the law as well as the auditor's report are available in order to be inspected by those entitled to attend meetings from the date the annual meeting is convened until after the conclusion of that meeting.

The company shall make copies of the documents referred to in the previous sentence available to those entitled to attend meetings at no charge.

If these documents are amended, the provisions of the previous sentence shall also apply to the amended documents.

2. The annual accounts are adopted by the general meeting. Adoption of the annual accounts shall not discharge a member of the board of directors or a supervisory director from liability. Within five days from the adoption of the annual accounts the company shall send the adopted annual accounts to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten). If the annual accounts have not been adopted within a period of six months from the end of a financial year, the company shall notify the Netherlands Authority for the Financial Markets of this.
3. If a member of the board of directors is discharged from liability for the management conducted in any financial year and a member of the supervisory board is discharged from liability for the supervision conducted in any financial year, such discharge from liability shall be confined to what appears from the annual accounts or has been disclosed to the general meeting, without prejudice to the provisions of the law.

Article 32.

1. Distributions may be made by the company to the shareholders only to the extent that the company's equity capital exceeds the amount of the paid up and called up part of its capital, plus the reserves that have to be maintained by virtue of the law or the articles of association.
2. The profits appearing from the adopted annual accounts shall be at the disposal of the general meeting.
The amount not paid out to the shareholders will be added to the company's reserves.
3. The board of directors is entitled to resolve that an interim distribution may be made by the company, if an interim statement of assets and liabilities as referred to in article 105

(4) of Book 2 of the Dutch Civil Code shows that the requirement of paragraph 1 of this article has been satisfied.

Distributions as referred to in this paragraph may be made payable in cash, in shares in the capital of the company or in marketable rights in respect thereof.

4. The general meeting may resolve, instead of in cash, to make distributions on shares other than interim payments as referred to in paragraph 3 of this article (whether or not at the option of the shareholders) payable, either in whole or in part (whether or not at the option of the shareholders):
 - a. in shares (if so desired and if possible at the expense of the share premium reserve) or marketable rights in respect thereof, or
 - b. in financial assets of, or marketable rights of claim against, the company.

A proposal as referred to in b. shall not be made until after Euronext Amsterdam N.V. has been consulted.

5. No distributions for the benefit of the company shall be made in respect of shares acquired by the company in its capital and in respect of shares of which the company holds depositary receipts.
6. When calculating the appropriation of profits, the shares in respect of which under the provisions of paragraph 5 no distributions for the benefit of the company are made, shall not be counted.
7. If it has been resolved to make distributions, such distributions shall be made payable not later than after fourteen days.

The claim to distributions lapses in favour of the company after five years, to be calculated from the day such distributions were made payable.

Amending the articles of association, Dissolution, Legal Merger and Division

Article 33.

1. The general meeting may resolve to amend the articles of association, resolve to effect a legal merger or a legal division and to dissolve the company, without prejudice to the provisions of Section 2:158 subsection 12 of the Dutch Civil Code.

A resolution of the general meeting as referred to in this paragraph may be adopted only by a majority of two thirds of the valid votes cast.

2. When a proposal as referred to in the previous sentence is made to the general meeting, such shall always be mentioned in the notice convening the meeting concerned.
3. Simultaneously with the notice convening the meeting in which the amendment to the articles of association will be discussed, a copy of the proposal containing a verbatim transcript of the proposed amendment shall be made available for inspection by those entitled to attend meetings, until after the day of the meeting.

Those entitled to attend meetings may obtain a copy of the aforementioned proposal at no charge.

4. The company will consult with Euronext Amsterdam N.V. about the contents of a proposal to amend the articles of association, before the amendment concerned is put before the general meeting.

Article 34.

1. If it is resolved to dissolve the company, winding-up shall be performed by the board of directors, unless the general meeting appoints other liquidators, under the supervision of the supervisory board.
The supervisory board determines the remuneration of the liquidators.
2. During winding-up these articles of association shall as much as possible remain in force.
3. What is left of the company's assets after all its debts have been paid shall be paid out to the shareholders and other entitled persons, in proportion to the each shareholder's right.
4. After the company has ceased to exist, the books, records and other data carriers shall for the period prescribed by the law remain with the party designated for that purpose by the liquidators.

Indemnification

Article 35.

1. To the extent not provided otherwise by the law, the following will be reimbursed to the members of the board of directors, the members of the supervisory board and the former members of those bodies:
 - a. the cost of conducting a defence against claims arising from an act or omission in the performance of their duties or in the context of another position held by them, either now or in the past, at the company's request, in a company in which the company, either directly or indirectly, is the holder of all the shares;
 - b. any damages or penalties they may owe on account of an act or omission as referred to in a. above;
 - c. the cost of appearing in other legal proceedings in which they are involved as members of the board of directors, of the supervisory board or as former members of those bodies, with the exception of the proceedings in which they enforce a claim of their own.
2. A person involved shall not be entitled to compensation as referred to above, if and to the extent that:
 - a. a final and binding decision has been given by the Dutch court that the acts or omissions on the part of the party involved may be characterized as deliberate, consciously reckless or seriously imputable, unless the law provides otherwise or such would by the standards of reasonableness and fairness be unacceptable under the circumstances; or
 - b. he has failed to as soon as practically possible inform the company in writing of the circumstance that may result in the costs or the loss of assets; or
 - c. the costs or the loss of assets of the person involved are covered by insurance, and the insurance company has compensated those costs or the loss of assets.
3. Costs and loss of assets will be reimbursed by the company as soon as invoices or any other document have been received which show the costs incurred or the loss of assets sustained by the person involved. If and to the extent that a final and binding decision has been given by the Dutch court that the person involved is not entitled to the compensation referred to above, he will be under an obligation to repay the amounts reimbursed by the company with immediate effect. The company may demand that adequate security be provided by the person involved with regard to this repayment obligation.
4. The person involved has to observe the instructions provided by the company regarding the manner of conducting a defence and to coordinate this with the company in advance.

The person involved shall not: (i) acknowledge personal liability, (ii) fail to defend the action or (iii) enter into a settlement, without obtaining the prior written permission from the company.

5. Paragraphs 1 - 4 do not affect any of the rights conferred on the person involved by an agreement.
6. The company may take out insurance to cover liability for the benefit of the persons involved.
7. The supervisory board can give further effect to the provisions of this article, by agreement or otherwise, with regard to the members of the board of directors, while the board of directors may do so with regard to the members of the supervisory board, both only with the approval of the general meeting.

14.2 Articles of Association following delisting

ARTICLES OF ASSOCIATION:

CHAPTER 1. DEFINITIONS AND CONSTRUCTION.

Article 1. Definitions and Construction.

- 1.1 In these Articles of Association, the following terms have the following meanings:
- Share** means a share in the capital of the Company.
- Shareholder** means a holder of one or more Shares.
- General Meeting** or **General Meeting of Shareholders** means the body of the Company consisting of the person or persons holding the voting rights attached to Shares, as a Shareholder or otherwise, or (as the case may be) a meeting of such persons (or their representatives) and other persons holding Meeting Rights.
- Works Council** has the meaning referred to in Article 24.3 or Article 25.4, as it appears from the context.
- Managing Director** means a member of the Management Board.
- Management Board** means the management board of the Company.
- Supervisory Director** means a member of the Supervisory Board.
- Supervisory Board** means the supervisory board of the Company.
- Regulator** means the applicable authorised supervisory authority.
- Company** means the company the internal organisation of which is governed by these Articles of Association.
- Meeting Rights** means the right to attend General Meetings of Shareholders and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with Article 9.
- DFSA** means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).
- 1.2 A message **in writing** means a message transmitted by letter, by telecopier, by e-mail or by any other means of electronic communication provided the relevant message or document is legible and reproducible, and the term **written** is to be construed accordingly.
- 1.3 The Management Board, the Supervisory Board and the General Meeting each constitute a distinct body of the Company.
- 1.4 References to **Articles** refer to articles which are part of these Articles of Association, except where expressly indicated otherwise.
- 1.5 Unless the context otherwise requires, words and expressions contained and not otherwise defined in these Articles of Association bear the same meaning as in the Dutch Civil Code. References in these Articles of Association to the law are references to provisions of Dutch law as it reads from time to time.

CHAPTER 2. NAME, OFFICIAL SEAT AND OBJECTS.

Article 2. Name and Official Seat.

- 2.1 The Company's name is:
BinckBank N.V.
- 2.2 The official seat of the Company is in Amsterdam.
- 2.3 The Company is subject to the mitigated large company regime as referred to in Sections 2:152 up to and including 2:161a and Section 2:164 of the Dutch Civil Code and as incorporated in the Articles.

Article 3. Objects.

The objects of the Company are:

- conducting the banking business of a credit institution (*bank*) by taking deposits or other repayable funds from the public and granting credits for its own account;
- conducting the business of an investment firm (*beleggingsonderneming*) by:
 - (a) providing investment services, including (i) the reception and transmission of orders in relation to one or more financial instruments, (ii) the execution of orders on behalf of clients, (iii) portfolio management and (iv) investment advice;
 - (b) dealing on own account; and
 - (c) providing safekeeping and administration services with respect to financial instruments and for the account of clients, including custodianship and related services such as cash/collateral management,

as well as to participate in, to manage and to finance other enterprises and companies, to provide security for the debts of third parties and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

CHAPTER 3. CAPITAL AND SHARES.

Article 4. Authorised Capital.

- 4.1 The authorised capital of the Company is ten million euros (EUR 10,000,000).
- 4.2 The authorised capital of the Company is divided into one hundred million (100,000,000) Shares with a nominal value of ten euro cents (EUR 0.10) each.
- 4.3 All Shares are registered. No share certificates will be issued.

Article 5. Register of Shareholders.

- 5.1 The Management Board must keep a register of Shareholders in which the names and addresses of all Shareholders are recorded. In the register of Shareholders, the names and addresses of all other persons holding Meeting Rights must also be recorded, as well as the names and addresses of all holders of a right of pledge or usufruct in respect of Shares not holding Meeting Rights.
- 5.2 Section 2:85 of the Dutch Civil Code applies to the register of Shareholders.

Article 6. Issuance of Shares.

- 6.1 Shares may be issued pursuant to a resolution of the General Meeting or of another body of the Company designated for that purpose by a resolution of the General Meeting for a fixed period, not exceeding five years. On such designation the number of Shares which may be issued must be specified. The designation may be extended, from time to time, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn.
- 6.2 A resolution to issue Shares must stipulate the issue price and the other conditions of issue.
- 6.3 The provisions of Articles 6.1 and 6.2 apply by analogy to the granting of rights to subscribe for Shares, but do not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.
- 6.4 The issue of a Share furthermore requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the issuance must be parties.
- 6.5 Upon issuance of Shares, each Shareholder will have a right of pre-emption in proportion to the aggregate nominal value of his Shares, subject to the relevant limitations prescribed by law and the provisions of Articles 6.6, 6.7 and 6.8.
- 6.6 Shareholders will have no right of pre-emption on Shares which are issued to employees of the Company or of a group company (*groepsmaatschappij*).
- 6.7 Prior to each single issuance of Shares, the right of pre-emption may be limited or excluded by a resolution of the General Meeting. The right of pre-emption may also be limited or excluded by

the body of the Company designated pursuant to Article 6.1, if, by a resolution of the General Meeting, it was designated and authorised for a fixed period, not exceeding five years, to limit or exclude such right of pre-emption. The designation may be extended, from time to time, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. If less than one-half of the Company's issued capital is represented at the meeting, a majority of at least two-thirds of the votes cast will be required for a resolution of the General Meeting to limit or exclude such right of pre-emption or to make such designation.

- 6.8 Shareholders will have no right of pre-emption in respect of Shares which are issued to a person exercising a right to subscribe for Shares previously granted.
- 6.9 Upon subscription of each Share, the full nominal value thereof must be paid up, and, in addition, if the Share is issued at a higher amount, the difference between such amounts.
- 6.10 The Management Board is authorised to perform legal acts relating to non-cash contributions on Shares and other legal acts mentioned in Section 2:94 of the Dutch Civil Code, without prior approval of the General Meeting.

Article 7. Own Shares; Reduction of the Issued Capital.

- 7.1 The Company and its subsidiaries (*dochtermaatschappijen*) may acquire fully paid-up Shares or depositary receipts thereof, with due observance of the relevant statutory provisions.
- 7.2 The Company and its subsidiaries (*dochtermaatschappijen*) may grant loans with a view to a subscription for or an acquisition of Shares or depositary receipts thereof, with due observance of the relevant statutory provisions.
- 7.3 The Company may not give security, guarantee the price, or in any other way answer to or bind itself either severally or jointly for or on behalf of third parties, with a view to a subscription for or an acquisition of Shares or depositary receipts thereof by others. This prohibition also applies to subsidiaries (*dochtermaatschappijen*).
- 7.4 The prohibition of Article 7.3 will not apply to Shares or depositary receipts thereof subscribed or acquired by or for employees of the Company or of a group company (*groepsmaatschappij*).
- 7.5 In the General Meeting, no voting rights may be exercised for any Share held by the Company or a subsidiary (*dochtermaatschappij*) thereof, nor for any Share for which the Company or a subsidiary (*dochtermaatschappij*) thereof holds the depositary receipts.
- 7.6 The General Meeting may resolve to reduce the Company's issued capital in accordance with the relevant statutory provisions.

Article 8. Transfer of Shares.

- 8.1 The transfer of a Share requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the transfer must be parties.
- 8.2 Unless the Company itself is party to the transfer, the rights attributable to the Share can only be exercised after the Company has acknowledged said transfer or said deed has been served upon it, in accordance with the relevant provisions of the law.

Article 9. Pledging of Shares and Usufruct in Shares; Depositary Receipts.

- 9.1 The provisions of Articles 8.1 and 8.2 apply by analogy to the pledging of Shares.
- 9.2 The voting rights attached to pledged Shares accrue to the Shareholder. However, pursuant to a written agreement between the Shareholder and the pledgee, the voting rights may accrue to the pledgee if such transfer of voting rights has been approved by the General Meeting. The Meeting Rights accrue to the Shareholder, whether holding voting rights or not, and to the pledgee holding voting rights, but will not accrue to the pledgee not holding voting rights.
- 9.3 The provisions of Articles 8.1 and 8.2 apply by analogy to the creation or transfer of a right of usufruct in Shares. The voting rights attached to Shares encumbered by a right of usufruct

accrue to the Shareholder. The Meeting Rights will not accrue to the holder of a right of usufruct.

- 9.4 The Company will not cooperate in the issuance of depositary receipts for Shares and will not grant Meeting Rights to holders of depositary receipts issued for Shares.

CHAPTER 4. THE MANAGEMENT BOARD.

Article 10. Managing Directors.

- 10.1 The Management Board will consist of two or more Managing Directors, their number to be determined by the general meeting. Only individuals can be Managing Directors. If the number of Managing Directors is less than two, the general meeting must take measures forthwith to supplement the number of Managing Directors.
- 10.2 Managing Directors must meet the integrity and suitability standards as meant in Article 3:8 and 3:9 of the DFSA.
- 10.3 Managing Directors are appointed by the General Meeting. This appointment will not come into effect until the Regulator has confirmed that the Managing Director meets the integrity and suitability standards as meant in Article 3:8 and 3:9 of the DFSA.
- 10.4 A Managing Director may be suspended or removed by the General Meeting at any time. A Managing Director may also be suspended by the Supervisory Board. A suspension by the Supervisory Board may be discontinued at any time by the General Meeting.
- 10.5 The Company has a policy on the remuneration of the Management Board. Section 2:135 of the Dutch Civil Code applies to this policy.
- 10.6 The authority to establish remuneration and other conditions of employment for Managing Directors is vested in the General Meeting, with due observance of the policy referred to in Article 10.5. With respect to arrangements in the form of Shares or rights to subscribe for Shares, the Supervisory Board must submit a proposal to the General Meeting for approval. The proposal must as a minimum state the number of Shares or rights to subscribe for Shares that can be granted to the Management Board and the conditions for granting or changing thereof.

Article 11. Duties, Decision-making Process and Allocation of Duties.

- 11.1 The Management Board is entrusted with the management of the Company. In the exercise of their duties, the Managing Directors must be guided by the interests of the Company and the business connected with it.
- 11.2 Managing Directors will perform their duties from the Netherlands.
- 11.3 The Management Board may establish rules regarding its decision-making process and working methods. In this context, the Management Board may also determine the duties for which each Managing Director is particularly responsible. The General Meeting may resolve that such rules and allocation of duties must be put in writing and that such rules and allocation of duties will be subject to its approval.
- 11.4 Management Board resolutions at all times may be adopted in writing, provided the proposal concerned is submitted to all Managing Directors and none of them objects to this manner of adopting resolutions.

Article 12. Representation.

- 12.1 The Company is represented by the Management Board. The power to represent the company shall also be vested in two members of the Management Board acting jointly.
- 12.2 The Management Board may appoint officers with general or limited power to represent the Company. Each officer will be competent to represent the Company, subject to any restrictions imposed on him. The Management Board will determine each officer's title.
- 12.3 Legal acts of the Company vis-à-vis a holder of all of the Shares, or vis-à-vis a participant in a community property of married or registered non-married partners of which all of the Shares

form a part, whereby the Company is represented by such Shareholder or one of the participants, must be put in writing. With regard to the foregoing sentence, Shares held by the Company or its subsidiaries (*dochtermaatschappijen*) will not be taken into account. The aforementioned provisions in this Article 12.3 do not apply to legal acts which, under their agreed terms, form part of the normal course of business of the Company.

Article 13. Approval of Management Board Resolutions.

13.1 Resolutions of the Management Board entailing a significant change in the identity or character of the Company or its business are subject to the approval of the General Meeting, including in any case:

- (a) the transfer of (nearly) the entire business of the Company to a third party;
- (b) entering into or breaking off long-term co-operations of the Company or a subsidiary (*dochtermaatschappij*) with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the Company;
- (c) acquiring or disposing of participating interests in the capital of a company of at least one third of the sum of the assets of the Company as shown on its balance sheet plus explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet plus explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary (*dochtermaatschappij*).

13.2 Without prejudice to any other applicable provisions of the law or these Articles of Association, Management Board resolutions with respect to any one or more of the following matters are subject to the approval of the Supervisory Board:

- (a) issue and acquisition of Shares and debentures at the expense of the Company or of debentures at the expense of a limited partnership or general partnership in respect of which the Company is a partner with full liability;
- (b) cooperation in the issuance of depositary receipts for Shares;
- (c) the application for admission of the securities under (a) and (b) above to trading on a trading venue (*handelsplatform*) as referred to in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or a trading facility system that is comparable with a trading venue from a state that is not a member state, or, as the case may be, the cancellation of such admission;
- (d) entering into or termination of a long term cooperation of the Company or a Dependent Company with another legal entity or company or, as a partner with full liability, in a limited partnership or general partnership if such cooperation or termination is of fundamental importance for the Company;
- (e) participation by the Company or a Dependent Company in the capital of another company if the value of such participation is at least one quarter of the amount of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes, as well as significantly increasing or reducing such participation;
- (f) investments requiring an amount equal to at least one quarter of the issued capital plus reserves of the Company according to its balance sheet and explanatory notes;
- (g) proposal to amend these Articles of Association;
- (h) proposal to dissolve the Company;
- (i) petition for bankruptcy or a request for suspension of payments (*surseance van betaling*);
- (j) termination of the employment of a considerable number of employees of the Company or of a Dependent Company simultaneously or within a short period of time;

- (k) radical change in the employment conditions of a considerable number of the employees of the Company or of a Dependent Company;
 - (l) proposal to reduce the Company's issued capital.
- 13.3 The General Meeting may require Management Board resolutions to be subject to its approval or to be subject to approval of the Supervisory Board. The Management Board is to be notified in writing of such resolutions, which is to be clearly specified.
- 13.4 The absence of approval by the General Meeting of a resolution as referred to in Article 13.1, or of the General Meeting or Supervisory Board of a resolution as referred to in Article 13.3 will not affect the authority of the Management Board or the Managing Directors to represent the Company.

Article 14. Conflicts of Interest.

- 14.1 A Managing Director having a conflict of interests as referred to in Article 14.2 or an interest which may have the appearance of such a conflict of interests (both a **(potential) conflict of interests**) must declare the nature and extent of that interest to the other Managing Directors and the Supervisory Board.
- 14.2 A Managing Director may not participate in deliberating or decision-making within the Management Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it.
- 14.3 A conflict of interests as referred to in Article 14.2 only exists if in the situation at hand the Managing Director must be deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity. If a transaction is proposed in which apart from the Company also an affiliate of the Company has an interest, then the mere fact that a Managing Director holds any office or other function with the affiliate concerned or another affiliate, whether or not it is remunerated, does not mean that a conflict of interests as referred to in Article 14.2 exists.
- 14.4 The Managing Director who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as a Managing Director who is unable to perform his duties (*belet*).
- 14.5 A (potential) conflict of interests does not affect the authority concerning representation of the Company set forth in Article 12.1. The Supervisory Board may determine that, in addition, one or more persons will be authorised pursuant to this Article 14.5 to represent the Company in matters in which a (potential) conflict of interests exists between the Company and one or more Managing Directors.

Article 15. Vacancy or Inability to Act.

- 15.1 If a seat on the Management Board is vacant (*ontstentenis*) or a Managing Director is unable to perform his duties (*belet*), the remaining Managing Directors or Managing Director will be temporarily entrusted with the management of the Company, notwithstanding the obligation of the General Meeting to take measures forthwith to supplement the number of Managing Directors to at least two.
- 15.2 If all seats on the Management Board are vacant or all Managing Directors or the sole Managing Director, as the case may be, are unable to perform their duties, the management of the Company will be temporarily entrusted to the Supervisory Board, with the authority to temporarily entrust the management of the Company to one or more Supervisory Directors and/or one or more other persons.
- 15.3 When determining to which extent Managing Directors are present or represented, consent to a manner of adopting resolutions, or vote, no account will be taken of vacant board seats and Managing Directors who are unable to perform their duties.

CHAPTER 5. THE SUPERVISORY BOARD.

Article 16. Supervisory Directors.

- 16.1 The Company will have a Supervisory Board consisting of at least three Supervisory Directors. The number of Supervisory Directors is determined by the General Meeting with due observance of this minimum. If the number of Supervisory Directors is less than three, the Supervisory Board must take measures forthwith to supplement the number of Supervisory Directors.
- 16.2 Only individuals may be Supervisory Directors.
- 16.3 The Supervisory Board will adopt a profile on its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board will discuss the profile in the General Meeting of Shareholders and with the Works Council, for the first time at the occasion of adoption and subsequently at each amendment thereof.
- 16.4 Supervisory Directors cannot be:
- (a) persons in the service of the Company;
 - (b) persons in the service of a Dependent Company;
 - (c) officials or persons in the service of a trade union which is usually involved in determining the terms of employment of the persons referred to under (a) and (b) above.
- 16.5 Supervisory Directors must meet the integrity and suitability standards as meant in Articles 3:8 and 3:9 of the DFSA.
- 16.6 The General Meeting may award a remuneration to the Supervisory Directors.

Article 17. Appointment of Supervisory Directors.

- 17.1 Notwithstanding the provision of Article 17.5, Supervisory Directors are appointed by the General Meeting on a nomination of the Supervisory Board. The Supervisory Board must simultaneously inform the General Meeting and the Works Council of the nomination. The nomination will state the reasons on which it is based.
- 17.2 The General Meeting and the Works Council may recommend candidates to the Supervisory Board to be nominated as Supervisory Director. The Supervisory Board must inform them in time, when and why and in accordance with what profile a vacancy has to be filled in its midst. If the special right of recommendation referred to in Article 17.4 applies, the Supervisory Board will announce that as well.
- 17.3 A nomination or a recommendation as referred to in this Article 17 must state the candidate's age, his profession, the number of the Shares he holds and the positions he holds or has held, in so far as these are relevant for the performance of the duties of a Supervisory Director. Furthermore, the names of the legal entities of which he is already a Supervisory Director must be indicated; if those include legal entities which belong to a group, reference of that group will be sufficient. The recommendation and the nomination for appointment or re-appointment must be accounted for by giving reasons for it. In case of re-appointment, the performance in the past period of the candidate as a Supervisory Director will be taken into account.
- 17.4 With regard to one third of the total number of Supervisory Directors, the Supervisory Board will put a person recommended by the Works Council on the nomination, unless the Supervisory Board objects to the recommendation; taken into account Section 2:158 subsections 6 and 7 of the Dutch Civil Code.
- 17.5 The General Meeting can reject the nomination by an absolute majority of the votes cast, representing at least one third of the issued capital. If the General Meeting resolves by an absolute majority of the votes cast to reject the nomination but this majority does not represent at least one third of the issued capital, a new meeting can be convened where the nomination can

be rejected by an absolute majority of the votes cast. The Supervisory Board will then prepare a new nomination. Articles 17.2 through 17.4 apply. If the General Meeting does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated. The appointment of Supervisory Directors will not come into effect until the Regulator has confirmed that the Managing Director meets the integrity and suitability standards as meant in Article 3:8 and 3:9 of the DFSA.

- 17.6 The making of a recommendation as referred to in Article 17.2 as well as the resolution to appoint or object, can be discussed in one and the same General Meeting of Shareholders. The notice of that meeting therefor states the vacancy and the opportunity for the General Meeting to make a recommendation and, for the situation in which no recommendation is made by the General Meeting, the name of the person nominated by the Supervisory Board. If the General Meeting does not make a recommendation, the person nominated can be appointed by the General Meeting.
- 17.7 If all seats on the Supervisory Board are vacant, other than pursuant to Article 18.5, the appointment will be made by the General Meeting in accordance with Section 2:159 Dutch Civil Code.

Article 18. Retirement, suspension and removal.

- 18.1 A Supervisory Director must retire not later than the day on which the first General Meeting of Shareholders is held after four years have elapsed since his appointment.
- 18.2 The Supervisory Directors will retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. Any alteration to the rotation plan cannot require a Supervisory Director to resign against his will before the term of his appointment has lapsed.
- 18.3 A Supervisory Director can be suspended by the Supervisory Board; the suspension will lapse by law, if the Company has not submitted a petition as referred to in Article 18.4 to the Commercial Division within one month after commencement of the suspension. The general meeting can terminate the suspension at any time.
- 18.4 The Commercial Division of the Amsterdam Court of Appeal may upon a request to that effect remove a Supervisory Director for neglecting his duties, for other important reasons or for a fundamental change of circumstances on the basis of which in all reasonableness the Company cannot be required to keep him on as a Supervisory Director. Section 2:161 subsection 2 of the Dutch Civil Code is applicable to such request.
- 18.5 The General Meeting can, by an absolute majority of the votes cast, representing at least one third of the issued capital, resolve to abandon its trust (*het vertrouwen opzeggen*) in the entire Supervisory Board. Section 2:161a of the Dutch Civil Code is applicable to such abandon of trust.

Article 19. Duties and Powers.

- 19.1 It is the duty of the Supervisory Board to supervise the management of the Management Board and the general course of affairs of the Company and the business connected with it. The Supervisory Board will assist the Management Board by giving advice. In the exercise of their duties, the Supervisory Directors must be guided by the interests of the Company and the business connected with it.
- 19.2 The Management Board must supply the Supervisory Board in due time with the information required for the exercise of its duties.
- 19.3 At least once a year, the Management Board must provide the Supervisory Board with a written outline of the strategic policy, the general and financial risks and the Company's management and control system.
- 19.4 The Supervisory Board may request assistance from experts. The costs of such assistance will be

for the account of the Company.

- 19.5 The Supervisory Board may decide that one or more Supervisory Directors and/or experts have access to the office and the other buildings and premises of the Company and that such persons are authorised to inspect the books and records of the Company.
- 19.6 The Supervisory Board may establish rules regarding its decision-making process and working methods, in addition to the relevant provisions of these Articles of Association. The General Meeting may resolve that such rules must be put in writing and that such rules will be subject to its approval.

Article 20. Chairperson and Secretary.

- 20.1 The General Meeting may appoint one of the Supervisory Directors as chairperson of the Supervisory Board. If the General Meeting has not appointed a chairperson, the Supervisory Board will appoint a chairperson itself from among its members. The Supervisory Board may also appoint a deputy chairperson from among its members, who must take over the duties and powers of the chairperson in the latter's absence.
- 20.2 The Supervisory Board will also appoint a secretary of the Supervisory Board, from among its members or not, and make arrangements for his substitution in case of absence.
- 20.3 The foregoing provisions of this Article 20 need not be complied with if only one Supervisory Director is in office.

Article 21. Meetings.

- 21.1 The Supervisory Board meets whenever a Supervisory Director or the Management Board deems necessary.
- 21.2 A Supervisory Director may be represented at a meeting by another Supervisory Director authorised in writing.
- 21.3 The meetings of the Supervisory Board are presided over by its chairperson or his deputy. In their absence, the chairperson of the meeting is appointed by a majority of the votes cast by the Supervisory Directors present at the meeting.
- 21.4 The chairperson of the meeting appoints a secretary for the meeting.
- 21.5 The secretary of a meeting of the Supervisory Board must keep minutes of the proceedings at the meeting. The minutes must be adopted by the Supervisory Board, in the same meeting or the next. Evidencing their adoption, the minutes must be signed by the chairperson and the secretary of the meeting in which the minutes are adopted.
- 21.6 The Supervisory Board meets with the Management Board as often as the Supervisory Board or the Management Board deems necessary.

Article 22. Decision-making Process.

- 22.1 When making Supervisory Board resolutions, each Supervisory Director may cast one vote.
- 22.2 All resolutions of the Supervisory Board will be adopted by a majority of the votes cast.
- 22.3 At a meeting, the Supervisory Board may only pass valid resolutions if the majority of the Supervisory Directors are present or represented.
- 22.4 Supervisory Board resolutions may also be adopted in a manner other than at a meeting, in writing or otherwise, provided the proposal concerned is submitted to all Supervisory Directors and none of them objects to the relevant manner of adopting resolutions. A report must be prepared by the secretary of the Supervisory Board on a resolution adopted other than at a meeting which is not adopted in writing, and such report must be signed by the chairperson and the secretary of the Supervisory Board. Adoption of resolutions in writing is effected by written statements from all Supervisory Directors.
- 22.5 A Supervisory Director may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal

interests that conflicts with the interests of the Company and the business connected with it. The Supervisory Director who in connection with a (potential) conflict of interests does not exercise the duties and powers otherwise accruing to him as a Supervisory Director, will as such be regarded as a Supervisory Director who is unable to perform his duties within the meaning of Article 23.

Article 23. Vacancy or Inability to Act.

- 23.1 If a seat on the Supervisory Board is vacant or a Supervisory Director is unable to perform his duties, the remaining Supervisory Directors or Supervisory Director will be temporarily entrusted with the duties and powers of the Supervisory Board, notwithstanding the obligation of the General Meeting to take measures forthwith to supplement the number of Supervisory Directors to at least three.
- 23.2 If all seats on the Supervisory Board are vacant or all Supervisory Directors are unable to perform their duties, the General Meeting will determine to what extent and in which manner the duties and powers of the Supervisory Board are to be taken over temporarily.
- 23.3 The provision of Article 15.3 applies by analogy.

CHAPTER 6. THE WORKS COUNCIL.

Article 24. Position adopted and Right to Explain.

- 24.1 The following proposals and nomination will not be put to the General Meeting of Shareholders unless the Works Council has been given the opportunity to, timely prior to such general meeting, adopt a certain position:
- (a) a proposal to adopt or amend the remuneration policy as referred to in Article 10.5;
 - (b) a proposal to approve a resolution as referred to Article 13.1; and
 - (c) a nomination for appointment of a Supervisory Director as referred to in Article 17.1.
- 24.2 The Chairman or a member of the Works Council designated thereto by him, may explain the position of the Works Council as referred to in Article 24.1 at the General Meeting of Shareholders. The absence of such position does not affect the decision-making regarding the proposal.
- 24.3 For the purposes of Articles 24.1(a) and 24.1(b) **Works Council** also means the works council of the business of a subsidiary, if the majority of the employees of the Company and its subsidiaries are employed within the Netherlands. If there is more than one works council, the powers of these works councils will be exercised jointly. If a central works council has been instituted for the business or businesses involved, the powers of these works councils will accrue to such central works council. The powers of the works council referred to in Article 24.1 apply insofar as and to the extent prescribed by Sections 2:107a, 2:135 and 2:158 subsection 4 of the Dutch Civil Code.

Article 25. Works Council and Large Company Regime.

- 25.1 Notice of the meeting convoked as referred to in Article 17.6 may not be given unless it is certain:
- (a) that the Works Council has either made a recommendation as referred to in Article 17.2 or - if applicable - Article 17.4, or has given notice that it does not wish to do so, or that a reasonable period of time, to be determined by the Supervisory Board, has lapsed in which to make a recommendation; and
 - (b) if the Works Council has made a recommendation as referred to in Article 17.4, the Supervisory Board nominated the person recommended.
- 25.2 After preparation of the annual accounts, the Management Board must send these to the Works Council.

- 25.3 An amendment of the Articles of Association following which, in accordance with Section 2:158 subsection 12 of the Dutch Civil Code, the Articles of Association deviate from the statutory provisions regarding appointment of Supervisory Directors, is subject to approval of the Works Council.
- 25.4 In relation to Articles 17, 24.1(c), 25.2 and 25.3 **Works Council** means the works council of the Company's business or of the business of a dependent company. If there is more than one works council, the powers of the works council under these Articles of Association will be exercised by such works councils severally; however where it concerns a recommendation as referred to in Article 17.4, the powers of the works councils will be exercised by the works councils jointly. If a central works council has been instituted for the business or businesses involved, the powers of the works council under these Articles of Association will accrue to such central works council.

CHAPTER 7. ANNUAL ACCOUNTS AND DISTRIBUTIONS.

Article 26. Financial Year and Annual Accounts.

- 26.1 The Company's financial year is the calendar year.
- 26.2 Annually, not later than five months after the end of the financial year, save where this period is extended by the General Meeting by not more than five months by reason of special circumstances, the Management Board must prepare annual accounts, and must deposit the same for inspection by the Shareholders and other persons holding Meeting Rights at the Company's office.
- 26.3 Within the same period, the Management Board must also deposit the report of the Management Board for inspection by the Shareholders and other persons Meeting Rights, unless the Company is not obliged thereto pursuant to Section 2:396 or Section 2:403 of the Dutch Civil Code.
- 26.4 The annual accounts must be signed by the Managing Directors and the Supervisory Directors. If the signature of one or more of them is missing, this must be stated and reasons for this omission must be given.
- 26.5 Annually, the Supervisory Board will prepare a report, which will be enclosed with the annual accounts and the report of the Management Board. The provisions of Article 26.3 apply by analogy.
- 26.6 The Company may, and if the law so requires must, appoint an accountant to audit the annual accounts. Such appointment must be made by the General Meeting.
- 26.7 The annual accounts must be submitted to the General Meeting for adoption.
- 26.8 At the General Meeting of Shareholders at which it is resolved to adopt the annual accounts, it will be separately proposed that the Managing Directors on the one hand and the Supervisory Directors on the other be released from liability for their respective duties, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts.

Article 27. Profits and Distributions.

- 27.1 The authority to decide over the allocation of profits determined by the adoption of the annual accounts and to make distributions is vested in the General Meeting, with due observance of the limitations prescribed by law.
- 27.2 Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity and, if it concerns an interim distribution, the compliance with this requirement is evidenced by an interim statement of assets and liabilities as referred to in Section 2:105, subsection 4, of the Dutch Civil Code. The Company must deposit the statement of assets and liabilities at the office of the Commercial Register within eight days after the day

on which the resolution to make the distribution is published.

- 27.3 The authority of the General Meeting to make distributions applies to both distributions at the expense of non-appropriated profits and distributions at the expense of any reserves, and to both distributions on the occasion of the adoption of the annual accounts and interim distributions.
- 27.4 A resolution to make a distribution will not be effective until approved by the Management Board. The Management Board may only refuse to grant such approval if it knows or reasonably should foresee that after the distribution the Company would not be able to continue to pay its debts as they fall due.

CHAPTER 8. GENERAL MEETING OF SHAREHOLDERS.

Article 28. General Meetings of Shareholders.

- 28.1 The annual General Meeting of Shareholders must be held within six months after the end of the financial year.
- 28.2 Other General Meetings of Shareholders will be held as often as the Management Board, the Supervisory Board or a shareholder holding more than fifty percent (50%) of the issued and outstanding capital of the Company deems necessary.
- 28.3 Shareholders and/or other persons holding Meeting Rights representing in the aggregate at least one-tenth of the Company's issued capital may request the Management Board and the Supervisory Board in writing to convene a General Meeting of Shareholders, stating specifically the business to be discussed. If the Management Board or the Supervisory Board has not given proper and timely notice of a General Meeting of Shareholders such that the meeting can be held within six weeks after receipt of the request, the applicants will be authorised to convene a meeting themselves.
- 28.4 Within three months of it becoming apparent to the Management Board that the equity of the Company has decreased to an amount equal to or lower than half of the paid-up part of the capital, a General Meeting of Shareholders will be held to discuss any requisite measures.
- 28.5 If the Company has instituted a works council pursuant to statutory provisions, then:
- (a) a proposal to appoint, suspend or remove a Managing Director or a Supervisory Director;
 - (b) a proposal to determine or modify the remuneration policy referred to in Article 10.5; or
 - (c) a proposal to approve a resolution as referred to in Article 13.1,
- will not be submitted to the General Meeting until the works council has been given the opportunity to take a position with respect thereto, timely prior to the date notice of the relevant General Meeting of Shareholders is given. The chairperson of the works council, or a member of the works council appointed by him, will be given the opportunity to explain the position of the works council in the General Meeting of Shareholders. The absence of a position of the works council will not affect the validity of the resolution-making in the General Meeting.
- 28.6 For the purpose of Article 28.5, the term **Works Council** is deemed to also include the works council of the business of a subsidiary (*dochtermaatschappij*), provided the majority of the employees of the Company and its subsidiaries (*dochtermaatschappijen*) are employed within the Netherlands. If there is more than one works council, these councils must exercise their powers jointly. If a central works council has been instituted for the business or businesses involved, the powers of the works council accrue to this central works council. The powers of the works council referred to in Article 28.5 only apply if and insofar as prescribed by Sections 2:107a, 2:134a, 2:135 and 2:144a of the Dutch Civil Code.

Article 29. Notice, Agenda and Venue of Meetings.

- 29.1 Notice of General Meetings of Shareholders will be given by the Management Board, the Supervisory Board or a shareholder holding more than fifty percent (50%) of the issued and

outstanding capital of the Company, without prejudice to the provisions of Article 28.3.

- 29.2 Notice of the meeting must be given no later than on the fifteenth day prior to the day of the meeting, without prejudice to the provision of Article 33.4. The notice is given in accordance with Article 36.1.
- 29.3 The notice convening the meeting must specify the business to be discussed. Other business not specified in such notice may be announced at a later date, with due observance of the term referred to in Article 28.2.
- 29.4 Items for which a written request has been submitted by one or more Shareholders and/or other persons holding Meeting Rights, alone or jointly representing at least three per cent of the issued capital, must be included in the notice or announced in the same manner, provided that the Company received the request or proposed resolutions, including the reasons for if, no later than on the sixtieth day before the date of the meeting can be given.
- 29.5 General Meetings of Shareholders are held in the municipality in which, according to these Articles of Association, the Company has its official seat or in the municipality Haarlemmermeer (Schiphol Airport). General Meetings of Shareholders may also be held elsewhere, in which case valid resolutions of the General Meeting may only be adopted if all of the Company's issued capital is represented.

Article 30. Admittance and Rights at Meetings.

- 30.1 Each Shareholder, and any other person holding Meeting Rights, is entitled to attend the General Meetings of Shareholders, to address the meeting and, to the extent this right has accrued to him, to exercise his voting rights. They may be represented in a meeting by a proxy authorised in writing.
- 30.2 The Meeting Rights and voting rights may be exercised using any appropriate means of electronic communication, if that possibility is expressly provided for in the notice of the meeting or accepted by the chairperson of the meeting. The means of electronic communication used must be such that the persons holding Meeting Rights or their representatives can be identified through it to the satisfaction of the chairperson of the meeting. The notice of the meeting may contain further details and the chairperson of the meeting may give further requirements with respect to the permitted means of electronic communication and its use.
- 30.3 The chairperson of the meeting may determine that each person with voting rights present at a meeting must sign the attendance list. The chairperson of the meeting may also decide that the attendance list must be signed by other persons present at the meeting as well.
- 30.4 The Managing Directors and the Supervisory Directors have the right to give advice in the General Meetings of Shareholders.
- 30.5 The chairperson of the meeting decides on the admittance of other persons to the meeting, without prejudice to the provisions of Article 28.5.

Article 31. Chairperson and Secretary of the Meeting.

- 31.1 The General Meetings of Shareholders are presided over by the chairperson of the Supervisory Board. In his absence, the Supervisory Directors present at the meeting will appoint a chairperson for the meeting from among their midst. The Supervisory Board may appoint a different chairperson for a General Meeting of Shareholders.
- 31.2 If the chairpersonship of a meeting is not provided in accordance with Article 31.1, the chairperson of the meeting will be appointed by a majority of the votes cast by the persons with voting rights present at the meeting.
- 31.3 The chairperson of the meeting must appoint a secretary for the meeting.

Article 32. Minutes; Recording of Shareholders' Resolutions.

- 32.1 The secretary of a General Meeting of Shareholders must keep minutes of the proceedings at the

meeting. The minutes must be adopted by the chairperson and the secretary of the meeting and as evidence thereof must be signed by them.

- 32.2 The Management Board must keep a record of all resolutions adopted by the General Meeting. If the Management Board is not represented at a meeting, the chairperson of the meeting must ensure that the Management Board is provided with a transcript of the resolutions adopted, as soon as possible after the meeting. The records must be deposited at the Company's office for inspection by the Shareholders. On application, each of them must be provided with a copy of or an extract from the records.

Article 33. Adoption of Resolutions in a Meeting.

- 33.1 Each Share confers the right to cast one vote.
- 33.2 To the extent that the law or these Articles of Association do not provide otherwise, all resolutions of the General Meeting will be adopted by a simple majority of the votes cast, without a quorum being required.
- 33.3 If there is a tie in voting, the proposal will thus be rejected.
- 33.4 If the formalities for convening and holding of General Meetings of Shareholders, as prescribed by law or these Articles of Association, have not been complied with, valid resolutions of the General Meeting may only be adopted in a meeting, if in such meeting all of the Company's issued capital is represented and such resolution is carried by unanimous vote.
- 33.5 When determining how many votes are cast by Shareholders, how many Shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of Shares for which no vote can be cast pursuant to the law.

Article 34. Voting.

- 34.1 All voting must take place orally. The chairperson is, however, entitled to decide that votes be cast by a secret ballot. If it concerns the holding of a vote on persons, anyone present at the meeting with voting rights may demand a vote by a secret ballot. Votes by secret ballot must be cast by means of secret, unsigned ballot papers.
- 34.2 Blank and invalid votes will not be counted as votes.
- 34.3 Resolutions may be adopted by acclamation if none of the persons with voting rights present at the meeting objects.
- 34.4 The chairperson's decision at the meeting on the result of a vote will be final and conclusive. The same applies to the contents of an adopted resolution if a vote is taken on an unwritten proposal. However, if the correctness of such decision is challenged immediately after it is pronounced, a new vote must be taken if either the majority of the persons with voting rights present at the meeting or, where the original vote was not taken by roll call or in writing, any person with voting rights present at the meeting, so demands. The legal consequences of the original vote will be made null and void by the new vote.

Article 35. Adoption of Resolutions without holding Meetings.

- 35.1 Shareholders may adopt resolutions of the General Meeting in writing without holding a meeting, provided they are adopted by the unanimous vote of all Shareholders entitled to vote. The provisions of Articles 28.5 and 30.4 apply by analogy. Adoption of resolutions outside of meetings is not permissible if any person other than Shareholders holds Meeting Rights.
- 35.2 Each Shareholder with voting rights must ensure that the Management Board is informed of the resolutions thus adopted as soon as possible in writing. The Management Board must keep a record of the resolutions adopted and it must add such records to those referred to in Article 32.2.

Article 36. Notices and Announcements.

- 36.1 The notice of a General Meeting must be in writing and sent to the addresses of the Shareholders and all the other persons holding Meeting Rights as shown in the register of Shareholders. However, if a Shareholder or another person holding Meeting Rights has provided the Company with another address for the purpose of receiving such notice, the notice may alternatively be sent to such other address.
- 36.2 The provisions of Article 36.1 apply by analogy to notifications which pursuant to the law or these Articles of Association must be made to the General Meeting, as well as to other announcements, notices and notifications to Shareholders and other persons holding Meeting Rights.

CHAPTER 9. INDEMNIFICATION

Article 37. Indemnification; Limitation of Liability.

- 37.1 To the extent permissible by law, the Company will indemnify and hold harmless each member of the Management Board and of the Supervisory Board, both former members and members currently in office (each of them, for the purpose of this Article 37.1 only, an **Indemnified Person**), against any and all liabilities, claims, judgments, fines and penalties (**Claims**) incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a **Legal Action**), of or initiated by any party other than the Company itself or a group company (*groepsmaatschappij*) thereof, in relation to any acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company (*groepsmaatschappij*) thereof against the Indemnified Person and (recourse) Claims by the Company itself or a group company (*groepsmaatschappij*) thereof for payments of Claims by third parties if the Indemnified Person will be held personally liable therefore.
- 37.2 The Indemnified Person will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Indemnified Person has been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).
- 37.3 The Company will provide for and bear the cost of adequate insurance covering Claims against sitting and former Managing Directors and sitting and former Supervisory Directors (**D&O insurance**), unless such insurance cannot be obtained at reasonable terms.
- 37.4 Any expenses (including reasonable attorneys' fees and litigation costs) (collectively, **Expenses**) incurred by the Indemnified Person in connection with any Legal Action will be settled or reimbursed by the Company, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such Expenses if a competent court in an irrevocable judgment has determined that he is not entitled to be indemnified. Expenses will be deemed to include any tax liability which the Indemnified Person may be subject to as a result of his indemnification.
- 37.5 Also in case of a Legal Action against the Indemnified Person by the Company itself or its group companies (*groepsmaatschappijen*), the Company will settle or reimburse to the Indemnified Person his reasonable attorneys' fees and litigation costs, but only upon receipt of a written undertaking by that Indemnified Person that he will repay such fees and costs if a competent court in an irrevocable judgment has resolved the Legal Action in favour of the Company or the relevant group company (*groepsmaatschappij*) rather than the Indemnified Person.
- 37.6 The Indemnified Person may not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the Company's prior written authorisation. The Company and the Indemnified Person will use all reasonable endeavours to cooperate with a

view to agreeing on the defence of any Claims, but in the event that the Company and the Indemnified Person fail to reach such agreement, the Indemnified Person will comply with all directions given by the Company in its sole discretion, in order to be entitled to the indemnity contemplated by this Article 37.6.

37.7 The indemnity contemplated by this Article 37.7 does not apply to the extent Claims and Expenses are reimbursed by insurers.

37.8 This Article 37.8 can be amended without the consent of the Indemnified Persons as such. However, the provisions set forth herein nevertheless continues to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Indemnified Person during the periods in which this Article was in effect.

CHAPTER 10. AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION.

Article 38. Amendment of the Articles of Association.

The General Meeting may resolve to amend these Articles of Association. When a proposal to amend these Articles of Association is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, must be deposited and kept available at the Company's office for inspection by the Shareholders and other persons holding Meeting Rights, until the conclusion of the meeting.

Article 39. Dissolution and Liquidation.

39.1 The Company may be dissolved pursuant to a resolution to that effect by the General Meeting. When a proposal to dissolve the Company is to be made to the General Meeting, this must be stated in the notice convening the General Meeting.

39.2 If the Company is dissolved pursuant to a resolution of the General Meeting, the Managing Directors become the liquidators of the dissolved Company's property, unless the General Meeting resolves to appoint one or more other persons as liquidator.

39.3 During liquidation, the provisions of these Articles of Association remain in force to the extent possible.

39.4 The balance remaining after payment of the debts of the dissolved Company must be transferred to the Shareholders in proportion to the aggregate nominal value of the Shares held by each.

39.5 In addition, the liquidation is subject to the relevant provisions of Book 2, Title 1, of the Dutch Civil Code.

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15. ADVISERS

15.1 Advisers to Saxo Bank

Financial adviser

J.P. Morgan Securities plc

Legal adviser

Allen & Overy LLP

15.2 Advisers to BinckBank

Financial advisers

Lazard B.V.

Legal adviser

NautaDutilh N.V.

15.3 Advisers to the Supervisory Board

Financial advisers

N.M. Rothschild & Sons Ltd.

Legal adviser

Clifford Chance LLP